



OFFICE OF THE GOVERNOR

ECONOMIC DEVELOPMENT & TOURISM

**Gulf Coast Economic Development
District Board Meeting
October 2, 2020**



ABOUT EDT

OFFICE OF THE GOVERNOR

ECONOMIC DEVELOPMENT & TOURISM



**Business &
Community
Development**

**Economic
Development
Finance**

**Texas
Workforce
Investment
Council**

**Texas Music
Office**

**Travel
Texas**

**Texas Film
Commission**

The Governor's Economic Development and Tourism Office (EDT) promotes the State of Texas as a leading global business location and premier travel destination.



**ECONOMIC
DEVELOPMENT
& TOURISM:
OUR MISSION**

*To positively impact
the prosperity of
economic Texas.*

**Market and promote Texas as a premier
business location & tourist destination.**

**Facilitate new jobs and investment through
the location, expansion, and retention of
national & international investment.**

**Administer state incentive programs for
business and community development.**

**Provide businesses assistance exporting
products & services to international markets.**

**Serve as a central source of economic
research.**

**Establish strategies to address economic
growth in targeted industries.**

BUSINESS & COMMUNITY DEVELOPMENT

BUSINESS & COMMUNITY DEVELOPMENT (BCD)

BCD focuses on the creation of new jobs and investment through domestic and international business recruitment, expansion and retention; increasing Texas exports; and small business development and entrepreneurship.

- Business Recruitment
- Business Retention & Expansion
- Regional Offices
- Small Business & Permit Assistance
- Economic Research
- International Trade
- Marketing & Promotion



ECONOMIC DEVELOPMENT FINANCE

ECONOMIC DEVELOPMENT FINANCE (EDF) PROGRAMS

ED Finance provides globally competitive, cost-effective financial tools and incentives to support and facilitate business expansion and relocation to Texas, ensuring Texas communities and businesses have access to capital for economic development purposes.

- Texas Enterprise Fund
- Texas Enterprise Zone Program
- Product Development & Small Business Incubator Fund
- Events Trust Fund
- Spaceport Trust Fund
- Capital Access Program
- Governor's University Research Initiative (GURI)
- Major Events Reimbursement Program



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WHY TEXAS?

WHY TEXAS?



With no corporate income tax and no individual income tax, Texas has one of the lowest tax burdens in the country.



Texas is the nation's leader in job growth, adding 286,600 jobs in 2019.



In 2019, Texas was the nation's top exporter for the 18th year in a row with exports valued at more than \$331 billion.

9th

Texas is the 9th largest economy in the world based on GDP, ahead of Australia, Mexico, South Korea and Russia. *(if it were a country)*



14 MILLION

Texas has the second largest civilian workforce in America – more than 14 million industrious people.



Texas ranks #1 in the nation for foreign trade zone activity (imports and exports).



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AWARDS & ACCOLADES



Texas named the nation's 'Best State for Business' for the 16th consecutive year



Texas named the '2019 State of the Year' by Business Facilities Magazine



Texas received Area Development Magazine's '2020 Gold Shovel Award'



**FitSmall
Business**

Texas named the 'Best State for Women Entrepreneurs' in 2019.



Six Texas colleges ranked among the top 100 schools on U.S. News' 'Best National Universities' list for 2020



Texas secured four #1 rankings on Business Facilities' 2020 Metro Rankings Report



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AWARDS & ACCOLADES



WalletHub named Texas the 'Best State to Start a Business' in the country for 2019



For the 8th consecutive year, Texas was awarded Site Selection Magazine's Governor's Cup



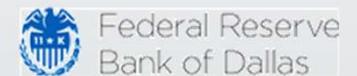
Three Texas cities were ranked among Inc.'s 'Best U.S. Cities for Starting a Business' in 2020, with Austin taking the #1 spot



Texas was the #1 state for jobs created by African American, Hispanic and Veteran women business owners



Texas was rated "A" for 'Small-Business Friendliness' by Thumbtack.com



Texas led the nation in firm relocations from other states, according to the DallasFed



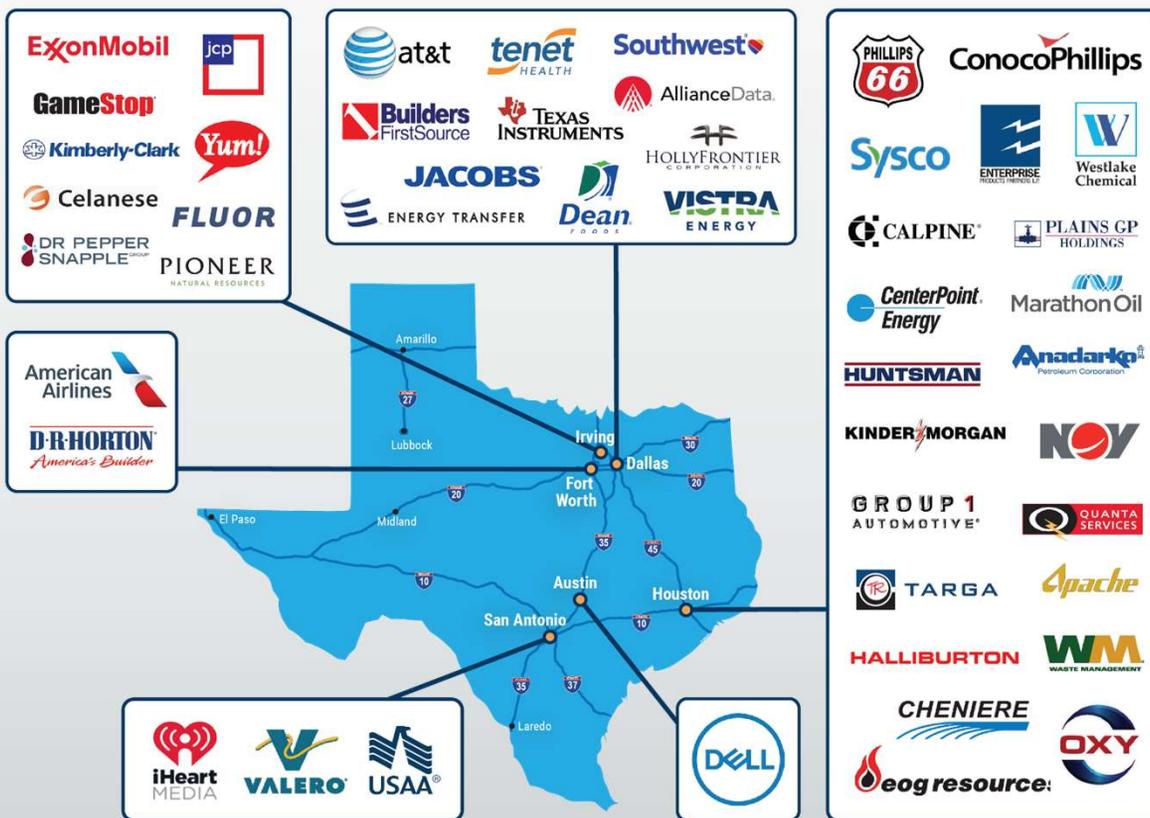
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FORTUNE 500 COMPANIES IN TEXAS

The Lone Star State is home to 50 Fortune 500 corporate headquarters.



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INFRASTRUCTURE

Commercial Airports



Seaports



Foreign Trade Zones

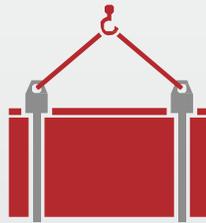


U.S. Ports of Entry

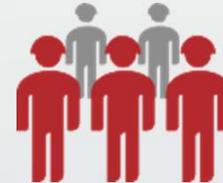


INTERNATIONAL TRADE & EXPORTS

Texas continues to rank as the number one exporter in the United States for 18 straight years. The Lone Star State exported more than \$328.8 billion in goods in 2019 and continues to be a global leader in international trade.



For the 7th consecutive year, Texas leads the nation in high-tech exports, totaling \$49.4 billion.



Texas leads the nation in jobs supported by exports at more than 910,000 jobs.



Small businesses account for nearly 93% of the more than 400,000 Texas exporters.



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TARGET INDUSTRY CLUSTERS

- Advanced Manufacturing
 - Food; Automotive; Semiconductor
- Aerospace, Aviation & Defense
- Biotechnology & Life Sciences
- Information Technology
- Petroleum Refining & Chemical Products
- Energy
- Corporate Operations



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COVID-19 ECONOMIC IMPACT & OUTLOOK

Last updated July 31

TEXAS ECONOMIC IMPACT



Texas civilian labor force is now 14.4 million (up from 13 million in May).



In August, Texas added 106,800 nonfarm jobs.



Between June and July, Texas exports increased by \$7.6 billion, or approximately 7%.



State sales tax revenue for the three months ending in August was down 2.7% compared to last year.



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TEXAS ECONOMIC OUTLOOK



In July, Texas led the nation in job creation over the last 10 years.

State Private Employment Ten-Year Change

State	Jul-10	Jul-20	10-Yr Change
Texas	8,481,400	10,187,600	1,706,200
California	11,840,000	13,353,900	1,513,900
Florida	6,073,300	7,351,200	1,277,900
Georgia	3,167,200	3,733,300	566,100
Arizona	1,966,600	2,411,500	444,900
North Carolina	3,150,900	3,547,800	396,900
Washington	2,283,000	2,676,600	393,600
Colorado	1,828,400	2,187,500	359,100
Tennessee	2,189,100	2,545,300	356,200
Utah	966,700	1,272,600	305,900



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TEXAS ECONOMIC OUTLOOK



Texas added a total of 163,500 jobs in June through August, after leading the nation in job creation in May with 237,800 jobs added.

10 Largest States Total Nonfarm Over-the-Month Change

State	Apr-20	May-20	OTM Change
Texas	11,604,700	11,842,500	237,800
Pennsylvania	4,993,100	5,191,400	198,300
Florida	7,893,500	8,076,400	182,900
California	14,979,000	15,120,600	141,600
Ohio	4,704,000	4,831,100	127,100
New York	7,902,400	8,000,400	98,000
Georgia	4,120,500	4,200,100	79,600
North Carolina	3,996,200	4,063,300	67,100
Illinois	5,322,300	5,384,500	62,200
Virginia	3,661,800	3,681,600	19,800



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BUSINESS DEVELOPMENT UPDATE

In August 2020, there were more than 23 new projects announced:

23 

**NEW PROJECTS
ANNOUNCED**

The top project by investment in Aug.

BAE Systems expansion

\$150 MILLION

Austin, Texas

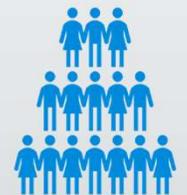


The top project by jobs created in Aug.

BAE Systems expansion

700 JOBS

Austin, Texas



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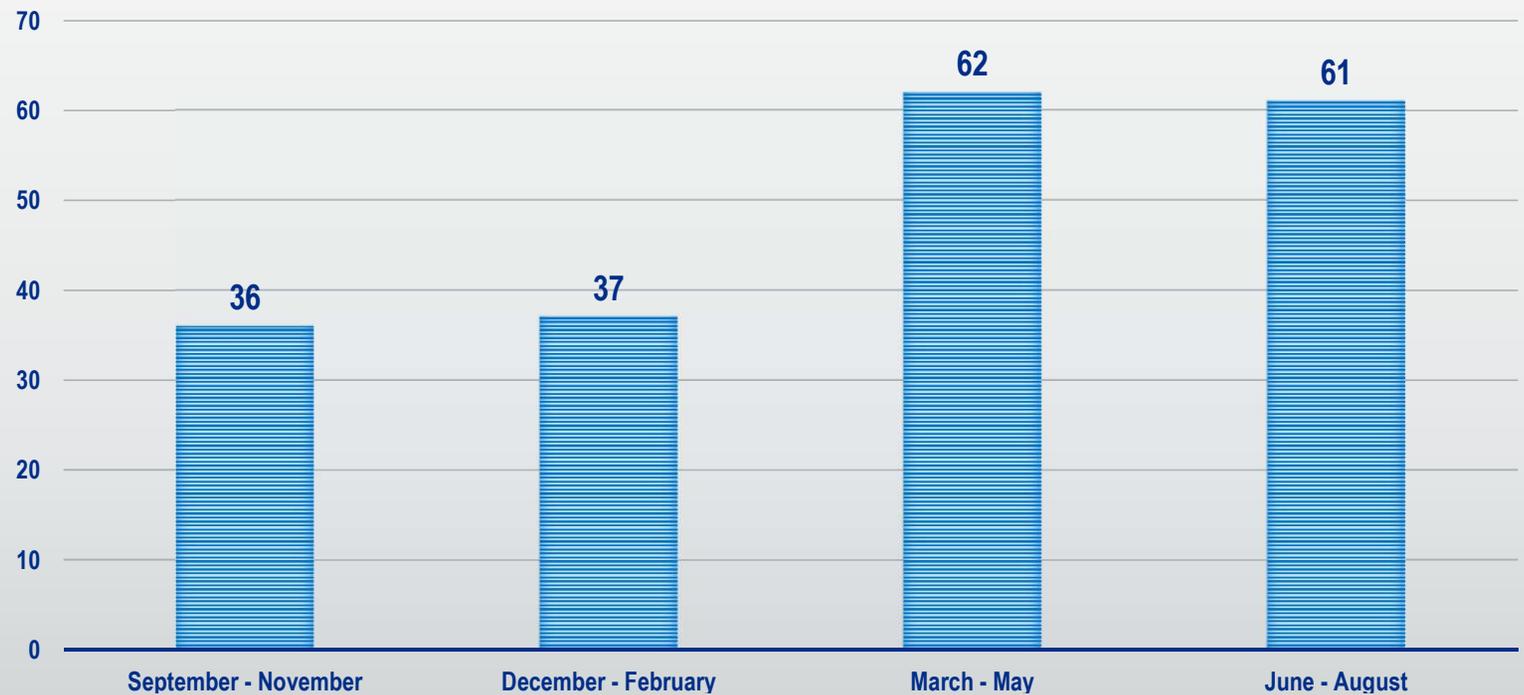
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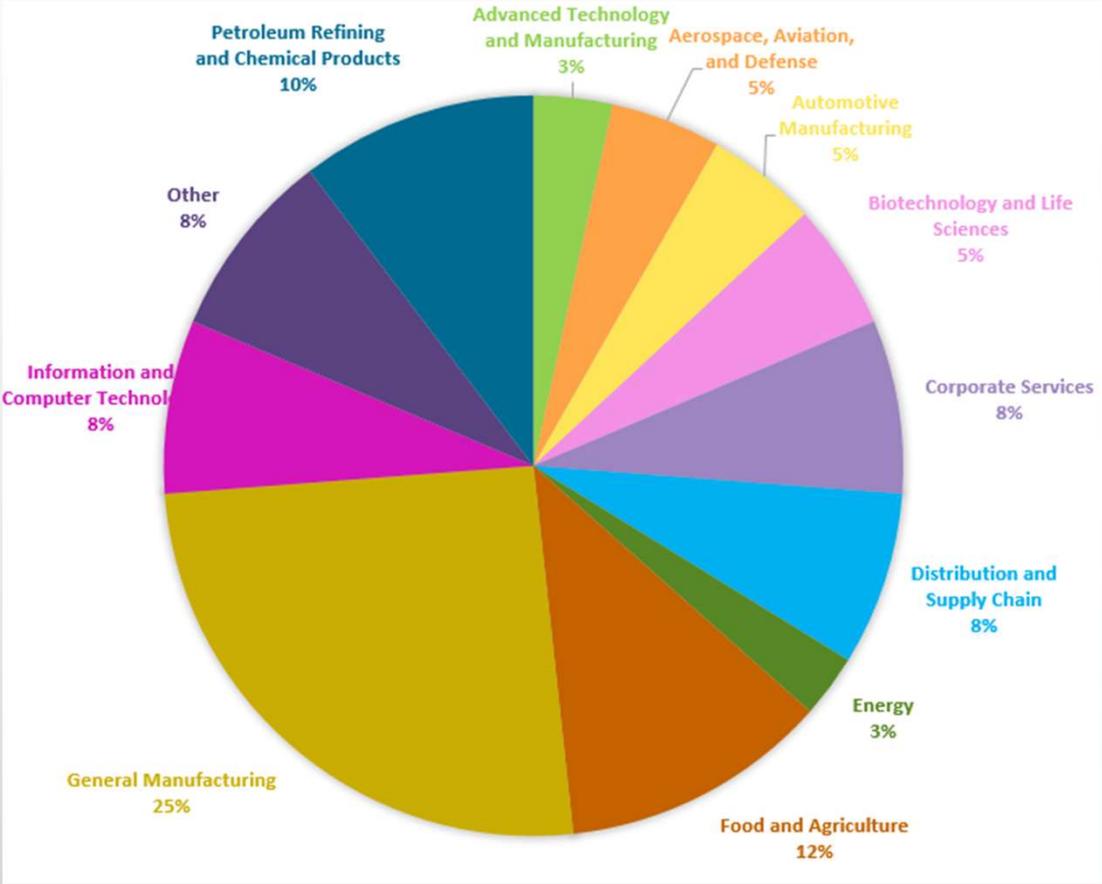
BUSINESS DEVELOPMENT UPDATE

196
TOTAL
PROSPECTS
DEVELOPED

PROSPECTS DEVELOPED FY 2020



FY2020 PROJECTS



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TEXAS UNEMPLOYMENT

Unemployment claims hit their peak in early April and have remained below that spike.

The week ending September 5, there were 66,330 unemployment claims filed in Texas.

COVID-19 Unemployment Claims Filed



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TEXAS UNEMPLOYMENT



Texas' Unemployment



6.8%

National Unemployment



8.4%

TEXAS MANUFACTURING OUTLOOK

Texas factory activity expanded in August, for the third month in a row.

The production index is down slightly from July, but still indicative of moderate growth.

Texas Manufacturing Outlook Survey Production Index



Federal Reserve Bank of Dallas



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TEXAS SERVICE SECTOR OUTLOOK



Activity in the Texas service sector held mostly steady in August.

Texas Service Sector Outlook Survey Revenue Index



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TEXAS RETAIL OUTLOOK



Retail sales activity declined in August, though at a much slower pace than July.

Texas Retail Outlook Survey Sales Index

Index, seasonally adjusted



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TRAVEL INDUSTRY UPDATE



Texas travel spending increased for the third straight week during the week ending August 15.

TOTAL WEEKLY TRAVEL SPENDING (\$ MILLIONS)

WEEK ENDING...	6/27	7/4	7/11	7/18	7/25	8/1	8/8	8/15
Texas	874	976	845	859	846	921	950	997

YEAR-OVER-YEAR NET CHANGE IN WEEKLY TRAVEL SPENDING (\$ MILLIONS)

WEEK ENDING...	6/27	7/4	7/11	7/18	7/25	8/1	8/8	8/15
Texas	-753	-634	-765	-752	-764	-653	-624	-578

YEAR-OVER-YEAR % CHANGE IN WEEKLY TRAVEL SPENDING

WEEK ENDING...	6/27	7/4	7/11	7/18	7/25	8/1	8/8	8/15
Texas	-46%	-39%	-48%	-47%	-47%	-41%	-40%	-37%



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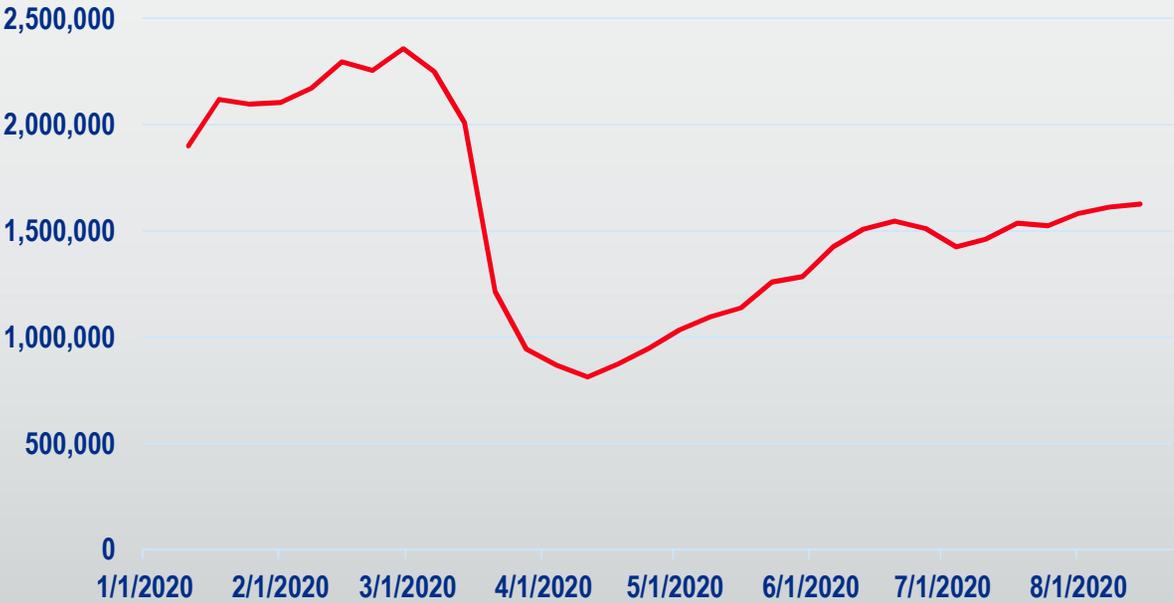

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TRAVEL INDUSTRY UPDATE



Roomnights sold per week continued to slowly increase in August.

Hotel Performance - Demand



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TRAVEL INDUSTRY UPDATE



Daily checkpoint travel numbers at U.S. airports have continued to be higher than mid-April.

Passenger throughputs exceeded 800,000 for two Sundays in August (8/9, 8/16).



TSA Daily Checkpoint Travel Numbers (U.S.)



STATE REVENUE ESTIMATE

On July 20, 2020, Comptroller Glenn Hegar released an update to the Certification Revenue Estimate (CRE), originally published in October 2019.

- Texas will now have an estimated \$110.19 billion in General Revenue-related (GR-R) funds available for the 2020-21 biennium (down \$11.57 billion, or 9.5%, from the October estimate).
- This does not account for the previously requested 5% reduction and is based on numerous assumptions
- **This results in a projected deficit of \$4.58 billion (previously projected surplus of \$2.89 billion).**



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EDT COVID-19 RESPONSE & RESOURCES

INITIAL STATE RESPONSE TO COVID-19

The Governor issued a series of waivers to help increase the speed of supplies and assist our state's businesses:

- Creating Supply Chain Strike Force
- Allowing Restaurants to Sell Bulk Products to Consumers
- Allowing Delivery of Alcoholic Beverages with Food
- Allowing Trucks from Alcohol Industry to Deliver Grocery Supplies
- Certain State Trucking Regulations

The Governor requested a disaster declaration so that Texas businesses could be eligible to apply for federal funding through the Economic Injury Disaster Loan.

www.gov.texas.gov/coronavirus



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EDT COVID-19 PROGRAM RESPONSE & UPDATES

SMALL BUSINESS ASSISTANCE

- COVID-19 [E-Newsletter Updates](#)
- Governor's Small Business Webinar Series: [Updated on our Events Calendar](#)
 - Nearly 20,000 registrants for our first 11 webinars
 - Businesses from across all sectors have attended
- [Small Business FAQs](#) and [Business Permit FAQs](#)
- Our Small Business Team continues to field calls and emails from Texas small businesses to provide direct, technical assistance and resource referrals.
- COVID-19 Resource Webpage for Small Businesses & Texas Communities: gov.texas.gov/business/coronavirus



EDT COVID-19 PROGRAM RESPONSE & UPDATES

ECONOMIC DEVELOPMENT FINANCE (EDF)

Event Trust Funds

- [Suspensions and Waivers](#) related to COVID-19

Enterprise Zone Program

- Application deadline for June 2020 suspended/waived

Product Development & Small Business Incubator Fund (PDSBI)

- New COVID-19 initiative for pivoted PPE manufacturers



EDT COVID-19 PROGRAM RESPONSE & UPDATES

TEXAS MUSIC OFFICE

- Hosted first virtual Music Friendly Community certification ceremony for the City of McKinney
- COVID-19 resources for music community
- Virtual concert promotion
- Texas music Spotify playlist
- Texas Music Industry COVID-19 resources and updates: gov.texas.gov/music



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EDT COVID-19 PROGRAM RESPONSE & UPDATES

TEXAS FILM COMMISSION

- Fielded over 60 production inquiries for projects interested in filming in Texas
- Recognized 25 Film Friendly communities for their COVID-19 relief efforts
- Highlighted Texas virtual cinema and film and TV projects available to stream
- Texas Film Industry COVID-19 resources and updates: gov.texas.gov/film



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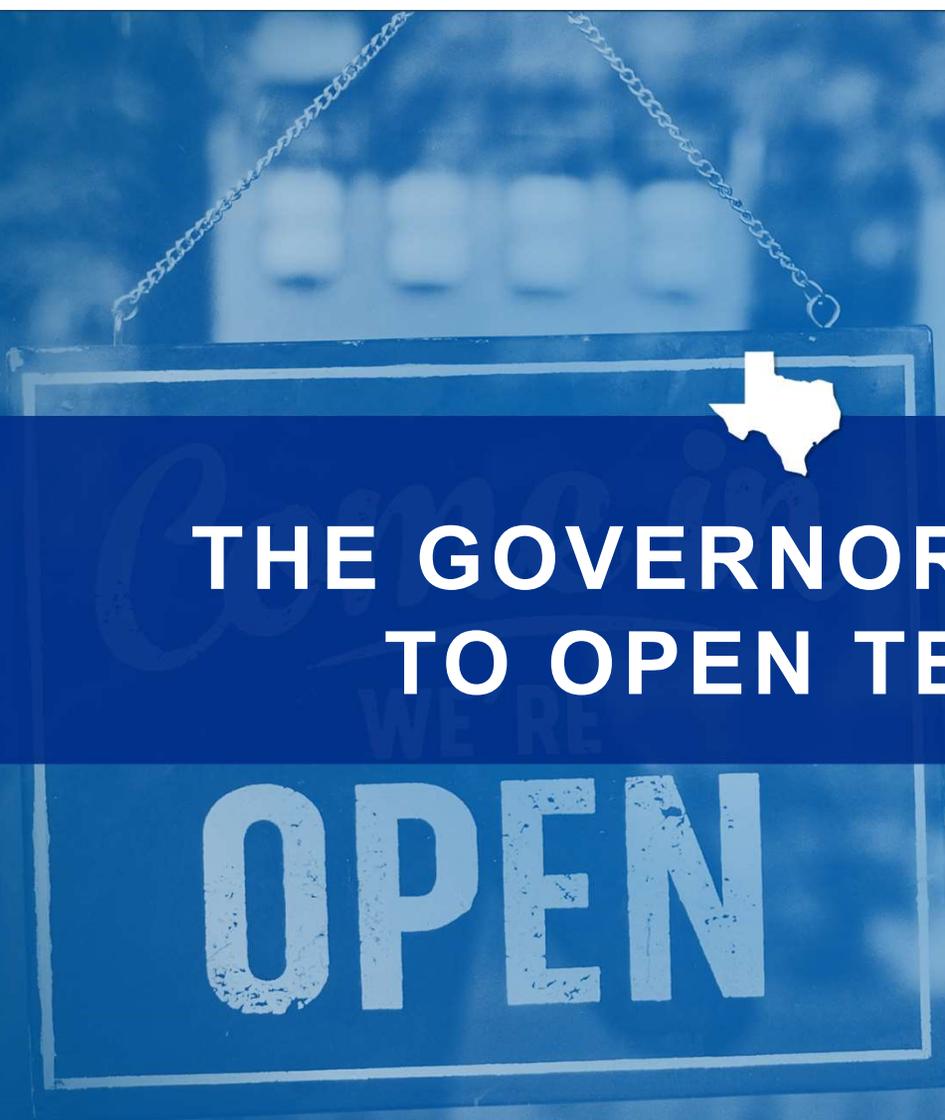
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EDT COVID-19 PROGRAM RESPONSE & UPDATES

TRAVEL TEXAS

- Pivoted advertising strategy and created a new partner co-op plan
- Virtual Texas tours
- Communication of needed updates to the industry
- Inspiring future travelers
- Texas Travel Industry COVID-19 resources and updates: gov.texas.gov/travel-Texas





**THE GOVERNOR'S PLAN
TO OPEN TEXAS**

OPEN

THE GOVERNOR'S PLAN TO OPEN TEXAS



The Governor's Strike Force to Open Texas is focused on safely and strategically restarting and revitalizing all aspects of the Lone Star State—work, school, entertainment, and culture.



The Governor's Report to Open Texas

Gives guidelines to understand Phase I to Open Texas



The Governor's Strike Force Website

www.gov.texas.gov/opentexas

Lists Open Texas Checklists by business type, outlined by Texas Department of State Health Services' minimum standard health protocols.



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THE GOVERNOR'S PLAN TO OPEN TEXAS



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APRIL 27 & MAY 5

- Governor Abbott announced Phase I of business openings with certain occupancy limitations.

MAY 18 & MAY 26

- Governor Abbott announced Phase II of expanded business openings.

JUNE 3

- Governor Abbott announced Phase III, which allowed all businesses to operate at 50%, with very limited exceptions.*

JUNE 26

- Governor Abbott paused the reopening process in order to limit the spread of COVID-19.
- Bars and rafting/tubing establishments were ordered to close.

**Subject to the minimum standard health protocols outlined by the Texas Department of State Health Services.*



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PLAN TO OPEN TEXAS: UPDATE



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SEPTEMBER 17

- The Governor announced select expanded businesses openings for hospitalization areas with low COVID-19 hospitalization rates (below 15%).
- Effective September 21, the following entities may operate at 75% capacity:
 - Gyms & Exercise Facilities
 - Manufacturers
 - Museums & Libraries
 - Office-Based Employers
 - Restaurants
 - Retailers

** Subject to the minimum standard health protocols outlined by the Texas Department of State Health Services.*



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GOVERNOR ABBOTT PSA

“Be a good neighbor...be a Texan.”



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Q&A

THANK YOU



Office of the Governor
Economic Development & Tourism
P.O. Box 12428 | Austin, Texas 78711

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