



# KEY DRC MESSAGES

## ECONOMIC DEVELOPMENT

*For your reference as an attendee – not to leave behind with lawmakers/staff*

### About the Dallas Region and the Dallas Regional Chamber's Legislative Priorities

- The Dallas Regional Chamber serves as the voice of the business community in our region. We represent over **700 member companies employing more than 600,000 Texans**, and we were named the National Chamber of the Year last summer.
- The strength of Texas' economy is driven by the strength of the Dallas Region's economy. **222 companies have moved their headquarters to the Dallas Region since 2010, and 1.3 million new jobs have been created in the region.** That's more than one new company a month every month for 12 years.
- The Dallas Region's economy is the most diverse of any large market in the U.S. **Of the last 10 Fortune 500 companies to move to the region, eight have come from different sectors.**
- The Dallas Region is the fourth-largest market in the U.S. with a population of 7.8 million, and we're projected to pass Chicago in about 10 years. **It will be vital this legislative session to make the commitments we need to keep our region and state an attractive place to live, work, and do business.**
- The DRC's legislative priorities focus on pro-business, pro-growth policies that ensure continued prosperity while maintaining a high quality of life for all. **Our agenda for this session outlines our region's needs in economic development, education and workforce, health care, and quality of life.** It is the result of several months of engagement with our member companies and community partners across a variety of industries.
- The agenda is very focused on workforce development. With labor shortages and job market competition, the business community prioritizes policies that will help develop the talent pipeline for the jobs of both today and the future.

### Issue Area #1: Economic Development Incentive Programs

***DRC agenda language:** Preserve Texas' friendly business climate through support for policies and robust incentive programs that promote investment and job creation for Texans.*

### Lead Introduction

- Without a state income tax, property taxes in Texas are among the highest in the country. In fiscal year 2021, businesses' tax burden in Texas was fifth highest among all states, and the highest among the most populous states.
- To spur economic growth and job creation across the state, businesses – especially in future-focused, capital-intensive industries – need property tax relief when investing in new or expanded operations.
- The Texas Economic Development Act, in place from 2001 – 2022, allowed school districts to offer businesses temporary limits on the taxable value of new investment projects.



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## Request

- The Dallas Regional Chamber supports the creation of a new economic development incentive program with appropriate oversight, transparency, and accountability measures to maintain our state's competitive economic edge.
- The Dallas Regional Chamber also supports policies that promote diverse investment in technology, biotechnology, and early-stage entrepreneurs across our state and region.

## Talking Points

- With the billions of federal dollars flowing to states through the Infrastructure Investment and Jobs Act and the CHIPS and Science Act, Texas must position itself to take advantage of investment that creates an innovative economy that works for all.
- Tesla, Toyota, Texas Instruments, and Samsung are examples of businesses that have received property tax discounts to expand operations in Texas and that have added value to their communities through revenue generation and job creation.
- In the Dallas Region, a new program will help increase investments in a variety of industries, including automotives, semiconductors, aircraft, artificial intelligence, big data, virtual reality, and biotechnology.
  - Our biotechnology ecosystem was ranked sixth as an emerging life science cluster by CBRE in 2020 and received \$4.4 billion of private capital from 2016-2021.
- Other states have increased their own economic development incentive programs in recent years, making the competition for large investment projects even tighter.
- The property tax discounts approved by school districts for businesses are temporary, and after several years, projects generate significantly more revenue for school districts than before businesses developed the properties.
- The payments made by businesses to school districts are exempt from recapture and help pay for teacher salaries and facilities upgrades.
- 70% of Texas voters support continuing temporary property tax discounts, and 77% percent believe temporary tax discounts are worth the return on investment.

## Issue Area #2: Infrastructure

**DRC agenda language:** *Ensure Texas' diverse energy market, water supply, and housing and transportation options are affordable, reliable, sustainable, and secure for all Texans.*

## Lead Introduction

- The Dallas Region is the fourth-largest market in the U.S. with a population of 7.8 million, and we're projected to pass Chicago in about 10 years.
- Noted Texas economist Dr. Ray Perryman projects that in the next five years, the Dallas Region will add 615,000 new residents, 439,000 new jobs, and \$96 billion in economic output.



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- With this exponential growth, it will be vital this legislative session to make the commitments we need in our infrastructure to keep our region an attractive place to live, work, and do business.

## Request

- The Dallas Regional Chamber supports long-term, sustainable funding in grid reliability, water supply, and transportation projects.

## Talking Points

- As equipment ages and the population grows, upgrading and restoring our water supply systems across the state is vital, particularly to address flood and drought control.
- Water infrastructure — dams, pipelines, reservoirs, desalination plants and more — can be tremendously expensive.
- The State Water Implementation Fund for Texas (SWIFT) offers financing support for low-interest loans provided by Texas Water Development Board (TWDB), but increased TWDB capacity and an expedited application process through better oversight is needed.
- Following Winter Storm Uri in February 2021, lawmakers passed measures to weatherize and improve the reliability of the state's power grid but have acknowledged more work remains to be done.
- A consistent statewide energy regulatory framework and a diverse, reliable, competitive market is necessary.
- The Dallas Region is becoming a hub for autonomous vehicles and mobility, and hydrogen fuel transportation projects are under development through TxDOT.
- Protecting local transportation funding sources and maintaining all current project delivery tools will allow for innovative transportation financing.

## Issue Area #3: Broadband

**DRC agenda language:** *Utilize accessible and sustainable funding streams to support the Broadband Development Office's efforts to increase broadband access for all Texans.*

## Lead Introduction

- Broadband expansion was a key priority for the DRC during the last legislative session for its impacts on economic development, education, and health care.
- The DRC was glad to see the creation of a statewide Broadband Development Office and a focus on broadband adoption rates and affordability.

## Request

- The Dallas Regional Chamber supports making long-term, sustainable investments in Texas' broadband infrastructure to allow for greater access to education tools and flexible telehealth and telemedicine options.



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## Talking Points

- Because Dallas is home to the “Telecom Corridor,” one of the most significant and unique high-tech business concentrations in the United States, various telecommunications industries are represented in our region, including: carriers/service providers, telecom equipment manufacturers, telecom consulting firms, wireless communications companies, and photonics/optics networking firms.
- Some 2.8 million Texas households and 7 million people – almost one in four Texans – lack access to broadband.
- In Dallas County alone, U.S. Census estimates suggest that roughly 25% of households with children, representing 75,000 students, lack broadband subscriptions. This includes approximately 30% of Dallas ISD’s 155,000 students.
- According to a study done by the Commit Partnership, rates of broadband subscription decline in Dallas County as a zip code’s poverty level increases.
- Lack of access is high in both low-density areas and areas that are socioeconomically challenged (or both), and robust and detailed maps are essential for identifying access gaps.
- If Texas is committed to being a leader in attracting new businesses and entrepreneurs, then we must create an environment that meets our residents’ technology needs.