



OFFICE OF
THE GOVERNOR

TEXAS ECONOMIC DEVELOPMENT & TOURISM OFFICE

FEDERAL & STATE INITIATIVES ENHANCING TEXAS' POSITION FOR ECONOMIC GROWTH

October 30, 2025

Office of the Governor Texas Economic Development & Tourism Office

The Texas Economic Development & Tourism Office (EDT) promotes the state of Texas as a leading global business location and premier travel destination.



**Business
Development**

**Economic
Development
Finance**

**Texas
CHIPS
Office**

**Texas
Workforce
Investment
Council**

**Texas
Music
Office**

**Travel
Texas**

**Texas Film
Commission**



OPPORTUNITY ZONE 2.0

What is Opportunity Zone (OZ)?

Opportunity Zone is the **largest federal economic and community development tool** to spur economic growth and job creation in low-income communities.

Opportunity Zone 1.0 (2017)

- OZ 1.0 tracts in effect from January 1, 2019, to December 31, 2028

Opportunity Zone 2.0 (2025)

- State nomination due July 1, 2026
- OZ 2.0 tracts in effect January 1, 2027, to December 31, 2036

Tract designations under the OZ 1.0 program remain eligible through December 31, 2028, creating a two-year overlap.

How does Opportunity Zone incentivize investments?

Encourages long-term private investment in economically distressed areas through **Capital Gains Tax Incentives** — in projects such as:

- Residential, Commercial and Industrial Real Estate
- Operating Businesses
- Infrastructure Development

Opportunity Zone 1.0 Highlights

Opportunity Zone as an **Accelerator**:

- **Major metro cores/submarkets** (Austin, Dallas–Fort Worth, Houston, San Antonio)
- **University/medical anchors, ports/logistics corridors, and innovation districts**
- Zones with **pre-entitled sites, infrastructure capacity, and local matching incentives**
- Smaller cities that packaged **site control + local support + workforce partnerships** converted nominations into actual projects.
- **Rural designations lagged** without project readiness

Opportunity Zone 2.0 Highlights

Permanent Feature of Tax Code with rolling **10-year designations**

- OZ 1.0 is a one-time designation (Sunset)
- OZ 2.0 Permanent program under Tax Code (No Sunset)

Smaller Map with Fewer Number of OZ tracts

- Median Family income (MFI) less than 70% of state/metro MFI; or
- Poverty Rate greater than or equal to 20% and MFI less than or equal to 125% of state/metro MFI.
- Contiguous Tract Rule: eliminated

Opportunity Zone 2.0 Highlights

Simplified Investor Benefits

- 5-year Holding Period: **+10% basis exclusion**
- 7-year Holding Period: **no additional benefits**
- Standardizing deferral benefits can help ensure consistent investor participation over time.

Additional Incentives for Rural OZ investments

- 5-year Holding Period: **+30% basis exclusion**
- Rural projects need only **50% “substantial improvement” (vs 100%)**
- “Rural” is defined as any area not within or adjacent to a town with over **50,000 inhabitants**.

Opportunity Zone 2.0 — Key Dates

State governors will be able to **nominate 25%** of their respective state's eligible census tracts every ten years for U.S. Treasury certification as Opportunity Zone tracts.

- **July 1, 2026** – Nominations will begin
- **November 2025** – Release nomination packet and guidance to communities
- **Spring 2026** – Eligible tracts are expected to be released by the U.S. Treasury
- **January 1, 2027 – Decennial redesignations:** Opportunity Zone 2.0 designations are effective for 10 years thru December 31, 2036

Recommendation and Selection Process

Factors to be considered:

- **Statutory compliance:** Only nominate tracts that clearly meet federal eligibility
- **Local Support:** based on incentives offered, rebates, and agreements provided by the local community.
- **Project Viability:** Prioritize sites where private capital can realistically deploy.
- **Geographic balance:** Ensure representation across regions; leverage **rural incentives** without selecting unworkable tracts and additional stimulus for tracts affected by **declared disaster**.

For More Information:



**Visit the Opportunity
Zone Website**

OR

**Email Our Team at
OppZone2.0@gov.texas.gov**



BUSINESS DEVELOPMENT UPDATE

Business Development

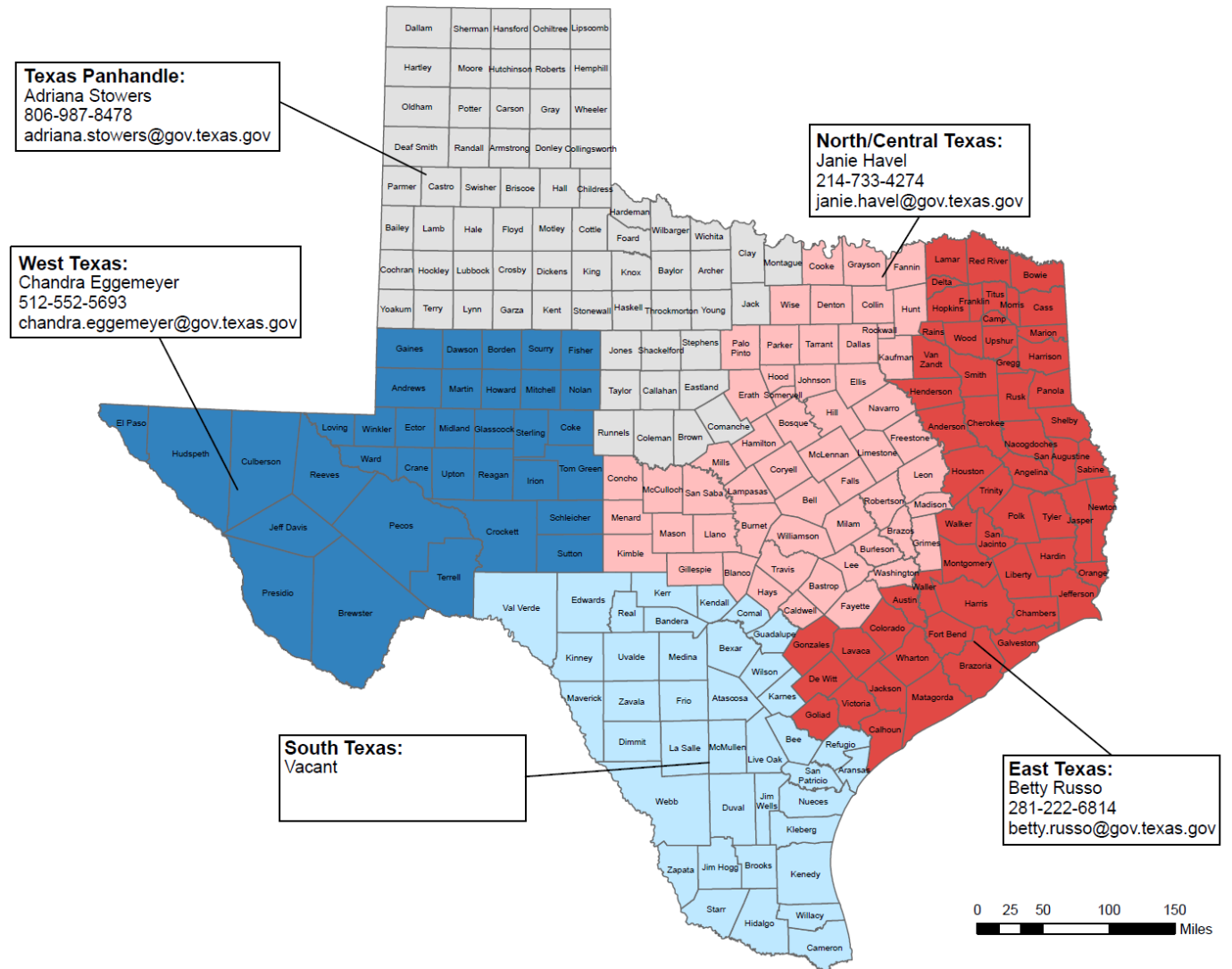
Business Development focuses on the creation of new jobs and investment through domestic and international business recruitment, expansion and retention; increasing Texas exports; and small business development and entrepreneurship.

- Business & Industry Recruitment
- International Business
- Regional Offices
- Small Business & Permit Assistance
- Research & Economic Analysis
- Marketing & Promotion

Regional Offices

EDT Regional Representatives are located in five regions across Texas.

- Work directly with the local governments and stakeholders to increase economic development capacity,
- Organize workshops, and
- Provide stakeholders with updates on state programs and resources.



Business Development: 2024 Recap

IN 2024, THERE WERE MORE THAN 1,300
NEW PROJECTS ANNOUNCED IN TEXAS:

1,300
NEW PROJECTS

WITH A TOTAL INVESTMENT OF:

\$31+ BILLION

AND TOTAL NEW JOB CREATION:

30,000 JOBS

IN 2024, THERE WERE 24 CORPORATE HEADQUARTER RELOCATIONS TO TEXAS:

24 **HEADQUARTER
RELOCATIONS**

TEXAS ECONOMIC DEVELOPMENT — FY 2024 — YEAR IN REVIEW



THE BUSINESS & COMMUNITY DEVELOPMENT TEAM ASSISTED WITH:

265
INVESTMENT
PROSPECTS

45
PROJECTS
ANNOUNCED

EXPECTED TO CREATE AT LEAST:

9,579
NEW JOBS



\$12.8B
IN CAPEX



738 BUSINESS
ASSISTANCES

732 PERMIT
ASSISTANCES

60 INDUSTRY
ENGAGEMENTS

601 COMMUNITY
ENGAGEMENTS

13,041  The Governor's
Small Business
Resource Portal
SMALL BUSINESS RESOURCE
PORTAL ENGAGEMENTS



THE OFFICE OF SMALL BUSINESS ASSISTANCE HOSTED

14 SMALL BUSINESS WITH **+3,224**
EVENTS & WEBINARS REGISTRANTS

MARKETING EFFORTS RESULTED IN:

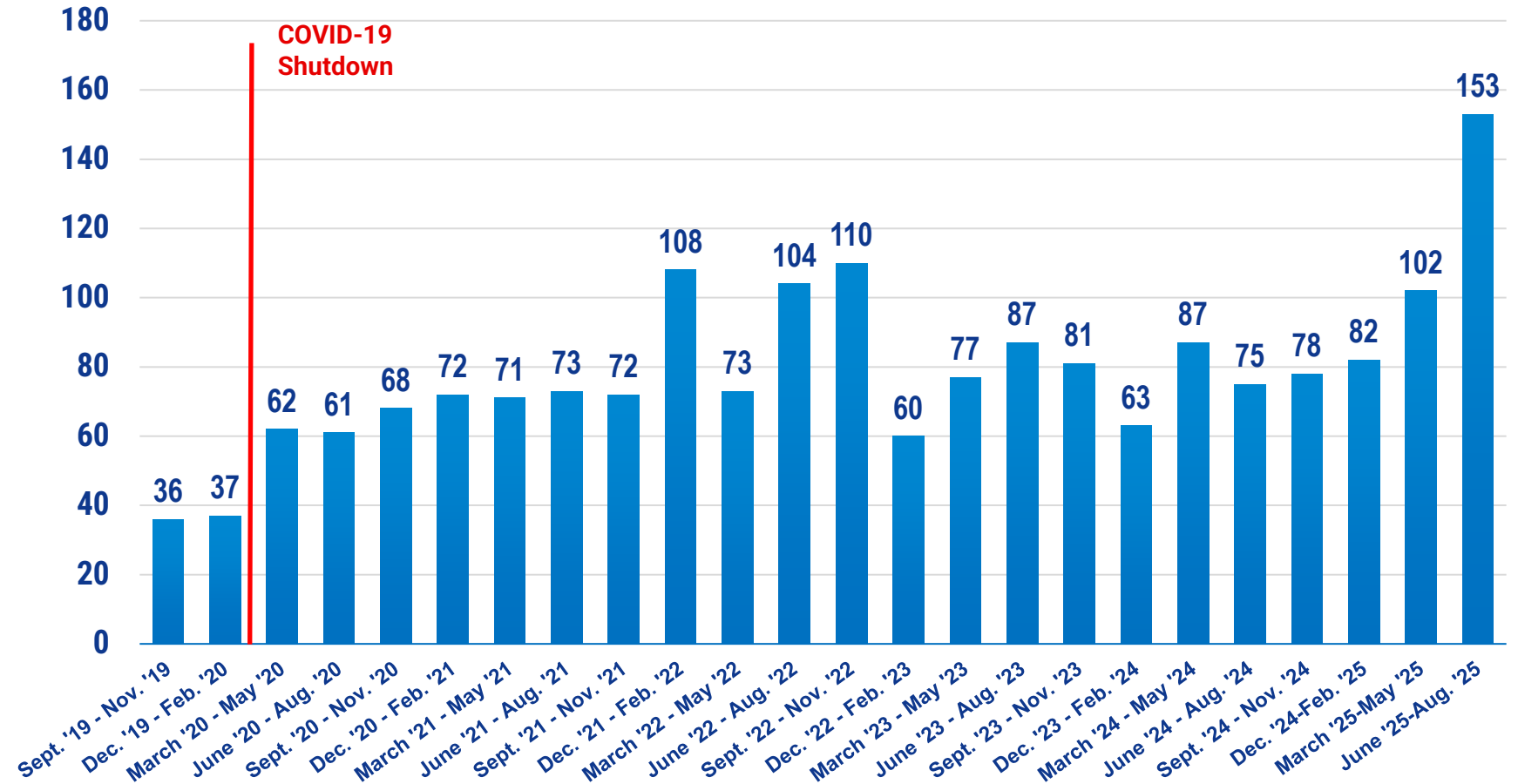
453,138	TOTAL USERS
666,191	TOTAL PAGEVIEWS
79,580	FILE DOWNLOADS

AT [GOV.TEXAS.GOV/BUSINESS](https://gov.texas.gov/business)

Prospects Developed

400+

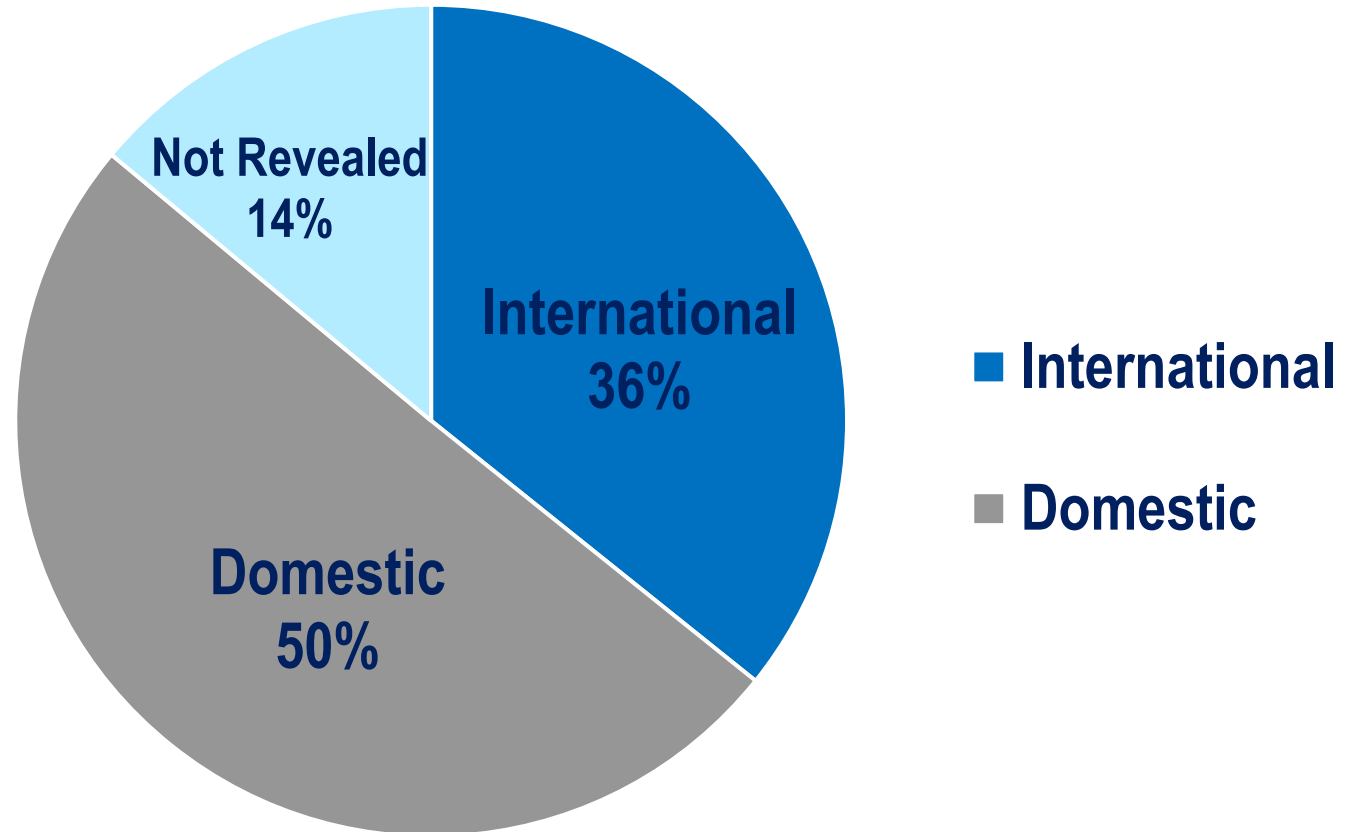
PROJECTS CURRENTLY
IN THE PIPELINE



Business Development Update

INTERNATIONAL VS. DOMESTIC PROJECTS

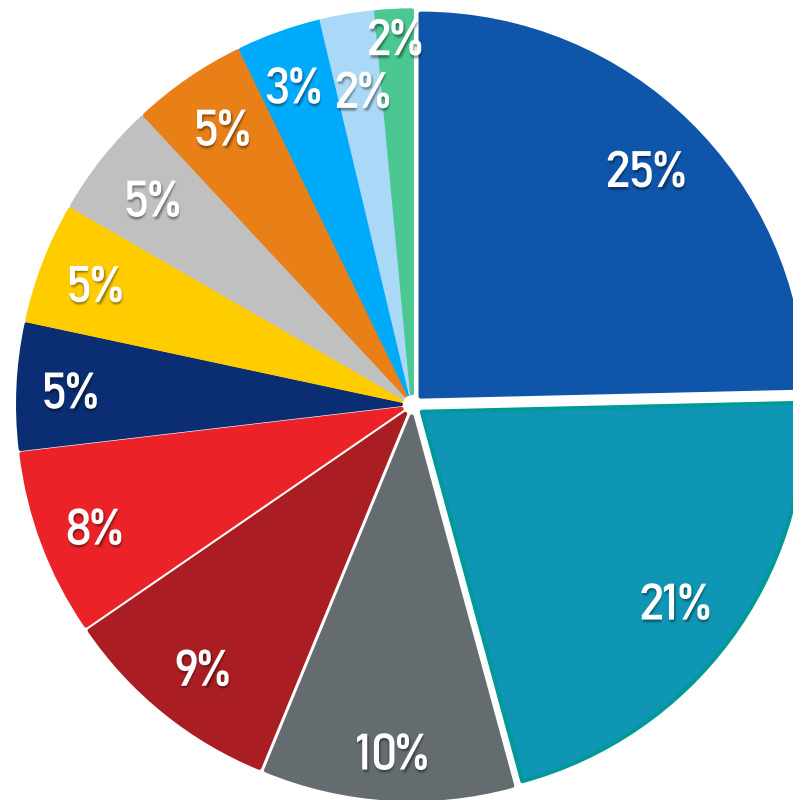
(End of FY24)



Business Development Update

INDUSTRY OVERVIEW

ACTIVE PROJECTS



- General Manufacturing
- Advanced Technology & Manufacturing
- Energy
- Petroleum Refining & Chemical Products
- Aerospace, Aviation & Defense
- Biotechnology & Life Sciences
- Food & Agriculture
- Automotive Manufacturing
- Information & Computer Technology
- Other
- Corporate Services
- Distribution & Supply Chain

Operational Plan Update

Bigger. Better. Texas.

*Blueprint to build a stronger
Texas of tomorrow*

Statewide Economic Development
Strategic Plan: 2025 – 2029



Texas Economic Development & Tourism Office
Office of the Governor



Economic Pillars

Our efforts will **advance regional priorities and target sector growth.**

Thriving **Businesses** & **Industries**

Strengthen and accelerate economic growth through targeted business support, expansion, attraction and retention efforts.

Lead: EDT will take an active role in leading and coordinating initiatives related to these pillar.

Robust **Innovation & Entrepreneurship** Ecosystem

Identify and promote assets that foster innovation, incentivize entrepreneurship, and enable Texas to remain a global economic leader.

Nimble **Workforce** Training Environment

Inform and advocate for resources that prepare the workforce to meet industry needs and drive business growth.

Align and Signal: EDT will support other stakeholders and partners with initiatives related to these pillars.

Resilient **Infrastructure** Network

Support the development of infrastructure that is resilient and equipped to meet community and industry needs.

Target Sectors & Clusters

 Advanced Manufacturing	 Energy Evolution	 Food & Livestock Products	 Hospitality, Tourism & Culture	 Information Technology
• Aerospace Vehicles, Aircraft & Defense • Automotive • Computers, Electronics & Semiconductor Manufacturing • Production Technology & Heavy Machinery	• Electric Power Generation and Transmission • Oil and Gas Extraction, Production and Transportation • Renewables	• Food Processing • Livestock Processing	• Film, Music and Culture • Hospitality and Tourism	• Information Technology & Artificial Intelligence
 Life Sciences & Biotechnology	 Petroleum Refining & Chemicals	 Professional Services & Corporate Operations	 Rare Earth Elements & Mineral Mining	 Transportation & Logistics
• Biotechnology, Pharmaceuticals and Medical Devices • Agricultural Science & Technology	• Industrial Chemical Products • Petroleum Refining • Plastics	• Business Services & Corporate Headquarters • Financial Services	• Metal Mining • Nonmetal Mining	• Distribution and E-Commerce • Transportation and Aviation Services

Implementation of Objectives

- Creation of the 2026 marketing plan—aligned with new target clusters and industry sectors—along with plan of action
 - Expand promotion of existing incentives and financing programs
 - Execute targeted sector and cluster-specific marketing strategies
 - EDT, TxEDC and our community partners will expand participation in missions, trade shows, and international delegations to target high impact locations
- Established application portals for the Texas Enterprise Fund and Enterprise Zone Programs

Implementation of Objectives

- Developing RFPs for the State of Texas United Kingdom, State of Texas Israel, and State of Texas Mexico Office with the aim to in place by the first quarter of 2026
- Assigned target sectors and industry clusters to Industry Recruitment Specialists within EDT

Name	Target Sector	Industry Cluster
Joe Magruder	Advanced Manufacturing Transportation & Logistics Petroleum Refining & Chemicals (Food & Livestock Products)	Aerospace Vehicles, Aircraft & Defense Transportation & Aviation Services Plastics
Phillip Rocha	Life Sciences & Biotechnology Petroleum Refining & Chemicals Energy Evolution	Biotechnology, Pharmaceuticals & Medical Devices Oil & Gas Extraction, Production & Transportation Petroleum Refining Renewables
Stephanie Mazurkiewicz-Muehlstein	Food & Livestock Products Life Sciences & Biotechnology	Agricultural Science & Technology Food Processing Livestock Processing
Fernanda Sanchez	Advanced Manufacturing Information Technology Rare Earth Elements & Mineral Mining Professional Services & Corporate Operations	Production Technology & Heavy Machinery Information Technology & Artificial Intelligence Financial Services Nonmetal Mining
Lauren Slusher	Rare Earth Elements & Mineral Mining Transportation & Logistics (Information Technology)	Computers, Electronics & Semiconductor Mfg Industrial Chemical Products Distribution & E-Commerce Metal Mining
Vacant	Advanced Manufacturing Energy Evolution Professional Services & Corporate Operations	Automotive Electric Power Generation & Transmission Business Services & Corporate Headquarters
Rotating	General Manufacturing Hospitality, Tourism & Culture	

Implementation of Objectives

- EDT Small Business team is engaged with the Texas Regulatory Efficiency Office (TREO)
- Established the Innovation & Entrepreneurship Catalogue
- EDT Regional Representatives are tasked with visiting all community EDO's within their region each fiscal year
- Creation of the Texas International Business Advisory Taskforce

Taskforce on Modernizing Manufacturing

EDT is be responsible for working with the Task Force on a report that will be due to the Governor, Lt Gov., Speaker, and Legislature on October 1, 2026. As required by the legislation, the members of the Task Force will be appointed by the Governor on the EDT Executive Director's recommendation. These members shall consist of:

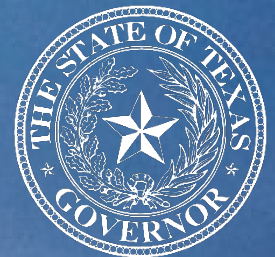
- 1.) Two members representing small manufacturers with an established presence in this state;
- 2.) Two members representing mid-sized manufacturers with an established presence in this state;
- 3.) Two members representing large manufacturers with an established presence in this state;
- 4.) Two experts in automation and digital technologies related to manufacturing;
- 5.) One member representing the Texas Workforce Commission;
- 6.) Two members representing organized labor in the manufacturing industry;
- 7.) One member representing the Texas Education Agency;
- 8.) One member representing the Texas Higher Education Coordinating Board; and
- 9.) One additional member representing the office.



Q&A

Thank you!

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