

Honorable Dustin Burrows, Chairman, Texas House Ways & Means Committee
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Dear Chairman Burrows,

Thank you for your strong leadership on the very important Ways & Means Committee. We also appreciate all the work you and your very dedicated vice chair and committee have done on a whole host of issues.

Like you serve the entire state of Texas with your tireless work, Laredo also serves Texas (and the nation). Laredo is North America's busiest land port handling \$232 billion in trade in 2019 while also crossing over the Rio Grande more than 4 million commercial trucks and 10,000 trains. Not to be outdone, the Laredo International Airport is one of the country's busiest for cargo.

About a dozen Fortune 500 companies have major operations in the city along with another dozen Fortune 1000 firms such as Amazon, UPS, FedEx, Union Pacific, Werner, KC Southern, JB Hunt and many others. What's more, Laredo is this region's center for Customs and Border Protection, employing thousands that protect our borders and process huge trade volumes.

Nearly half of all trade moving through Laredo is auto content (seats, engines, transmissions, brakes and bumpers) that goes to plants like those in San Antonio and Arlington run by Toyota and GM, respectively, or those run by Ford, BMW and Audi in Mexico. But Laredo also moves North America's supply of LEGOs, imports more than \$1 billion in avocados, exports \$3 billion in gasoline and brings in billions in new cars. Laredo moves more trade (valuation) than all other Texas land ports combined, and is billions busier than the Port of Houston.

We understand the economy because we help power it. In Texas and beyond. That's why the City of Laredo supports all economic incentive programs that the legislature has approved and governors have signed into law. These programs are essential to the development of Laredo and have played a big role in helping create jobs and economic opportunity for the private sector. Not having them puts Laredo at a competitive disadvantage with states such as Arizona and California.

More and more firms, as Governor Abbott rightly points out on a regular basis, are choosing to move to Texas for a variety of reasons – but primarily because of the state's economic conditions. This atmosphere has been cultivated by the state legislature and local governments for decades to get it where it is now with programs such as tax rebates under Texas Chapters 312 and 380. And there are other programs such Public Improvement Districts and Tax Increment Financing (TIF) zones that are crucial to developers, cities, counties and taxpayers.

Last year, I attended the International Economic Development Council's annual meeting and the IEDC President Jeff Finkle told a crowd: "Raise your hand if you're from Texas. If you don't know what to do about economic development go ask those guys. Texas has it figured out." What an endorsement!

In the last year, Laredo has been able to bring in nearly \$100 million in new investment, about 350 permanent jobs, (with up to \$35 million being foreign direct investment) with economic incentive programs.

The City of Laredo is conservative and very conscience with any economic incentive program. We do the math and crunch the numbers to make sure it makes sense for our taxpayers before we make a final offer or take a vote. For us, the investment has to be there, the jobs have to be there and the return over the incentive has to be there. The City of Laredo does its due diligence, is transparent and fair to the public.

Our approach on any deal is that we all have to win beginning with the taxpayer. And we are selective. There rules and thresholds. Only a small percentage of projects in Laredo get assistance. The vast majority do not.

Laredo is not a 4A or 4B city. That makes these state legislature-approved programs even more important to the City. We continue to try and get that issue on the ballot for local voters, however, in the meantime, we have leverage these incentives to attract jobs and investment.

And we have more on the way such as up to a \$50 million entertainment and hospitality project that a city of Laredo's size and stature could not pull off it was not for economic incentives involving sales, HOT and mix beverage taxes. Additionally, the City is working with a California company on a \$150 million industrial development, again without some help to accelerate the development would have gone elsewhere or not happened.

We appreciate the latitude and support the state legislature provides cities in regards to economic development. There are many conservative, financially-prudent leaders heading up economic development agencies and departments around Texas. There are even more business leaders sitting on EDC boards providing sound direction and for decades they have helped Texas develop into the national leader for business.

Mr. Chairman, we welcome the review of these issues and programs. We hope that you and your committee can continue to support all the tools the state puts in our tool box to create jobs. It's been working so far to outstanding results.

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