

California delegation coming to Austin to study Texas business climate

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A delegation of California state lawmakers and business leaders is heading to Austin next week on a self-described quest to learn from the Texas economy.

State Assemblyman Dan Logue, a Republican from Linda, Calif., said the trip will include meetings with Gov. Rick Perry as well as with representatives of businesses that have fled California. The group will be in town April 14 and 15 at the InterContinental Stephen F. Austin Hotel .

Logue described the trip as a "fact-finding" mission.

California, he said, suffers from excess regulation and taxes, leaving businesses to seek greener pastures. That has led states like Texas to lure businesses away, he said.

"What are the issues that we need to look at, in order to make California more business-friendly?" he said.

"We are kind of like the hunting ground for other states," Logue said.

That's been true in Austin, which in the past few years has attracted expansions from leading California companies such as Facebook and LegalZoom.

Next week, the Austin City Council will discuss an incentives proposal for eBay Inc, which says it would create 1,000 jobs in Austin over the next 10 years.

And earlier this year, the Greater Austin Chamber of Commerce took the unusual step of hiring a California firm to target companies interested in moving to Texas.

Business retention appears to be a pet issue for Logue, whose web site describes him as "a fiscal conservative, small business owner, and staunch opponent of high taxation and government waste."

Employment data show that both states have added jobs in the past year but that Texas has rebounded from the recession at a faster clip than California.

Statewide, Texas added 254,200 jobs between February 2010 and February 2011, an annual growth rate of 2.5 percent, according to the Texas Workforce Commission. The state's unemployment rate was 8.2 percent in February.

California added 196,400 jobs in that same time period, a growth of 1.4 percent, according to the state Employment Development Department . California's seasonally adjusted unemployment rate was 12.2 percent in February.

The visiting delegation will include more than 20 people, including California legislators, Lt. Gov. Gavin Newsom and business leaders.

One of the latter is CKE Restaurants Inc. CEO Andrew Puzder , who is expected to address the group. CKE is the owner of the Carl's Jr. and Hardee's chains.

In the past, Puzder has attacked California's regulatory climate and publicly floated the idea of relocating his company's headquarters to Texas.

Texas Association of Business President Bill Hammond will also speak to the group about the business climate in Texas.

"We have low taxes; we have sensible regulations that don't penalize job creators," Hammond said. "We don't make it difficult to build a business with incredibly complex and (difficult-to-understand) regulations, like in California."

Hammond also credited initiatives such the Texas Enterprise Fund and the ability of local school trustees to grant property tax breaks to businesses locating or expanding in their districts.

"It's definitely a competition out there, and I think we've got to be in the game in order to be successful," he said.

Logue said he hopes that next week's meetings will build an enduring relationship between the two states.

"This is not a bash-California meeting," Logue said. "This is just a fact-finding mission to try to help bring California back."

Courtesy of JB Goodwin