



# TEXAS

WIDE OPEN FOR BUSINESS

A large Texas state flag is shown waving in the wind, filling most of the frame. The flag's colors are slightly muted and tinted with the overall orange-red color of the background. The background is a dramatic sunset or sunrise sky, with a bright orange glow near the horizon and darker, more muted tones above. The horizon line is dark and silhouetted, suggesting a landscape or a distant shore. The overall mood is one of optimism and forward-looking vision.

*“The future is Texas.”*

*– The Economist, December 19, 2002*

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In days gone by, signs posting "G.T.T." or "Gone To Texas" were displayed in windows of closed up shops all across America advertising the flurry of migration to a vast land of opportunity. Today, that tradition continues as people look to the Lone Star State to pursue their dreams.

Texas is at the forefront of emerging markets and industries. It's no longer just about cotton, cattle and crude – it's about technology and communications, manufacturing and international trade, too.

One of my top priorities is job creation and economic development – the only sure path to future prosperity. Texas is now taking the most aggressive approach in the nation to attract new jobs, industries and opportunities.

We recently put hundreds of millions of dollars into a new enterprise fund to attract businesses. We passed the most comprehensive tort reforms in the nation to stop runaway verdicts, provide incentives for parties to settle outside the courtroom and put an end to frivolous lawsuits. And Texas offers a competitive business edge with its proximity to strategic markets in Latin America, excellent infrastructure, low taxes, great schools, a skilled workforce and favorable business climate.

To better understand the benefits of doing business in Texas, take a glimpse through the rest of this publication. You will find we have a lot to offer – outstanding schools, an entrepreneurial climate, and vibrant cities and towns ideal for families and the pursuit of the American Dream.

Texas. It's wide open for business.

*Rick Perry*

Rick Perry  
Governor of Texas

# A SUPERIOR PLACE TO DO BUSINESS



Photo by Leslie Sparlock

**T**exas has a business climate that is second to none. If Texas were its own nation it would represent the world's eighth largest economy. Texas recently surpassed California as the largest exporter in the nation. And it is the gateway to trade with Latin America, with 75 percent of America's commerce with Mexico traveling through the Lone Star State.

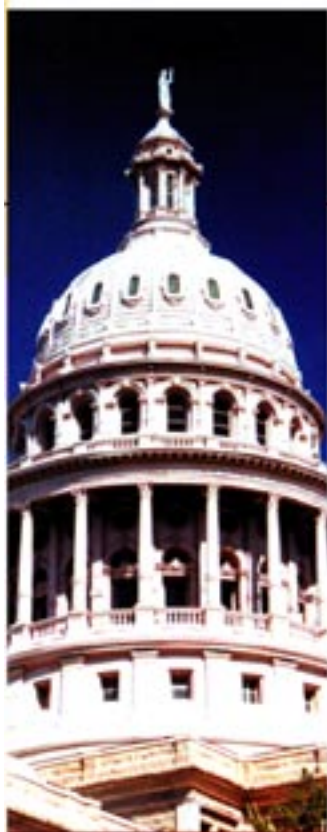
Texas is the headquarters for 45 Fortune 500 Companies, is home to 14 of the 100 Fastest Growing Businesses in America (Fortune Small Business Magazine), and has maintained healthy bond ratings despite tough economic times across America.

## **DON'T LIKE HIGH TAXES? COME TO TEXAS!**

Texas has one of the lowest tax burdens in the country. We do not have a personal income tax, and our Constitution requires a vote of the people in order to pass one.

### **Look at the tax advantages you can discover in Texas:**

- An overall tax burden that is 32 percent less than the national average.
- No state tax on machinery and equipment utilized in manufacturing.
- No state tax on property used for pollution control.
- No state tax on goods in transit.
- No tax on electricity used in processing, fabricating and manufacturing.
- And did we mention no personal income tax?



### JOB INVESTMENT FUNDS AND INCENTIVES

Legislators created a \$295 million Texas Enterprise Fund to attract new jobs and employers to Texas. Texas offers many other incentives on a state and local level:

- Local property tax abatements
- Enterprise Zone incentives
- Targeted research and development tax credits
- Franchise tax economic development credits
- Job training funds

Texas will be competitive with any state in its efforts to attract, retain and grow business opportunities. In Texas, state and local leaders work together to design economic development packages carefully tailored to meet the needs of both the company and the community – combining property tax abatements, state tax exemptions, low interest loans and other incentives to make Texas an attractive place to do business.

*“Passing a personal income tax is the smartest thing we have never done.”*  
–Governor Rick Perry

Texas has now centralized its economic development efforts, placing its economic development office under the control of the governor’s office. CEOs now deal directly with the governor and the governor’s staff in negotiating future prospects.

### POWER TO SPARE

Texas also has its own power grid and excess capacity of 35 percent during peak hours in 2002. Since 1995, 55 generation projects have been completed totaling 21,865 megawatts, with another 28 in the planning stages or under construction.

### HISTORIC TORT REFORM

In 2003, Governor Rick Perry and legislators made Texas the model for comprehensive tort reforms.

*“Texas’s omnibus (tort reform) bill stands out for its sheer scope.”*  
–Wall Street Journal,  
June 6, 2003

Texas’s reforms include:

- New constitutional authority to limit non-economic damages in civil cases.
- Reforms to encourage settlement outside the courtroom.
- New product liability protections, including a 15-year statute of limitation.
- Punitive damage reforms.
- New protections to ensure proportionate responsibility for damages.
- Class action certification reforms: If clients receive coupons then so do the trial lawyers!



*“Texas Vultures, a.k.a. tort lawyers, have met their match in Governor Rick Perry.”*  
–Steve Forbes,  
Forbes Magazine  
September 1, 2003

# A HIGH-POWERED WORKFORCE



Photo courtesy of Texas Instruments

**T**exas has the second largest civilian workforce in the nation with 10.8 million workers, and it continues to grow in a Texas-sized way. In the past 10 years, the state has added 2.2 million new jobs. Texas also boasts the nation's third largest pool of graduate scientists and second largest pool of graduate engineers.

## THE JOBS KEEP COMING

As the Texas economy has greatly diversified, our workforce has kept pace. Recent job announcements in a variety of fields confirm that Texas has the labor pool – and the business climate – that businesses need:

- Toyota is building a sixth North American plant in San Antonio, creating 2,000 new jobs.
- Samsung and Texas Instruments are planning to build new semiconductor wafer fabrication facilities in Texas, adding more than 1,000 jobs.
- Hewlett-Packard is moving 475 jobs from another state to Houston.
- Merkafon, InfoNXX, T Mobile and EchoStar are opening customer service centers across South Texas, adding more than 4,000 jobs.

## TEXAS SCHOOLS ARE MAKING THE GRADE

Consider the following achievements in public education:

- In 2002, 85 percent of students between the third and eighth grades passed all aspects of the required end-of-the-year assessment – a dramatic increase from a passing rate of 56 percent in 1994.
- Texas' system of student testing is among the best in the nation.

*(source: Princeton Review)*



- Texas fourth graders are in the top 10 among their peers nationally on reading and math assessments.

*(source: National Assessment of Educational Progress)*

- Texas has increased spending on public education and higher education by \$9 billion since 1999.
- More than 350 public schools have been honored as Blue Ribbon Schools by the U.S. Department of Education.

#### IMPORTANT FACTS ABOUT HIGHER EDUCATION

- Texas now has more than 1 million students enrolled in institutions of higher learning, and Texas colleges and universities award more than 100,000 degrees each year.
- Texas has 35 public universities, 37 private colleges and universities, 50 public community college districts, eight medical schools or health science centers and four technical college campuses.
- More than \$1.8 billion was spent on research and development at Texas

public universities in 2001, and \$264 million was spent on engineering research alone.

- In 1999, Texas started a need-based college scholarship program known as the TEXAS Grant program – a \$330 million effort to broaden the pool of college-bound students.
- Texas produces almost 12 percent of all engineering graduates each year.



*"Rick Perry...likes to run the state's top office as if it were an economic development foundation charged with the care and coddling of entrepreneurs."*  
– Clay Robison,  
*Houston Chronicle*

# RELIABLE TRANSPORTATION ROUTES



**T**exas supports a state-of-the-art transportation and telecommunications network that facilitates the movement of people, goods and information.

- Texas has 26 points of entry, providing direct access to the markets of Mexico and Latin America.
- Texas' temperate climate means fewer transport delays due to severe weather.
- Six Texas locations (Houston, Dallas, Fort Worth/Arlington, El Paso, Laredo and San Antonio) are among the "Top Metros in Transportation and Distribution."

*(source: Expansion Management Magazine)*

## **AIR**

- Texas has 27 airports in 24 major cities with 1,800 landing sites throughout the state.
- Dallas/Fort Worth International Airport is the fourth busiest airport in the nation, serving more than 52 million passengers in 2002. George Bush Intercontinental Airport in Houston served 34 million passengers in 2002.
- Fort Worth Alliance Airport is the first airport to be built strictly to serve the intermodal distribution needs of business.
- Three major airlines – Continental, Southwest Airlines and American Airlines – are based in Texas.

## **RAIL**

- Forty-five railroads operate on almost 12,000 miles of track to carry more than 300 million tons of freight a year.





- Texas has access to Mexico's industrial north with five gateways into Mexico by rail.

### HIGHWAYS

- Texas has 300,000 miles of public roads – more than any other state.
- The new Trans Texas Corridor will revolutionize mobility in Texas. It is largely financed by the private-public partnerships that allow accelerated building through innovative financing.



Photo by Sam Pierson

### WATER

- Texas has 13 deep-water ports with channels at least 30 feet deep, and 29 seaports line the Gulf Coast.
- The Port of Houston ranks first in the nation in foreign waterborne commerce, and ranks second in the nation and sixth in the world in total tonnage.



Photo by David Bray

*"Texas offers us the infrastructure support and resources we need to run our business."*

*–Jim Wiseman,  
Vice-President,  
Toyota Motor  
Manufacturing of Texas*

# ABUNDANT RESOURCES



**W**ith more than 267,000 square miles of land, Texas is a state abundant in natural resources and energy. Whether it is harnessing the energy of the wind that blows across our western plains or pumping the oil that flows from our rich soil, Texas is meeting the state's energy needs with resources to spare.

## ENERGY

- Texas is the largest oil and gas producing state in the nation, with more than 356,000 oil and gas wells.
- Texas is ranked first among states for its potential to develop clean, renewable energy resources.  
*(Source: Renewable Energy Resources for Texas)*
- In 2001, Texas added more wind power capacity than all other states combined. Texas is scheduled to be generating 1,771 megawatts of wind energy power by the end of 2003.
- Compared to many large states, Texas' regulatory system is less cumbersome and more predictable. Texas is well poised to continue meeting its energy and water needs in large part because it has avoided unnecessary bureaucratic mandates.

Texas is aggressively pursuing a major desalination project to ensure an abundant supply of water for future generations. And Texans have long valued private property rights – only 3 percent of state lands are publicly owned.

## LOCATION, LOCATION, LOCATION

Texas' tremendous market potential:

- Texas shares a 1,250-mile border with Mexico, and 75 percent of America's exports to Mexico go through Texas.



- In 2002, Texas replaced California as the top exporter in the nation.
- Texas exports totaled more than \$95.4 billion in 2002, an increase from 2001. In contrast, total exports for the United States declined 5.2 percent.
- Texas' central location provides timely access to national and international markets by air, rail, road and water.



#### REAL ESTATE

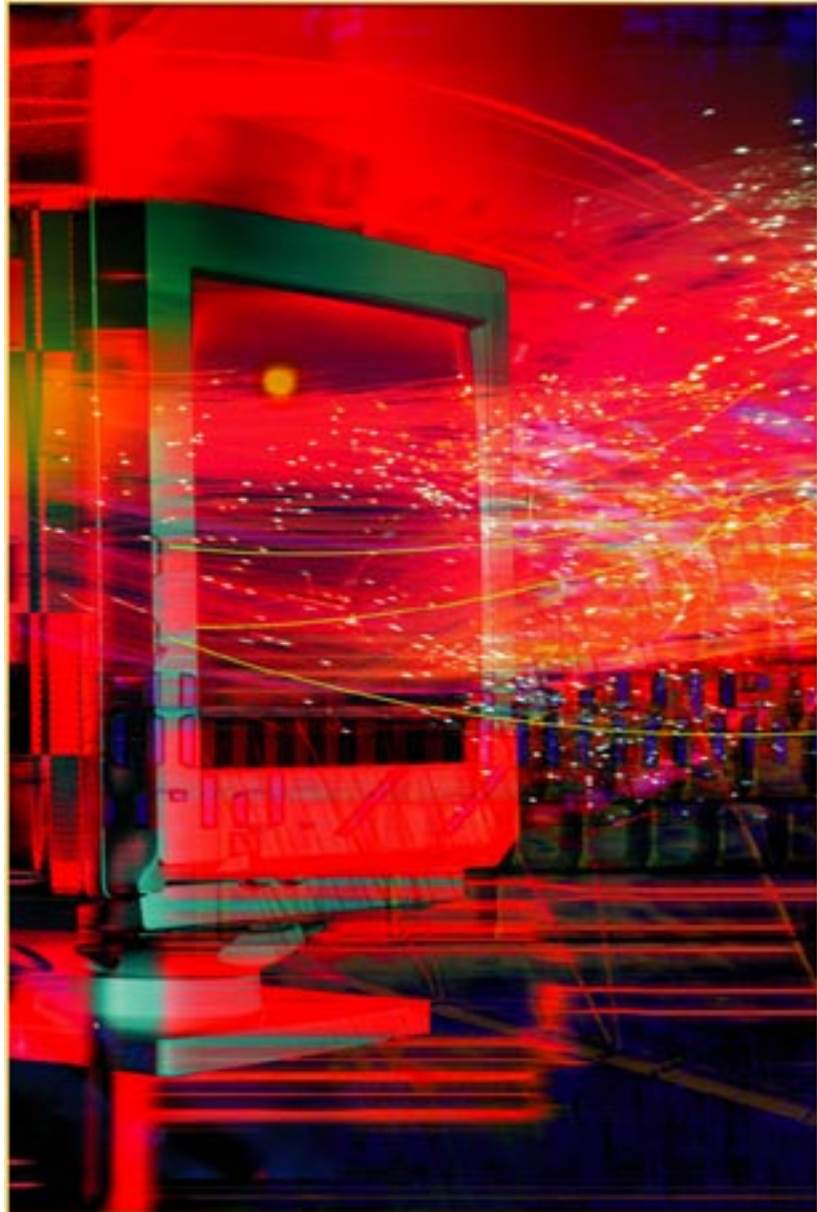
- Texas ranks as the top state for the Hottest Real Estate Markets with five cities on the list. El Paso was singled out as a favorite location for manufacturing firms.  
*(Expansion Magazine, August 2003)*

Rank	Metro Area
3	Austin
10	Dallas/Fort Worth
13	El Paso
18	Houston
36	San Antonio



*"The state's wide open spaces and light regulations have made it a business magnet."  
-The Economist*

# DIVERSE ECONOMIC BASE



**F**rom the Ruby Red Grapefruit to the silicon chip, Texas innovations make life sweeter for the entire world. Texas has expanded its list of lucrative industries beyond the riches of cattle, cotton and oil to include the technology, research, medical, bio-medical, aerospace and aviation sectors, to name just a few.

Texas ranks fourth in the nation in venture capital investments and boasts of 1.6 million small businesses.

## HIGH-TECH

- Texas Instruments, EDS and Dell are anchored in Texas.
- The University of Texas at Dallas recently announced a \$300 million expansion to greatly enhance math, engineering and computer science programs. In conjunction with nearby Texas Instruments and other technology companies, the university will increase the pool of trained technical workers in North Texas.
- The state devotes \$60 million each biennium to the Advanced Research Program and the Advanced Technology Program.
- San Antonio's Southwest Research Institute is the nation's third-largest independent nonprofit applied research and development center.

## MEDICAL

- The Texas Medical Center in Houston is the world's largest medical complex and headquarters with more than 40 healthcare organizations including Baylor College of Medicine, M.D. Anderson Cancer Center



and the University of Texas Health Science Center at Houston, which operates the Institute of Molecular Medicine for the Prevention of Human Diseases.

- Texas ranks second for biomedical and pharmaceutical startups and is home to 1,158 medical research, development and testing laboratories and 100 pharmaceutical companies.
- The University of Texas Southwestern Medical School in Dallas is a leader in bioscience. The university operates the \$61million Simmons Biomedical Research Center.

#### **AEROSPACE AND AVIATION**

- Johnson Space Center was established in 1961 as the Manned Spacecraft Center and serves as the lead NASA center for the International Space Station – a U.S. led collaborative effort of 16 nations, and the largest, most powerful, complex human facility to ever operate in space.

- Texas ranked second in the nation for its number of aerospace and aviation employees with 184,200 in 2001.



*"Texas is a land of  
buccaneering  
capitalism..."*  
–The Economist

# QUALITY OF LIFE




With its beautiful landscapes, warm weather, excellent school and southern hospitality, Texas remains a popular choice for people looking to relocate. Texas' beaches, rugged mountains, endless prairies and piney woods provide a spectacular diversity of geography and wildlife. That same diversity extends to the people who call Texas home, creating a rich cultural heritage that makes Texas great.

- Texas has two cities, Austin and Dallas, on Forbes' top 10 list of the Best Places for Business and Careers.
- Texas has more than 900 golf courses, 600 miles of sparkling coastline, 19 wildlife refuges, 13 national parks, and 123 state parks, historic sites and natural areas – not to mention an abundance of world-class theme parks, water parks, zoos and campgrounds.
- Texas' largest cities have a rich and diverse arts tradition, including the Menil Collection in Houston, Kimball Art Museum in Fort Worth, the Dallas Museum of Modern Art, and the Umlauf Sculpture Garden in Austin are just a few examples of our art offerings.
- In the Dallas/Fort Worth Metroplex, sports fans can root for the Cowboys, Rangers, Mavericks, Stars and the Burn. In Houston, you have the Texans, Astros, Rockets and Comets. San Antonio has the 2003 World Champion Spurs. And that doesn't even include the numerous minor league franchises in urban and mid-sized cities all across Texas, as well as nationally ranked collegiate and high school teams.



Photo by Terrence Cameron



For more information on doing business in Texas, contact the  
Economic Development & Tourism division of the Office of the Governor  
at 512-936-0101 or by email at [locatetx@governor.state.tx.us](mailto:locatetx@governor.state.tx.us).



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