

# TEXAS ENTERPRISE FUND

## 2015 Legislative Report

Reporting Period: January 2013 - December 2014



OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

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## Overview of the Texas Enterprise Fund

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At the Governor's request, the 78th Texas Legislature established the Texas Enterprise Fund (TEF) in 2003 to help attract new jobs and investment to the state. The fund was subsequently re-appropriated by the Legislature in 2005, 2007, 2009, 2011, and 2013. As the largest "deal-closing" fund of its kind in the nation, the TEF continues to attract businesses to Texas. The fund is used only as a final incentive tool where a single Texas site is competing with another viable out-of-state option. Additionally, the TEF is only considered to help close a deal that already has significant local support from a prospective Texas community.

Projects that are considered for a TEF award must demonstrate a significant rate of return on the public dollars being invested in the project. Additionally, every TEF project must meet several primary measures in order to be considered. These include competition with another state or country for the project, significant projected job creation, above-average projected wages, substantial capital investment by the company, and community involvement in the form of local economic incentive offers.

Each applicant to the fund undergoes a thorough 11-step due diligence process.

Corporate activity, financial standing, tax status, legal issues, credit ratings, and estimated economic impacts are assessed for each project and considered in all award decisions. Award dollar amounts are determined using a standardized analytical model applied to each TEF applicant. This model projects that the State of Texas will see a full return on its investment within the period of a project contract, via estimated future sales tax revenues. Variations in award amounts are influenced by the number of jobs to be created, the expected timeframe for hiring, and the average wages to be paid. Lastly, the Governor, Lieutenant Governor, and Speaker of the Texas House must unanimously agree on a project for an award to be granted.

The TEF gives Texas a competitive edge in attracting new businesses to the state and assisting the expansion of existing businesses that might otherwise opt to expand in another state. In addition, the conservative and thorough methodology behind the grant process and the enforcement of contractual agreements with each awarded company ensure that the public dollars invested through the TEF produce a positive return on investment.

## Reporting Requirements

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The contents of the Texas Enterprise Fund legislative report are outlined in Section 481.079 of the Texas Government Code:

Sec. 481.079. REPORT ON USE OF MONEY IN TEXAS ENTERPRISE FUND. (a) Before the beginning of each regular session of the legislature, the governor shall submit to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature a report on grants made under Section 481.078 that states:

- (1) the number of direct jobs each recipient committed to create in this state;
- (2) the number of direct jobs each recipient created in this state;
- (3) the median wage of the jobs each recipient created in this state;
- (4) the amount of capital investment each recipient committed to expend or allocate per project in this state;
- (5) the amount of capital investment each recipient expended or allocated per project in this state;
- (6) the total amount of grants made to each recipient;
- (7) the average amount of money granted in this state for each job created in this state by grant recipients;
- (8) the number of jobs created in this state by grant recipients in each sector of the North American Industry Classification System (NAICS); and
- (9) of the number of direct jobs each recipient created in this state, the number of positions created that provide health benefits for employees.

(a-1) For grants awarded for a purpose specified by Section 481.078(d-1), the report must include only the amount and purpose of each grant.

(b) The report may not include information that is made confidential by law.

(c) The governor may require a recipient of a grant under Section 481.078 to submit, on a form the governor provides, information required to complete the report.

## Summary of Program Activity FY 2004-2014

The following chart provides a historical view of the Texas Enterprise Fund since its inception in FY 2004.

|                                     | FY 2004-2005   | FY 2006-2007   | FY 2008-2009  | FY 2010-2011  | FY 2012-2013   | FY 2014-to date* | Total to date   |
|-------------------------------------|----------------|----------------|---------------|---------------|----------------|------------------|-----------------|
| <b>Total Projects Funded</b>        | 22             | 15             | 18            | 34            | 25             | 15               | 129             |
| <b>Total Amount Awarded</b>         | \$279,664,000  | \$68,250,000   | \$33,489,196  | \$38,529,000  | \$73,335,500   | 82,950,000       | \$576,217,696   |
| <b>New Direct Jobs Committed</b>    | 29,245         | 12,248         | 6,766         | 7,423         | 11,822         | 9,765            | 77,269          |
| <b>Capital Investment Committed</b> | \$6.48 billion | \$6.76 billion | \$770 million | \$640 million | \$6.99 billion | \$2.75 billion   | \$24.39 billion |

\*Through November 2014

Dates according to date of announcement

### Jobs by Industry Sector

The TEF has helped attract businesses in a wide range of advanced industry sectors to Texas. The following table displays the number of jobs created by grant recipients in each sector of the North American Industry Classification System (NAICS).

| Sector | Sector Name                                      | Jobs   |
|--------|--|--------|
| 21     | Mining, Quarrying, and Oil and Gas Extraction    | 439    |
| 23     | Construction                                     | --     |
| 31-33  | Manufacturing                                    | 13,621 |
| 42     | Wholesale Trade                                  | --     |
| 44-45  | Retail Trade                                     | --     |
| 48-49  | Transportation and Warehousing                   | 99     |
| 51     | Information                                      | 3,264  |
| 52     | Finance and Insurance                            | 16,746 |
| 53     | Real Estate and Rental and Leasing               | --     |
| 54     | Professional, Scientific, and Technical Services | 1,975  |

|    |   |       |
|----|---|-------|
| 55 | Management of Companies and Enterprises             | 1,069 |
| 56 | Administrative Support and Waste Mangement Services | 431   |
| 61 | Educational Services                                | 4,605 |
| 62 | Health Care   | --    |
| 71 | Arts, Entertainment & Recreation                    | 135   |
| 92 | Public Administration (Government)                  | --    |

### Funded Project Statistics

Average amount of money granted per job committed: \$5,973.16

| Company  | Award Amount | Jobs Committed | Jobs Created to Date | Median Wage of Jobs Created | Capital Investment Committed | Capital Investment Expended | Jobs Created with Health Benefits |
|--|--------------|----------------|----------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------------|
| 3M Company   | \$194,000    | 55             | 58                   | \$41,028                    | \$21,200,000                 | \$22,200,000                | 58                                |
| ADP, Inc. (Kirk)   | \$3,000,000  | 1,028          | 1,062                | \$35,808                    | \$22,000,000                 | \$34,098,254                | 1,062                             |
| Advisory Board Company, The  | \$500,000    | 239            | 188                  | \$88,751                    | \$8,100,000                  | \$10,800,000                | 188                               |
| Allstate Insurance Company   | \$1,100,000  | 200            | 251                  | \$41,753                    | \$11,607,475                 | \$10,898,319                | 251                               |
| Ascend Performance Materials Texas, Inc. <sup>1</sup>                        | \$1,000,000  | 100            | NA                   | NA                          | \$1,200,000,000              | \$25,000,000                | NA                                |
| Authentix, Inc.  | \$1,000,000  | 120            | 39                   | \$111,750                   | \$6,550,000                  | \$6,840,786                 | 39                                |
| Becton, Dickinson & Company  | \$1,560,000  | 296            | 306                  | \$35,387                    | \$6,350,000                  | \$9,989,000                 | 306                               |
| Board of Regents of The University of Texas System f/b/o UTD                 | \$50,000,000 | NA             | NA                   | NA                          | \$3,000,000,000              | \$10,291,907                | NA                                |
| Board of Regents of the University of Texas System f/b/o UTHSC-H and UTMDACC | \$25,000,000 | 2,252          | 4,605                | \$101,665                   | \$55,000,000                 | \$144,190,000               | 4,605                             |
| Borusan Mannesmann Pipe U.S., Inc.   | \$1,625,000  | 250            | 63                   | \$57,319                    | \$148,000,000                | \$124,025,379               | 63                                |
| Cardiovascular Systems, Inc.   | \$600,000    | 100            | 35                   | \$28,741                    | \$25,500,000                 | \$1,060,273                 | 35                                |
| Caterpillar Inc. (Seguin)  | \$8,500,000  | 1,714          | 1,642                | \$33,356                    | \$176,800,000                | \$287,000,000               | 1,113                             |
| Caterpillar Inc. (Victoria)  | \$1,175,000  | 238            | 354                  | \$28,226                    | \$122,725,000                | \$181,000,000               | 354                               |
| Centene Corporation  | \$1,381,500  | 307            | 24                   | \$35,673                    | \$15,000,000                 | \$13,500,000                | 24                                |
| CGI Technologies and Solutions Inc.  | \$1,800,000  | 350            | 194                  | \$48,500                    | \$7,000,000                  | \$5,543,790                 | 194                               |
| CH2M Hill, Inc.  | \$2,300,000  | 285            | 253                  | \$90,831                    | \$5,250,000                  | \$3,250,000                 | 253                               |
| Chevron U.S.A. Inc.  | \$12,000,000 | 1,752          | 439                  | \$115,000                   | \$662,000,000                | \$37,898,000                | 439                               |

| Company  | Award Amount | Jobs Committed | Jobs Created to Date | Median Wage of Jobs Created | Capital Investment Committed | Capital Investment Expended | Jobs Created with Health Benefits |
|--|--------------|----------------|----------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------------|
| CITGO Petroleum Corporation <sup>4</sup>               | \$5,000,000  | 820            |                      |                             | \$828,000,000                |                             |                                   |
| CK Technologies, LLC                                   | \$425,000    | 121            | 122                  | \$21,428                    | \$18,200,000                 | \$18,950,780                | 122                               |
| Comerica Incorporated                                  | \$3,500,000  | 200            | 280                  | \$87,000                    | \$16,250,000                 | \$19,600,000                | 280                               |
| Consolidated Electrical Distributors, Inc.             | \$1,200,000  | 120            | 99                   | \$76,225                    | \$3,300,000                  | \$4,600,000                 | 95                                |
| Continental Automotive Systems, Inc. <sup>1</sup>      | \$1,200,000  | 300            | NA                   | NA                          | \$113,000,000                | \$28,000,000                | NA                                |
| Domtar Corp. (f/k/a Associated Hygienic Products, LLC) | \$520,000    | 115            | 216                  | \$33,182                    | \$31,078,039                 | \$45,900,000                | 214                               |
| Dow Chemical Company, The (Beta)                       | \$1,500,000  | 96             | 7                    | \$76,824                    | \$846,000,000                | \$0 <sup>2</sup>            | 7                                 |
| Dow Chemical Company, The (New Spring)                 | \$1,000,000  | 150            | 10                   | \$72,276                    | \$1,700,000,000              | \$0 <sup>2</sup>            | 10                                |
| eBay Inc.  | \$2,800,000  | 1,050          | 353                  | \$100,937                   | \$5,180,000                  | \$20,647,467                | 353                               |
| Emerson Process Management Valve Automation, Inc.      | \$1,000,000  | 126            | 43                   | \$69,150                    | \$9,500,000                  | \$29,291,354                | 43                                |
| Facebook, Inc.   | \$1,400,000  | 200            | 215                  | \$73,150                    | \$3,150,000                  | \$2,827,731                 | 215                               |
| Ferris Mfg. Corp.                                      | \$420,000    | 80             | 61                   | \$45,760                    | \$5,500,000                  | \$5,215,000                 | 61                                |
| Fidelity Global Brokerage Group, Inc.                  | \$4,500,000  | 850            | 1,457                | \$60,590                    | \$200,000,000                | \$178,000,000               | 1,457                             |
| Flexsteel Pipeline Technologies, Inc.                  | \$650,000    | 130            | 197                  | \$50,648                    | \$94,800,000                 | \$100,000,000               | 197                               |
| Forum US, Inc. (f/k/a Allied Production Solutions, LP) | \$800,000    | 200            | 105                  | \$57,530                    | \$16,325,000                 | \$9,062,767                 | 105                               |
| Frito-Lay North America, Inc.                          | \$1,125,000  | 125            | 108                  | \$118,799                   | \$4,500,000                  | \$65,100,000                | 108                               |
| Fritz Industries, Inc.                                 | \$800,000    | 250            | 9                    | \$41,315                    | \$37,500,000                 | \$26,627,501                | 9                                 |
| G-Con, LLC   | \$3,000,000  | 408            | 24                   | \$72,840                    | \$86,000,000                 | \$54,124,752                | 24                                |
| General Electric Company                               | \$2,100,000  | 330            | 433                  | \$47,190                    | \$96,000,000                 | \$233,923,038               | 433                               |
| GGNSC Holdings LLC                                     | \$2,100,000  | 100            | 87                   | \$97,891                    | \$8,400,000                  | \$2,575,194                 | 87                                |
| Grifols, Inc.  | \$250,000    | 90             | 86                   | \$41,003                    | \$76,623,300                 | \$24,041,704                | 86                                |
| Hanger, Inc.   | \$1,500,000  | 236            | 259                  | \$81,033                    | \$4,700,000                  | \$11,700,000                | 259                               |
| Health Management Systems, Inc.                        | \$1,600,000  | 350            | 387                  | \$55,503                    | \$17,687,439                 | \$24,240,357                | 387                               |
| HID Global Corporation <sup>1</sup>                    | \$1,900,000  | 239            | NA                   | NA                          | \$35,250,000                 | \$36,217,000                | NA                                |
| Hilmar Cheese Company (DIRECT JOBS)                    | \$7,500,000  | 1,962          | 390                  | \$43,048                    | \$190,000,000                | \$200,000,000               | 356                               |
| Hilmar Cheese Company (ASSOCIATED JOBS)                |              |                | 601                  | \$36,000                    |                              |                             |                                   |
| Hirschfeld Wind Energy Solutions II LLC                | \$845,000    | 225            | 16                   | \$39,229                    | \$40,000,000                 | \$22,622,048                | 16                                |
| Huntsman Corporation                                   | \$2,750,000  | 285            | 403                  | \$90,900                    | \$226,725,000                | \$39,600,000                | 402                               |

| Company  | Award Amount | Jobs Committed | Jobs Created to Date | Median Wage of Jobs Created | Capital Investment Committed | Capital Investment Expended | Jobs Created with Health Benefits |
|--|--------------|----------------|----------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------------|
| idX San Antonio, LLC <sup>3</sup>                    | \$360,000    | 125            | 0                    | \$0                         | \$5,100,000                  | \$1,747,000                 | 0                                 |
| James Skinner Co., The                               | \$1,800,000  | 393            | 117                  | \$40,478                    | \$25,000,000                 | \$11,800,000                | 117                               |
| JPMorgan Chase Bank & Co.                            | \$15,000,000 | 4,200          | 13,032               | \$32,000                    | \$50,000,000                 | \$5,800,000                 | 13,032                            |
| JTEKT Automotive Texas, L.P.                         | \$333,000    | 200            | 252                  | \$33,509                    | \$30,000,000                 | \$62,900,000                | 252                               |
| Jyoti Americas, LLC                                  | \$865,000    | 157            | 150                  | \$35,696                    | \$27,610,250                 | \$40,956,737                | 138                               |
| Kohl's Department Stores, Inc. (Dallas) <sup>1</sup> | \$864,000    | 144            | NA                   | NA                          | \$54,900,000                 | \$3,600,000                 | NA                                |
| Kohl's Department Stores, Inc. (San Antonio)         | \$750,000    | 150            | 204                  | \$45,000                    | \$18,000,000                 | \$48,800,000                | 204                               |
| Kuraray America, Inc.                                | \$965,000    | 107            | 38                   | \$84,363                    | \$302,000,000                | \$189,662,317               | 38                                |
| Layne Christensen Company                            | \$1,300,000  | 210            | 0                    | \$0                         | \$6,700,000                  | \$1,200,000                 | 0                                 |
| Lee Container Corp.                                  | \$300,000    | 105            | 48                   | \$22,256                    | \$5,636,000                  | \$3,080,000                 | 48                                |
| LegalZoom.Com Texas, LLC                             | \$1,000,000  | 465            | 345                  | \$43,474                    | \$11,750,000                 | \$35,406,676                | 264                               |
| MiniMed Distribution Corp. <sup>4</sup>              | \$6,000,000  | 1,384          |                      |                             | \$23,226,000                 |                             |                                   |
| Motiva Enterprises LLC                               | \$2,000,000  | 300            | 576                  | \$75,026                    | \$3,500,000,000              | \$10,331,665,000            | 576                               |
| Natgasoline LLC <sup>1</sup>                         | \$2,150,000  | 240            | NA                   | NA                          | \$1,900,000,000              | \$0 <sup>2</sup>            | NA                                |
| Nationstar Mortgage LLC                              | \$560,000    | 400            | 400                  | \$41,000                    | \$2,000,000                  | \$95,000,000                | 400                               |
| Newly Weds Foods, Inc.                               | \$450,000    | 115            | 122                  | \$39,000                    | \$27,000,000                 | \$38,120,180                | 122                               |
| Office Depot, Inc.                                   | \$300,000    | 203            | 227                  | \$45,003                    | \$6,900,000                  | \$8,618,328                 | 227                               |
| Oracle America, Inc. <sup>1</sup>                    | \$1,000,000  | 200            | 0                    | \$0.00                      | \$5,395,000                  | \$510,000                   | NA                                |
| Pactiv LLC   | \$930,000    | 200            | 93                   | \$29,244                    | \$58,000,000                 | \$31,047,304                | 93                                |
| PETCO Animal Supplies, Inc.                          | \$3,100,000  | 400            | 309                  | \$59,248                    | \$17,000,000                 | \$25,847,635                | 309                               |
| Rackspace US, Inc.                                   | \$22,000,000 | 4,000          | 2,502                | \$71,500                    | \$111,380,000                | \$130,000,000               | 2,502                             |
| Rockwell Collins, Inc.                               | \$839,196    | 105            | 0                    | \$0                         | \$6,782,500                  | \$5,262,022                 | 0                                 |
| Ruiz Food Products, Inc.                             | \$1,500,000  | 423            | 684                  | \$26,304                    | \$48,880,413                 | \$81,893,537                | 646                               |
| Samsung Austin Semiconductor, L.L.C.                 | \$10,800,000 | 1895           | 2,575                | \$67,000                    | \$2,500,000,000              | \$8,023,708,876             | 2,575                             |
| Santana Textiles, LLC                                | \$1,650,000  | 800            | 29                   | \$25,999                    | \$171,000,000                | \$19,800,000                | 29                                |
| Scott & White Memorial Hospital <sup>4</sup>         | \$7,500,000  | 1,485          |                      |                             | \$63,000,000                 |                             |                                   |
| SEMATECH, Inc. <sup>6</sup>                          | \$40,000,000 | 4,000          | NA                   | NA                          | \$190,000,000                | NA                          | NA                                |
| Superior Essex International LP                      | \$250,000    | 50             | 40                   | \$46,419                    | \$7,600,000                  | \$22,400,000                | 40                                |

| Company  | Award Amount | Jobs Committed | Jobs Created to Date | Median Wage of Jobs Created | Capital Investment Committed | Capital Investment Expended | Jobs Created with Health Benefits |
|--|--------------|----------------|----------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------------|
| Tapco International, Inc. dba TapcoEnpro International                                       | \$675,000    | 100            | 28                   | \$71,012                    | 26,000,000                   | \$36,100,000                | 28                                |
| TD Ameritrade Holding Corporation  | \$1,200,000  | 490            | 95                   | \$42,994                    | \$11,000,000                 | \$15,755,820                | 95                                |
| TEKsystems Global Services, LLC  | \$1,100,000  | 500            | 0                    | \$0                         | \$4,865,000                  | \$1,824,128                 | 0                                 |
| Texas A&M University System and Lexicon Genetics Incorporated                                | \$50,000,000 | 5,000          | NA                   | NA                          | \$45,739,349                 | \$45,739,349                | NA                                |
| Torchmark Corporation  | \$2,000,000  | 500            | 515                  | \$41,593                    | \$26,600,000                 | \$25,222,332                | 515                               |
| Triumph Aerostructures, LLC dba Triumph Aerostructures-Vought Aircraft Division <sup>5</sup> | \$35,000,000 | 5,958          | 2,396                |                             | \$598,000,000                |                             |                                   |
| Tyson Fresh Meats, Inc.  | \$7,000,000  | 1,600          | 1,539                | \$25,064                    | \$97,150,000                 | \$150,000,000               | 1,539                             |
| United Services Automobile Association (USAA) <sup>1</sup>                                   | \$5,000,000  | 680            | NA                   | NA                          | \$31,400,000                 | \$9,400,000                 | NA                                |
| United States Bowling Congress, Inc. (DIRECT JOBS)   | \$610,000    | 160            | 105                  | \$49,125                    | \$13,000,000                 | \$18,837,215                | 105                               |
| United States Bowling Congress, Inc. (AFFILIATE JOBS)  |              | 15             | 30                   | \$50,313                    |                              |                             |                                   |
| Vendor Resource Management, Inc.   | \$750,000    | 275            | 113                  | \$93,630                    | \$4,600,000                  | \$10,069,000                | 112                               |
| VISA U.S.A. Inc.   | \$7,900,000  | 794            | 192                  | \$115,186                   | \$27,240,000                 | \$15,593,903                | 192                               |
| ZAH Group, Inc.  | \$2,800,000  | 585            | 170                  | \$32,032                    | \$95,000,000                 | \$42,300,000                | 170                               |
| Active Network, LLC <sup>1</sup>   | \$8,600,000  | 1,000          |                      |                             | \$13,000,000                 |                             |                                   |
| ADP, Inc. (Helping Hand) <sup>1</sup>  | \$2,400,000  | 585            |                      |                             | \$22,000,000                 |                             |                                   |
| Apple Inc. <sup>1</sup>  | \$21,000,000 | 3,635          |                      |                             | \$304,000,000                |                             |                                   |
| athenahealth, Inc. <sup>1</sup>  | \$5,000,000  | 607            |                      |                             | \$13,000,000                 |                             |                                   |
| Charles Schwab and Co., Inc. <sup>1</sup>  | \$1,450,000  | 445            |                      |                             | \$21,568,574                 |                             |                                   |
| Dropbox, Inc. <sup>1</sup>   | \$1,500,000  | 170            |                      |                             | \$5,500,000                  |                             |                                   |
| Maverick Arms <sup>1</sup>   | \$300,000    | 50             |                      |                             | \$3,400,000                  |                             |                                   |
| Omnitracs, LLC <sup>1</sup>  | \$3,900,000  | 450            |                      |                             | \$10,000,000                 |                             |                                   |
| Schneider Electric USA, Inc. <sup>1</sup>  | \$750,000    | 1,937          |                      |                             | \$7,000,000                  |                             |                                   |
| Space Exploration Technologies Corp. <sup>1</sup>  | \$2,300,000  | 300            |                      |                             | \$85,098,250                 |                             |                                   |
| TBC (Maverick Tube Corporation and Tenaris Bay City, Inc.) <sup>1</sup>                      | \$6,000,000  | 600            |                      |                             | \$1,300,000,000              |                             |                                   |
| The Prudential Insurance Company of America and HGS (USA), LLC <sup>1</sup>                  | \$1,150,000  | 300            |                      |                             | \$6,077,038                  |                             |                                   |
| Toyota Motor North America, Inc. <sup>1</sup>  | \$40,000,000 | 3,650          |                      |                             | \$345,000,000                |                             |                                   |

| Company                          | Award Amount | Jobs Committed | Jobs Created to Date | Median Wage of Jobs Created | Capital Investment Committed | Capital Investment Expended | Jobs Created with Health Benefits |
|----------------------------------|--------------|----------------|----------------------|-----------------------------|------------------------------|-----------------------------|-----------------------------------|
| Websense, Inc. <sup>1</sup>      | \$4,500,000  | 445            |                      |                             | \$9,900,000                  |                             |                                   |
| Siro Group USA, LLC <sup>1</sup> | \$800,000    | 212            |                      |                             | \$58,500,000                 |                             |                                   |

NOTES:

<sup>1</sup> Grantee is not required to report on Job Target until 2015 or later

<sup>2</sup> As of 12/31/13, construction had not yet started

<sup>3</sup> idX San Antonio, LLC terminated early on 2/26/14 and paid \$108,591 in early termination fees, in addition to \$51,821 in liquidated damages previously paid

<sup>4</sup> As of 11/20/14, Annual Compliance Verification not yet completed due to incomplete data submitted by grantees

<sup>5</sup> Company did not report all required data, and is currently "out of compliance" with terms of Agreement

<sup>6</sup> SEMATECH maintained a Direct Job Target of 400 Employment Positions for the years required. The remaining requirement is an Indirect Job Target of 4,000 to be reported December 31, 2014.

All figures are from verified compliance reports submitted for 2013 reporting period

# **TEF Contract Amendments, Terminations & Completions**

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## **Amended Contracts**

The Office of the Governor has, on occasion, worked with contracted TEF recipients to amend the terms of their agreements. Some amendments may adjust future job targets when changes in business conditions require an awarded company to modify its growth and hiring plans. Other amendments may not change the job creation targets, but rather may clarify certain contractual terms, such as assignment of contractual obligation from one entity to another within a grantee's corporate structure.

In any circumstance, a company must be in compliance with all contractual terms at the time of consideration. Amendments cannot retroactively assist grant recipients that have already missed job creation targets. Additionally, all changes to TEF contracts require a mutually beneficial exchange between the recipient company and the State in order to maintain the same return on investment for the project as calculated by the Office of the Governor at the time of the original award. The financial impact of an amendment request is assessed on a case-by-case basis and may involve repayment of grant dollars or reduction of future grant disbursements. Amendments that merely clarify existing terms typically do not require an exchange of funds.

From January 2013 to December 2014, ten TEF recipients worked with the Office of the Governor to amend their contracts for business reasons while remaining in good standing with their original TEF agreements. These companies are listed below.

- Allstate Insurance Company
- Consolidated Electrical Distributors, Inc.
- Continental Automotive Systems, Inc.
- Ferris Manufacturing Corp.
- LegalZoom.Com Texas, LLC
- Motiva Enterprises LLC
- Oracle America, Inc.
- TBC (Maverick Tube Corporation and Tenaris Bay City, Inc.)
- ZAH Group, Inc.

## **Terminated Contracts**

In 2013 and 2014, 11 companies terminated their TEF agreements with the State of Texas for business reasons, prior to full completion of the contractual terms. In each case, the Office of the Governor fully enforced applicable damages laid out in the terms of these TEF agreements while allowing contracted companies to receive the benefit of previously verified job creation and/or liquidated damages paid.

- Authentix, Inc. – \$750,000 was disbursed by the state, of this amount \$616,924 was returned via liquidated damages. At the company’s request, termination was granted. Credit was given for creating 39 verified employment positions and termination funds in the amount of \$63,200 were requested by OOG and timely received.
- HelioVolt Corporation – \$500,000 was disbursed by the state, of this amount \$294,512 was returned via liquidated damages. Credit was given for creating 51 verified employment positions and termination funds in the amount of \$60,253 were requested by OOG and timely received.
- Hilmar Cheese Company – \$7,500,000 was disbursed by the state, of this amount \$2,363,363 was returned via liquidated damages. At the company’s request, termination was granted. Credit was given for creating 390 direct and 601 associated verified employment positions and termination funds in the amount of \$1,831,856 were requested by OOG and timely received.
- Hirschfeld Wind Energy Solutions II LLC – \$500,000 was disbursed by the state, of this amount \$447,055 was returned via liquidated damages. At the company’s request, termination was granted. Credit was given for creating 16 verified employment positions and termination funds in the amount of \$26,187 were requested by OOG and timely received.
- The Home Depot, Inc. – \$8,500,000 was disbursed by the state. At the company’s request, early termination was granted using applicable surplus job credits. Surplus credits were obtained by creating 901 verified employment positions which exceeded contract requirements.
- idX San Antonio, LLC – \$125,000 was disbursed by the state, of this amount \$51,821 was returned via liquidated damages. At the company’s request, termination was granted. Credit was given for creating 28 verified employment positions and termination funds in the amount of \$108,591 were requested by OOG and timely received.
- Lockheed Martin Corporation – \$4,000,000 was disbursed by the state, of this amount \$354,456 was returned via liquidated damages. At the company’s request, termination was granted. Credit was given for creating 305 verified employment positions and termination funds in the amount of \$416,069 were requested by OOG and timely received.

- Rockwell Collins, Inc. – \$839,196 was disbursed by the state, of this amount \$481,052 was returned via liquidated damages. At the company’s request, termination was granted. Credit was given for creating 118 verified employment positions and termination funds in the amount of \$159,893 were requested by OOG and timely received.
- Ruiz Food Products, Inc. – \$1,500,000 was disbursed by the state. At the company’s request, early termination was granted using applicable surplus job credits. Surplus job credits were obtained by creating 684 verified employment positions which exceeded contract requirements.
- Tapco International, Inc. dba TapcoEnpro International – \$325,000 was disbursed by the state. At the company’s request, termination was granted. Credit was given for creating 28 verified employment positions and termination funds in the amount of \$308,350 were requested by OOG and timely received.
- Texas Energy Center - \$3,600,000 was disbursed by the state. At their request, early termination was granted using applicable surplus job credits. Surplus job credits were obtained by creating 1,894 verified employment positions which exceeded contract requirements.

### **Expired Contracts**

Three companies’ TEF agreements expired after all contractual terms were verified to be complete.

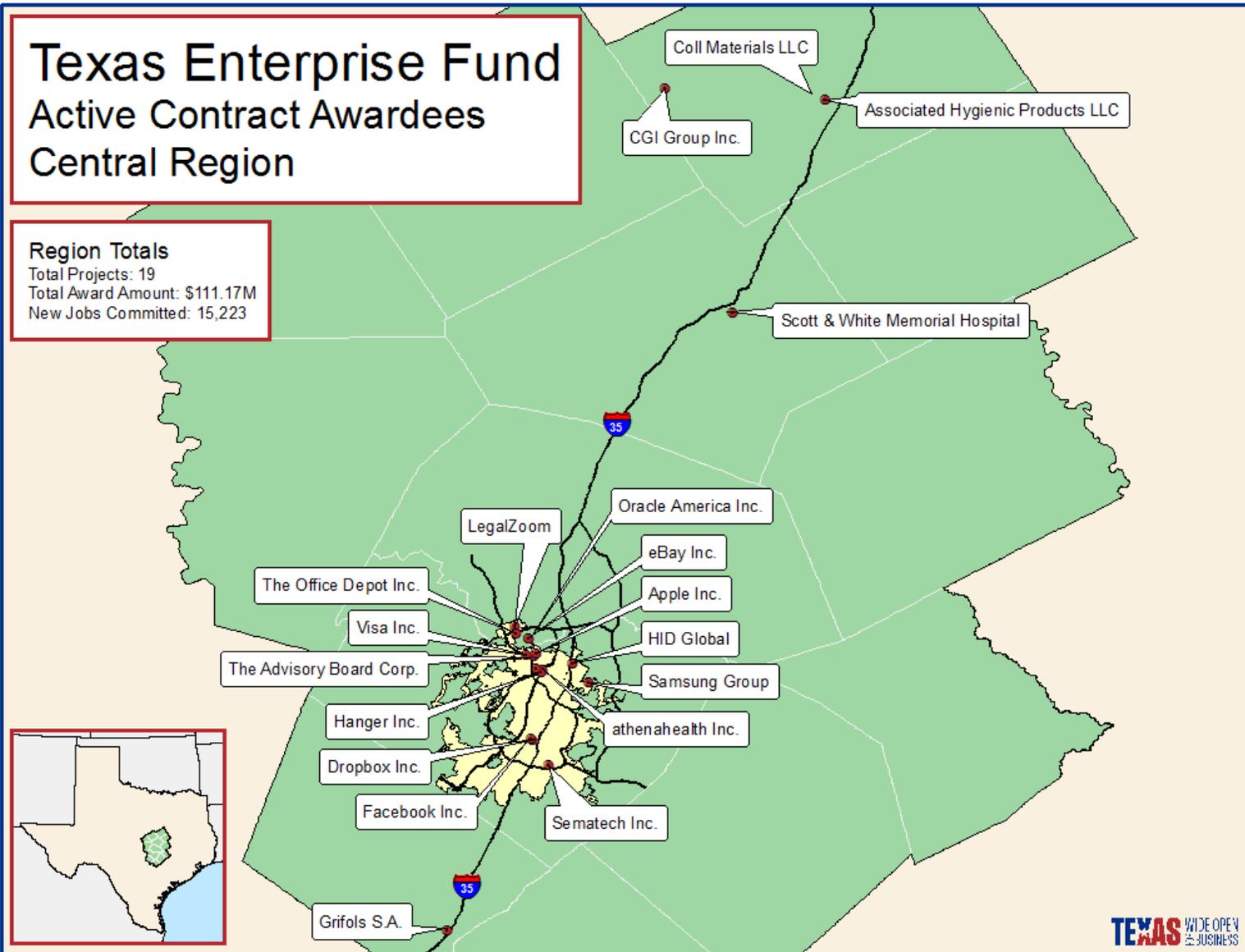
- Nationstar Mortgage LLC
- Texas Giga POP dba LEARN: Lonestar Education and Research Network
- United States Bowling Congress, Inc.

# **Appendix 1:**

## **Maps of All Funded Projects by Region**

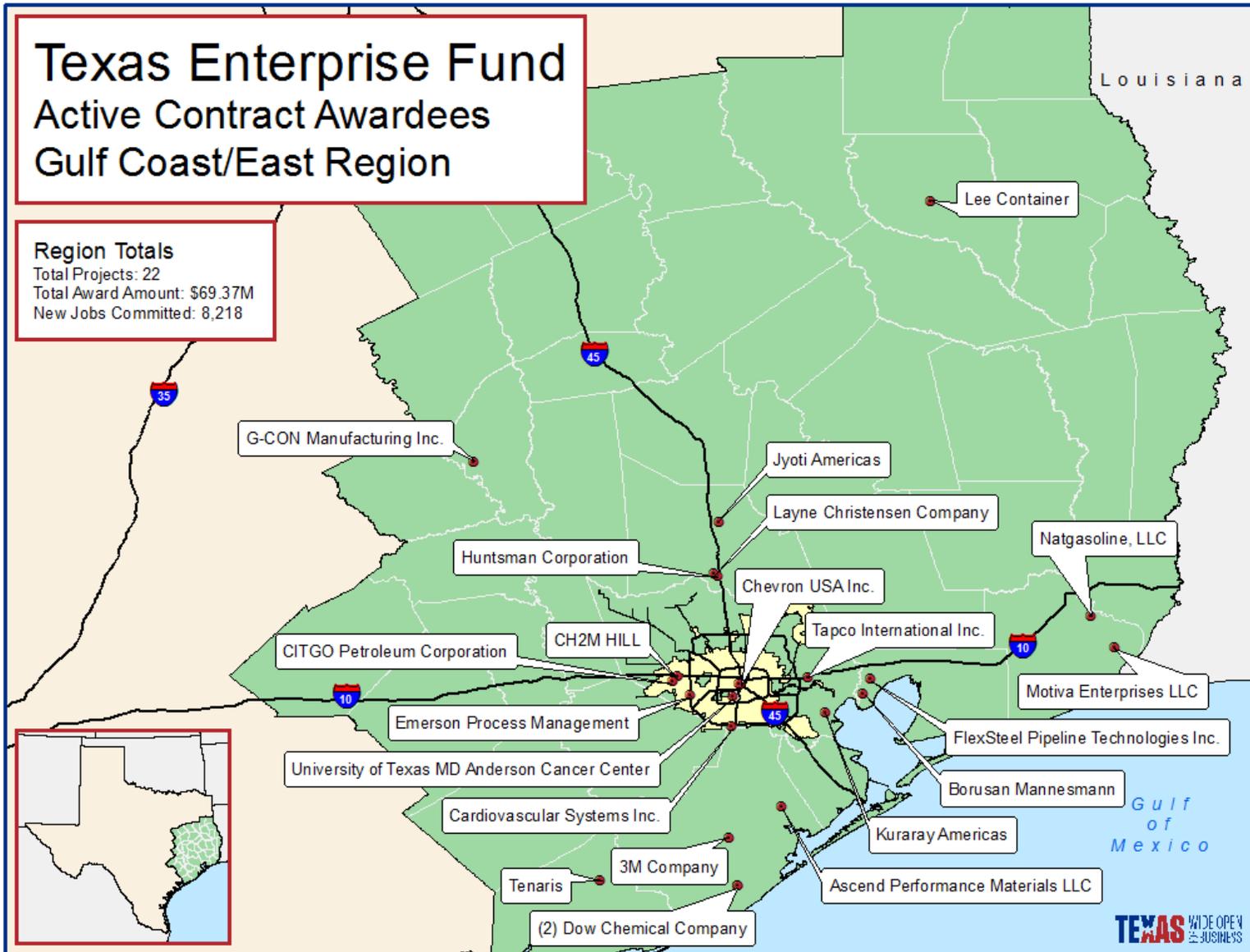
# Texas Enterprise Fund Active Contract Awardees Central Region

**Region Totals**  
Total Projects: 19  
Total Award Amount: \$111.17M  
New Jobs Committed: 15,223



# Texas Enterprise Fund Active Contract Awardees Gulf Coast/East Region

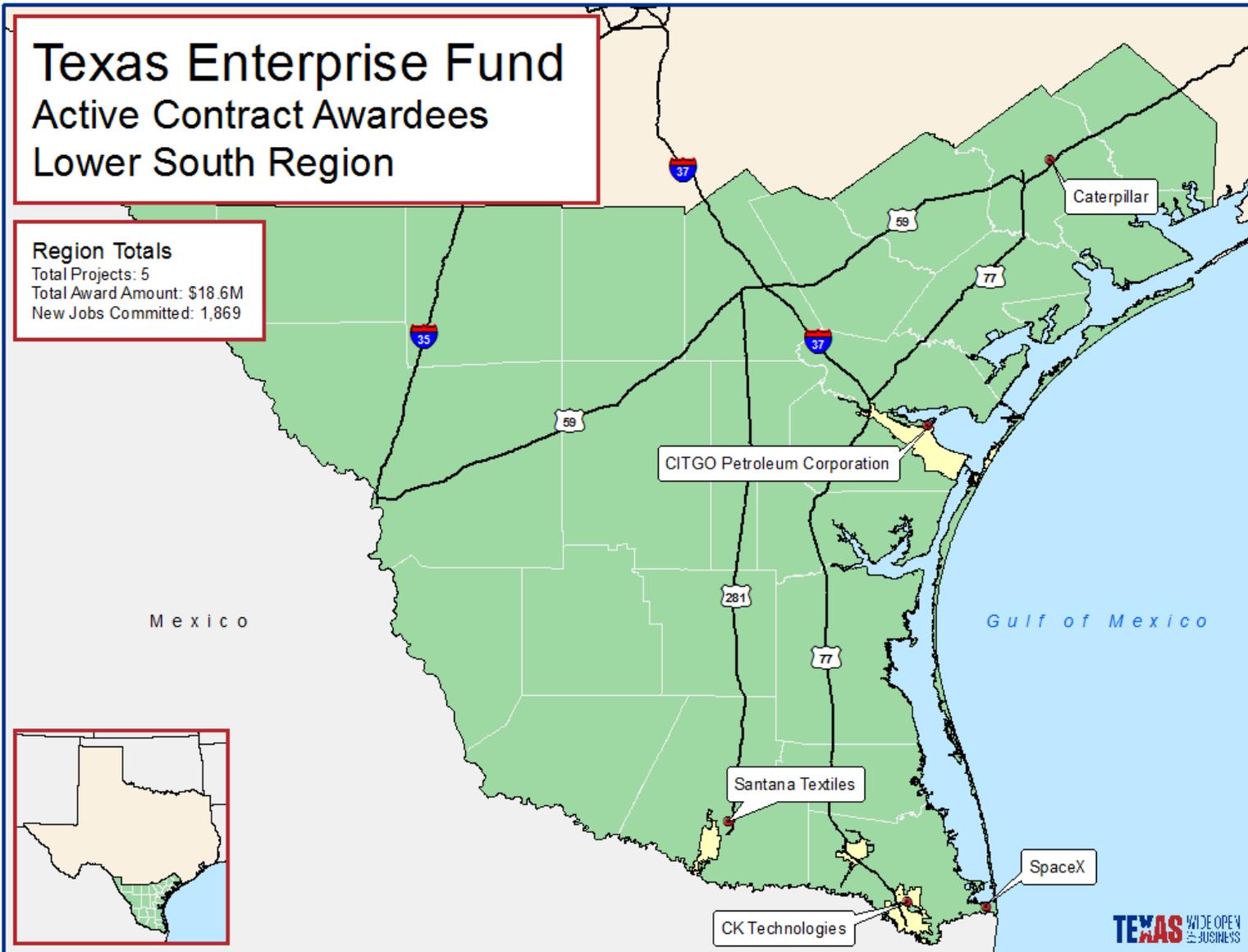
**Region Totals**  
 Total Projects: 22  
 Total Award Amount: \$69.37M  
 New Jobs Committed: 8,218



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 IN BUSINESS

# Texas Enterprise Fund Active Contract Awardees Lower South Region

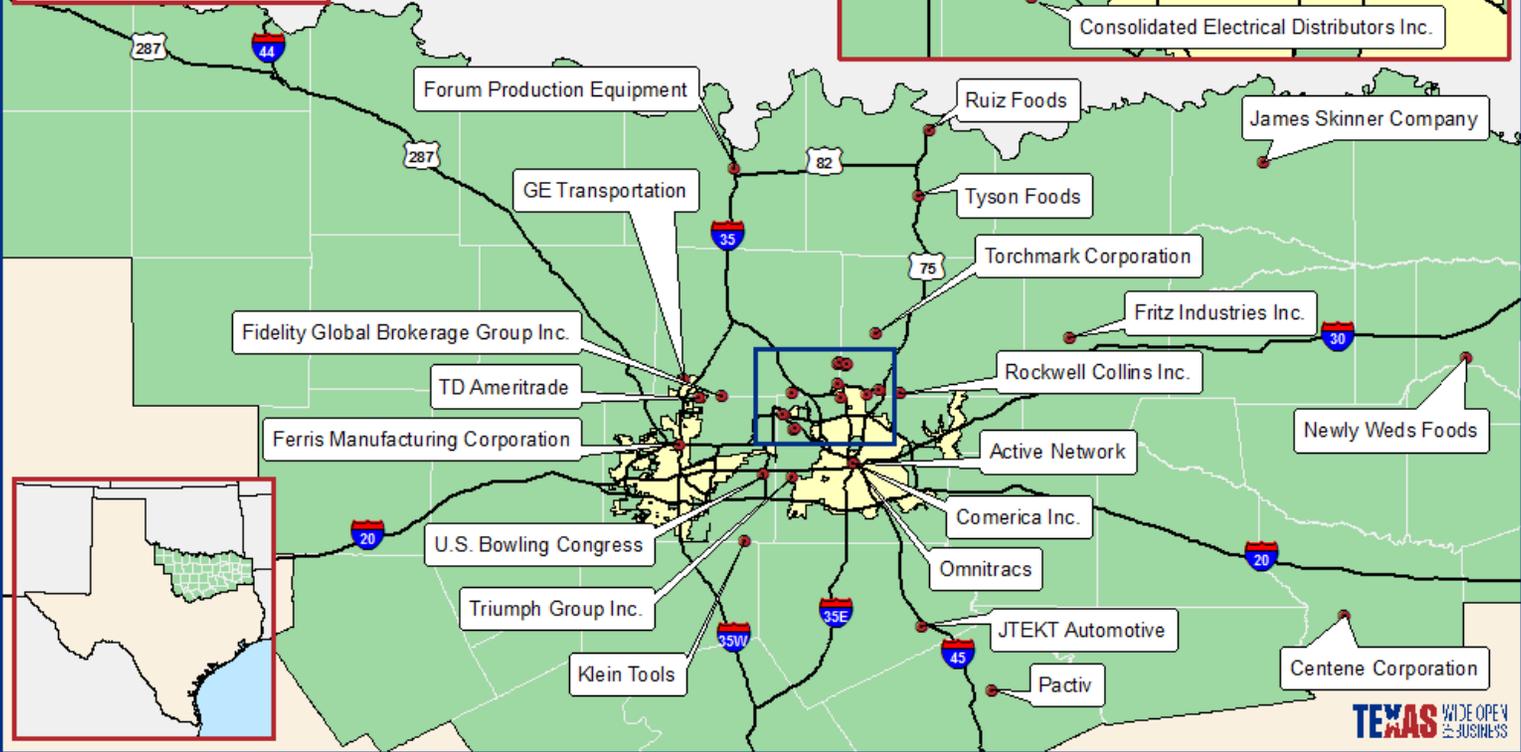
**Region Totals**  
Total Projects: 5  
Total Award Amount: \$18.6M  
New Jobs Committed: 1,869



# Texas Enterprise Fund Active Contract Awardees North/Northeast Region

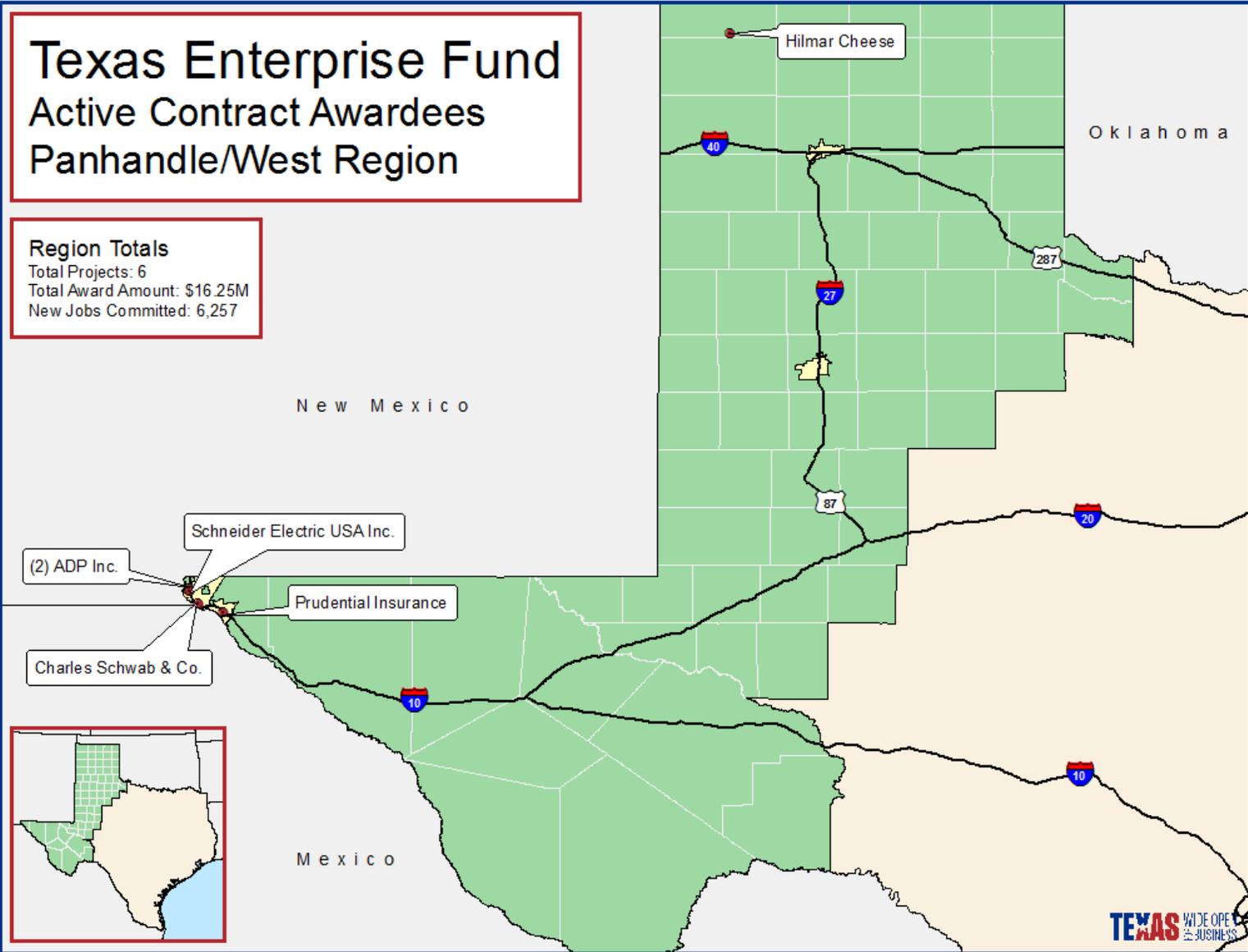
**Region Totals**  
 Total Projects: 33  
 Total Award Amount: \$189.46M  
 New Jobs Committed: 17,230

Toyota Motor North America  
 Frito-Lay Inc.  
 Vendor Resources Mgmt. Inc.  
 Authentix Inc.  
 Nationstar Mortgage  
 TEKsystems Inc.  
 USAA  
 Golden Living  
 UTD & Texas Instruments  
 Kohl's Department Store Inc.  
 Health Management Systems Inc.  
 Consolidated Electrical Distributors Inc.



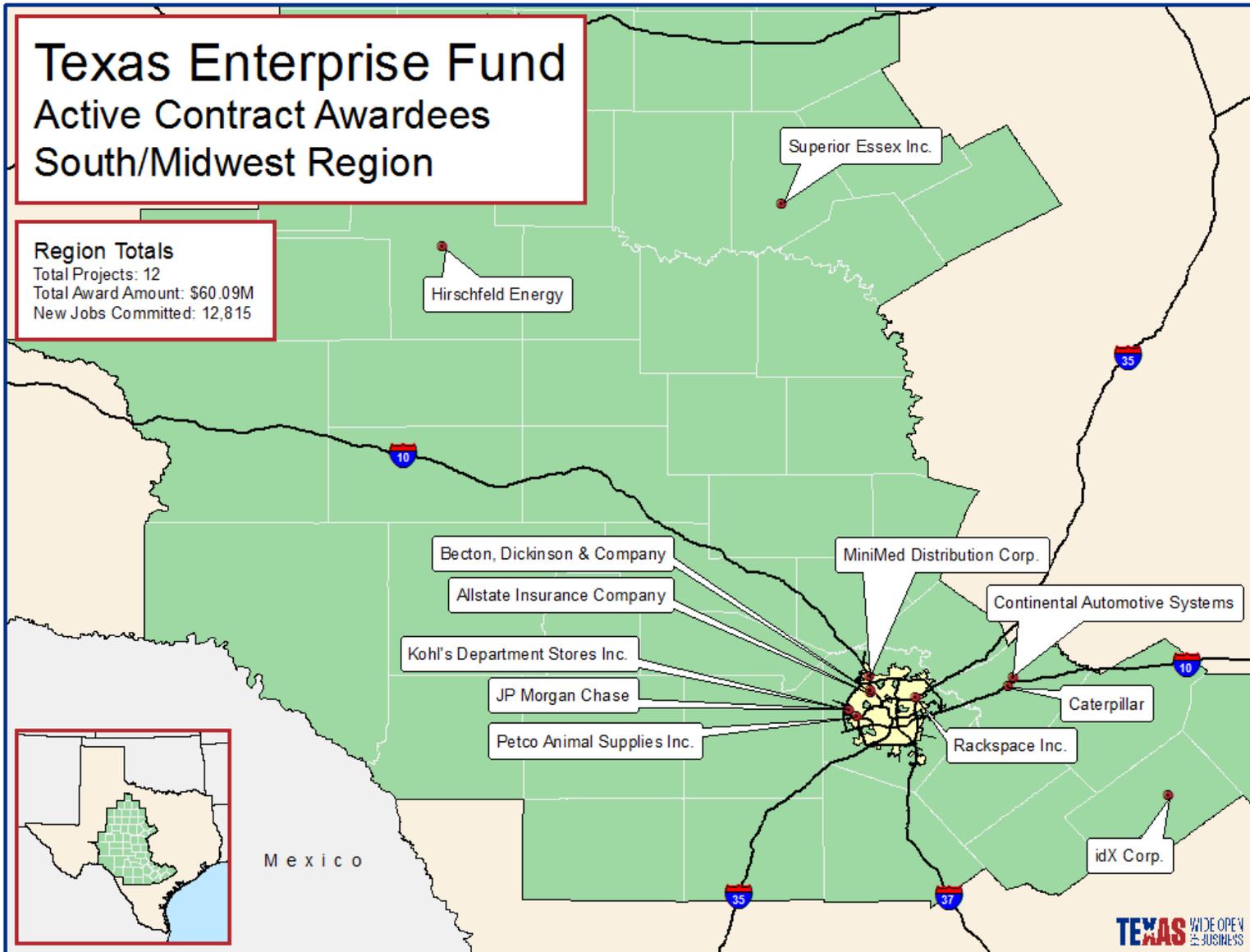
# Texas Enterprise Fund Active Contract Awardees Panhandle/West Region

**Region Totals**  
Total Projects: 6  
Total Award Amount: \$16.25M  
New Jobs Committed: 6,257



# Texas Enterprise Fund Active Contract Awardees South/Midwest Region

**Region Totals**  
Total Projects: 12  
Total Award Amount: \$60.09M  
New Jobs Committed: 12,815



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