



## Texas: A Premier Destination for Business Expansion

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*By Texas Economic Development Corporation (TXEDC)*

The TexAmericas Center, a massive mixed-use industrial park west of Texarkana, Texas, is but one small example of the state's status as a hotspot for business expansion.

Measuring about 3.5 million square feet and spanning roughly 12,000 acres, TexAmericas Center ranks as one of the country's largest mixed-use industrial parks. Its position at the confluence of Texas, Arkansas, Louisiana and Oklahoma elevates TexAmericas' status as a go-to industrial

destination. So, too, does the center's abundant highway, air freight and rail access, as well as its location in the south-central part of the country.

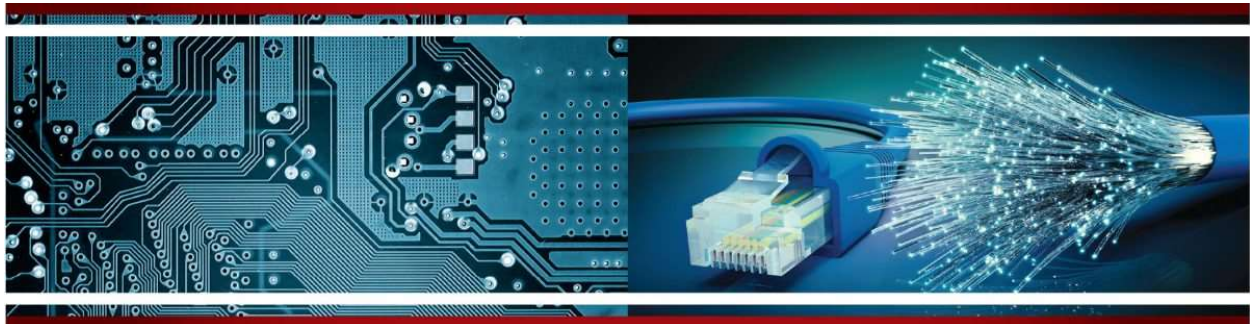
# NUMBER 1 JOBS CREATOR IN 2023, TEXAS ADDED 369,600 JOBS

The numbers demonstrate the success of TexAmericas. In its 2023 fiscal year, the industrial park corralled six more tenants and notched a 93 percent retention rate for existing tenants.

TexAmericas officials say recent prospect activity has shot “through the roof” as companies seek to address supply chain disruptions and shortages. As of January, TexAmericas counted 82 active prospects in its pipeline. “Our activity has been steadily rising,” said Eric Voyles, executive vice president and chief economic development officer at TexAmericas.

Adding to the long list of companies relocating to Texas, EnviroSafe Demil LLC, an ammunition demilitarization company, recently relocated their headquarters from Nevada to the TexAmericas Center.

To help meet this “through the roof” demand, the park is in the midst of its own expansion, with recently unveiled plans to develop neighboring 65-acre and 22-acre sites in a bid to attract even more U.S. and foreign tenants. In addition, the center recently finished construction of a 150,000-square-foot spec building.



## **Business expansion outlook for Texas is ‘bright’**

Across Texas, a wave of foreign and domestic investment is fueling business expansions — from Texarkana to Temple and Terrell to Texas City. It’s safe to say that Texas proudly waves its six flags as a bustling, high-profile hub for business expansion.

Larry Gigerich, executive managing director of site selection specialist Ginovus and chairman of the Site Selectors Guild trade group, said the outlook for business expansion in Texas “continues to be bright,” thanks in large part to its high-quality talent pool.

“The in-migration of talent to Texas, along with the diversity of the population, positions Texas well for the future,” Gigerich said. “In addition, the business climate, available real estate and quality of [life] also position them well for the future.”

TEXAS IS HOME TO  
**3.2 MILLION**  
SMALL BUSINESSES



AND HUNDREDS  
OF PUBLICLY  
TRADED FIRMS

Indeed, the Texas economy is well-positioned for 2024 and beyond. Here are six reasons why.

### 1. Texas dominates as ‘headquarters of headquarters’

Texas reigns as the “headquarters of headquarters.” It’s now home to the HQs of 55 Fortune 500 companies, the highest tally for any state.

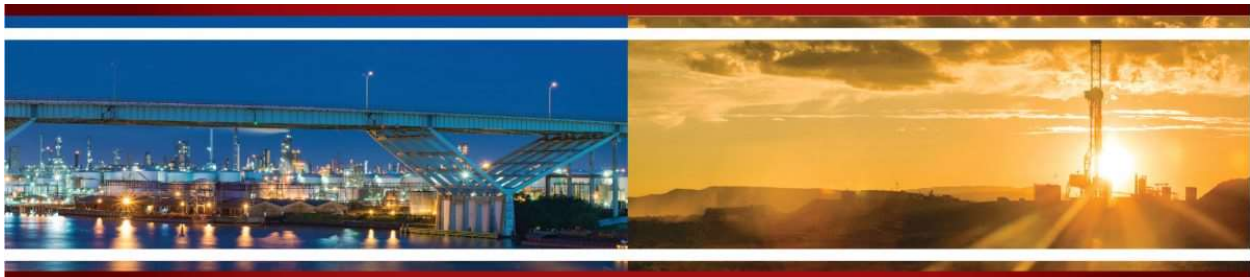
Broadband giant Frontier Communications is among those 55 companies, having shifted its headquarters from Norwalk, Connecticut, to Dallas in 2023. Its move to Texas is projected to boost the state and local economies by \$3.8 billion over 10 years.

THE LONE STAR STATE IS HOME TO  
**55** FORTUNE 500  
COMPANY HQs

“Moving our headquarters to Dallas makes good business sense,” Frontier CEO Nick Jeffery said, “given the city is already home to hundreds of our corporate employees and sits in the middle of one of our most important fiber markets.”

Texas has attracted more than 290 new corporate headquarters since 2015.

Gigerich said Texas’ prospects for headquarters, manufacturing, technology and logistics projects remain strong. “The pipeline continues to be full for Texas,” he said, “and activity has been very high during the past five years.”



## 2. Expansions proliferate across the state

While Texas big cities may be recognizable across the globe, the state's four biggest metro areas don't corner the market on business growth. For example: Tire manufacturer Bridgestone Americas broke ground in 2023 on a \$60 million, 50,000-square-foot expansion of its 200,000-square-foot Bandag retread plant in Abilene. The expansion is scheduled to be finished in 2025. In recognition of the role it played in the Bandag expansion, the Development Corporation of Abilene recently received the Community Economic Development Award from the Texas Economic Development Council.

The North Texas city of Sherman is emerging as a world-class semiconductor hub. Dallas-based Texas Instruments is building four semiconductor factories in Sherman, and GlobiTech is constructing a \$5 billion semiconductor plant there. Texas leads the nation in semiconductor exports and boasts the country's second largest semiconductor workforce.

Grupo Bafar, a Mexican food production company, announced in October 2023 that it was establishing its U.S. headquarters in El Paso and opening a 60,000-square-foot cold storage warehouse there. The nearly \$22 million project is expected to create 120 jobs.



“The size and diversity of the state provides companies with lots of choices to select from — small rural communities to very large metropolitan areas,” Gigerich said. “We expect more corporate expansion moving forward in Texas due to it having the key fundamentals in place that companies rely on to be successful.”

John Boyd Jr., principal of site selection consulting firm The Boyd Co. Inc., said Texas has not felt the pause in corporate expansions that has been seen on a national scale. Texas, he added, “brings extraordinary assets to the table and has been a location of choice for a number of signature corporate moves during the past year that belie the national slowdown.”

## 3. Energy sector continues to boom

Whether it's the energy sector's mainstays of oil and gas or its growing investment in clean energy, Texas sits at the crossroads of energy innovation. Case in point: Texas LNG, a producer of liquified natural gas, is in the early stages of planning a multibillion-dollar export hub on more than 600 acres at the Port of Brownsville.



Dallas-based real estate developer Xebec Holdings is building a 1,200-megawatt natural gas power plant at the 31,000-acre former Alcoa aluminum plant near the Central Texas town of Rockdale.

San Antonio-based Valero Energy and Irving-based Darling Ingredients are scheduled to complete a sustainable aviation fuel project in the East Texas city of Port Arthur during the first quarter of 2025. The price tag for the project is \$315 million.

Oil-and-gas and solar manufacturing facilities were among the most prominent Texas expansion projects last year. In 2023, the energy sector accounted for 11.5 percent of all the jobs in Texas.

“Here in Texas, we embrace the energy industry. As long as I am governor, I will fight for the energy sector to ensure Texas remains America’s energy leader,” Gov. Greg Abbott told the Texas Independent Producers & Royalty Owners Association in 2023.

#### **4. Automotive sector zooms along**

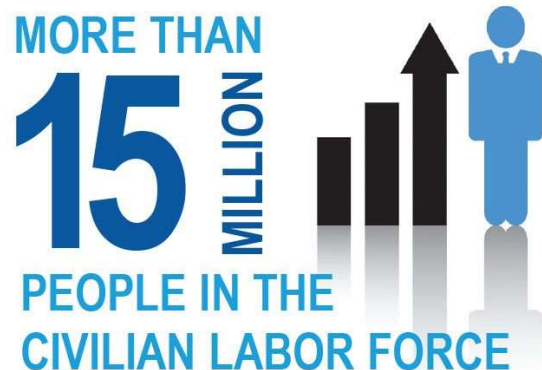
For years, Texas has been home to major auto manufacturing plants in Arlington (General Motors) and San Antonio (Toyota). These days, another automaker is driving considerable activity in Texas — Austin-based electric vehicle manufacturer Tesla.

The “Tesla effect” in Texas began with the opening in 2022 of the 2,500-acre, more than 10-million-square-foot Gigafactory Texas just outside Austin. The factory produces Tesla’s Model Y SUV and Cybertruck.

The plant supported more than \$2.1 billion in Travis County sales activity in 2022, including its own operations and its extended supply chain, the Austin Business Journal reported. That year, the factory and related supply chain contributed \$987 million to the state’s gross domestic product (GDP), Tesla says.

With more than 20,000 local workers, Tesla now ranks among the largest employers in the Austin area.

Texas moves at the speed of business. By cutting red tape and removing burdensome regulations, Texas enables businesses like Tesla to build facilities like the Gigafactory in Central Texas in record time, allowing them to invest and create new jobs for hardworking Texans.





## TEXAS IS THE LEADING DESTINATION FOR CORPORATE RELOCATION & EXPANSION PROJECTS

Boyd added that Tesla is shedding light on what he calls “Dexit” — the budding exit of business incorporations from Fortune 500 favorite Delaware to other states, including Texas. In late January, Tesla CEO Elon Musk signaled the automaker was preparing to shift its incorporation from the First State to the Lone Star State in the wake of legal setbacks in Delaware. It’s part of what The New York Times dubs an “anywhere-but-Delaware campaign” being led by the billionaire.

“While direct jobs are not necessarily in play with a Dexit move, ancillary jobs in supportive fields like law, accounting and finance certainly are and can have a significant economic impact for a state like Texas,” said Boyd.

Back in Texas, not only is Tesla itself in the Austin area, but so its network of suppliers. For example, Auburn Hills, Michigan-based vehicle parts maker U.S. Farathane is gobbling up more than 260,000 square feet at an industrial park in suburban Georgetown. That square footage will add to U.S. Farathane’s existing Austin-area footprint.

“In a short time, Tesla has had an outsized impact on the state of Texas,” Glenn Hamer, president and CEO of the Texas Association of Business, told the Austin Business Journal. “From direct and indirect jobs, to investment in the communities in which it operates, Tesla is helping to drive Texas forward and is part of the reason the Lone Star State is a global economic powerhouse.”

Although Tesla may have an outsized impact on Texas, it’s actually just one of many economic engines in the state’s automotive sector. More than 1,750 automotive plants operate around the Lone Star State.

### **5. Texas stands tall as economic giant**

Texas is a big state with a big economy. And that economic stature draws attention of expansion-minded companies and site selection consultants alike.

Valued at more than \$2.4 trillion, the Texas economy would rank as the eighth largest in the world if the Lone Star State was a country, according to International Monetary Fund data released in 2023. Building on that, the Texas economy keeps growing faster than the U.S.

# #1 U.S. EXPORTER FOR 22 YEARS IN A ROW IN 2023



economy. During the third quarter of 2023, the Texas economy saw a growth spike of 7.7 percent, the federal Bureau of Economic Analysis says.

A Wells Fargo report published in December 2023 summarized the state's economy by saying that it "continues to fly high" and that the state "is quickly becoming a superstar economy."

It's no wonder, then, that Texas has recently been showered with economic accolades:

- No. 1 in Site Selection Magazine's annual state-by-state ranking of the best business climates.
- Repeat winner of Site Selection Magazine's Governor's Cup, recognizing the state with the nation's top state for job-creating business relocations and expansions.
- 2023 State of the Year, as named by Business Facilities magazine. The honor gives a tip of the (cowboy) hat to Texas' business climate and economic development leadership, and a "blockbuster 2023 for capital investment and job creation."
- No. 1 state for the most nonfarm jobs added (369,600) in 2023.

"At the end of the day, states winning the battle for talented workers and corporate investment are states that are accountable and return value to taxpayers and job creators. CEOs and other influential business leaders tell me they get that in Texas," Boyd said.



- #1 STATE FOR CORPORATE EXPANSIONS AND LOCATIONS  
SITE SELECTION 2023
- #1 BEST STATE FOR BUSINESS  
CHIEF EXECUTIVE 2022
- #1 STATE FOR EXPORTS  
U.S. CENSUS BUREAU 2022
- #1 MOST FORTUNE 500 COMPANIES  
OFFICE OF THE TEXAS GOVERNOR 2023
- #1 BEST STATE TO START A BUSINESS  
LENDIO 2023
- #1 BEST BUSINESS CLIMATE  
BUSINESS FACILITIES 2023

## 6. Texas flexes economic development muscle

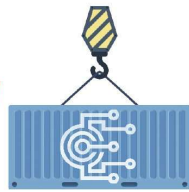
Supported by the Economic Development & Tourism Office of the Governor, the Texas Economic Development Corporation (TxEDC) and, among other organizations, the state's economic development capabilities keep blooming — just like the state's beloved bluebonnets.

One of the officials working to nurture the Texas economy is Aaron Demerson, president and CEO of TxEDC. He assumed the top post at TxEDC in the fall of 2023 after serving as the commissioner representing employers at the Texas Workforce Commission.

“Aaron's valuable experience at the Texas Workforce Commission and in business development will help chart a bright path forward for Texas' economic development and job creation as we build the Texas of tomorrow,” Governor Abbott said in an announcement about Demerson's appointment.

Of course, the work of economic development boosters in Texas stretches far beyond Demerson's TxEDC office in Austin.

**TEXAS LED THE NATION  
IN HIGH TECH EXPORTS  
FOR THE 11<sup>TH</sup>  
YEAR IN A ROW  
IN 2023**



For example, the 10 members of TxEDC's board hail from places like Dallas, Fort Worth, Houston, Temple, San Antonio and the Rio Grande Valley.

In addition, TxEDC's investors are scattered across the state, including businesses like BNSF Railway, Holt Cat and WestStar; economic development organizations like Opportunity Austin, greater:SATX and the Greater Houston Partnership; and government or quasi-governmental entities like the City of Dallas, the Port of Brownsville and the Temple Economic Development Corporation.

Not to be overlooked are the state officials and state lawmakers who keep pushing to bolster Texas' economic might. Chief among them is Governor Abbott, who received the Texas Association of Business' 2023 Economic Trailblazer Award for his continuing efforts to further fuel the state's economic engine. In an announcement about the award, the governor touted pro-economy legislative accomplishments such as:

- Passage of the Texas CHIPS Act, which enables the state to allocate hundreds of millions of dollars to support microchip manufacturing and development.
- Creation of the Texas Space Commission, whose goals include promoting economic development in the space, aeronautics and aviation sectors.
- Passage of a measure that limits the taxable value of certain properties as tool for boosting economic development.



In a November 2023 message to economic development stakeholders around the state, Adriana Cruz, executive director of Texas Economic Development & Tourism Office, proclaimed that “Texas continues to set the gold standard for economic strength, innovation and growth...”

For those invested in the success of Texas’ economy, those are golden words, indeed.