

## **Enterprise Fund touted at Caterpillar groundbreaking**

**Perry credits \$10 million award for helping land Seguin plant, wants more such money.**

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**SEGUIN — Gov. Rick Perry credited the planned arrival of a Caterpillar Inc. operation and 1,400 jobs to Seguin as proof of the success of the Texas Enterprise Fund — a fund that he wants to boost in the upcoming budget.**

Perry, Lt. Gov. David Dewhurst and local officials celebrated the heavy-equipment company's pending relocation to the Guadalupe County town Wednesday, back dropped by Caterpillar tractors and accompanied by the Seguin High School band and cheerleaders chanting "C-A-T, go CAT!"

**Caterpillar received \$10 million from the fund, which provides incentives to companies bringing jobs to Texas.**

Seguin Mayor Betty Ann Matthies singled out Perry and Dewhurst, who, with House Speaker Joe Straus, oversee enterprise fund awards.

"The final thing that put us over the top ... was the enterprise fund," Matthies told celebrants before officials dropped shovelfuls of sand from a temporary sandbox. (Straus did not attend.)

Caterpillar would put \$170 million in capital investment into the Seguin operation, Perry's office said.

Perry is seeking another \$260 million for the enterprise fund for the coming two-year state budget cycle, his office said. Perry said he will formally unveil his proposed budget Tuesday, including his plan for the enterprise fund.

The enterprise fund was created in 2003 with \$295 million allocated by the Legislature. Lawmakers added \$182 million in 2005 and \$200 million in 2007.

The Legislature began its 2009 session Jan. 13 and will approve a budget for the next two years.

"It's hard to argue that it's not working," Perry said of the enterprise fund.

But there are already some signs that lawmakers may not be so willing to boost funds.

Draft budgets released this week by the Texas House and Senate cut funding to one job-incentive kitty, the Emerging Technology Fund. And legislative advisers have recommended more oversight of that fund.

Caterpillar previously announced that it is consolidating and relocating its assembly, paint and testing operations from Illinois and South Carolina to Seguin. The company had looked at moving operations to Mexico and South Carolina before picking Seguin.

Kate Kenny, a Caterpillar spokeswoman, declined to assess the sway of the state money.

"I would just say we are very pleased with the incentives Texas gave us," Kenny said.



Courtesy of JB Goodwin