

TOYOTA MOTOR CREDIT CORPORATION

Corporate Tax Department
19001 South Western Avenue, NF24
Torrance, CA 90501
(310) 468-4000

May 2, 2017

Bruce D. Glasscock
City Manager
City of Plano
1520 Avenue K
Plano, Texas 75074

Mr. Shane R. Saum
Economic Development Finance Specialist
Office of Economic Development Finance
Office of Governor Greg Abbott
1100 San Jacinto Blvd
Austin, Texas 78701

Re: Project Description Letter for Toyota Motor Credit Corporation
Enterprise Project Application (City of Plano)
Federal Tax Identification Number: 1-95-37758161

Dear Mr. Bruce and Mr. Shane:

Toyota Motor Credit Corporation (“TMCC”) is a subsidiary of Toyota Motor Corporation (“Toyota”). With annual revenue of over \$243 billion, Toyota is one of the largest auto manufacturers in the world. Created in 1933 as a division of the Toyoda Automatic Loom Works, Ltd., a Japanese manufacturer founded by Toyoda Sakichi, Toyota achieved its first car export in October 1947 and continued with exponential growth. In 1969, Toyota celebrated its one millionth exported car, and by 1979 reached the milestone of exporting its tenth millionth car. In 2012, Toyota became the first automobile manufacturer to produce more than 10 million vehicles per year, which it continues to date. As of July 2014, Toyota was the largest listed company in Japan by market capitalization and with the strategy shift of being the world’s market leader in sales of hybrid electric vehicles, is now the largest company encouraging mass-market adoption of hybrid vehicles across the globe.

Toyota Financial Services (“TFS”), soon to be headquartered in Plano, Texas, is a service mark of TMCC and since its creation in 1983, has grown from a company of eight associates to approximately 3,300 associates nationwide, with managed assets in excess of \$110 billion. TFS has three Regional offices, three Customer Service Centers, twenty-nine Dealer Sales and Service Offices throughout the United States, as well as an affiliate financial services company in Puerto Rico. The TFS brand identity was launched in December 1999 as a service mark that acts as an umbrella brand name used to market the products of TMCC. Today, the company provides retail and wholesale financing, retail leasing, vehicle protection plans and certain other financial services to authorized Toyota and Lexus dealers, U.S.A. dealers, affiliates, and their customers in the United States.

To facilitate growth, TMCC has decided to move the TFS North American headquarters facility from Torrance California to Plano, TX. To support this new site, TMCC intends to invest approximately \$36 million. During the 2017/2018 roll-out of the new headquarter operations \$21.6 million has been earmarked for communication equipment like servers, routers, cabling,

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and conference room AV equipment. Additionally, TMCC intends to spend \$12 million for artwork, plants, furniture, fixtures, and equipment as well as an additional \$2.5 million for employee computer equipment and landline telephones.

Section 2303.406(a)(4)(D) of the Texas Government Code allows a project or activity of a qualified business to be designated as an Enterprise Project and receive job retention benefits if the business has clearly demonstrated that “the business is able to employ individuals in accordance with Section 2303.402.” TMCC qualifies for job retention benefits under this statutory provision because TMCC will actively track new-hires to identify those which live in an census designated enterprise zone as well as determine “Veteran” hiring patterns. This will ensure the Plano Headquarters, to be located at 6781 Headquarters Drive., Plano, TX 75024, Census Tract 216.26, Block Group 2, in Collin County with a 8.15% poverty level, as defined by the U.S. Census for 2010, will be able to maintain a hiring criteria of thirty-five percent (35%) economically disadvantaged persons, Veterans, or enterprise zone residents for Enterprise Program certified and retained jobs over the next five years.

There are currently 312 employees in Plano, Texas supporting Headquarters operations while the new facility is being built. These employees are currently being housed in a five mile radius of the qualified business site, at 5801 Tennyson Parkway, Plano, TX 75024 and 5360 Legacy Drive, Plano, TX 75024. As such, both addresses are requested for consideration as an “Additional Participating Location”. Of those positions, there are 236 employees that meet the definition of a “retained job” in Texas Government Code § 2303.401(2) because they currently exist, provide and will continue to provide at least 1,820 hours of employment annually, and will be employment positions for the longer of the duration of the project’s designation period or three years after the expiration date of the claim period for receipt of state benefit. Given the proposed investment, no layoffs or reductions in employment are contemplated, on the contrary, over the course of the 5 year designation TMCC commits to the creation of an additional 830 full-time new jobs at the Headquarters site.

Per the Texas Enterprise Program requirements, the company will maintain separate payroll and tax records for business activity at the Qualified Business Site; by way of utilizing a cost center based accounting system that allows for tracking of income and expenses related to the Plano facility. Furthermore, at this time, TMCC does not have any transportation needs to be addressed by the Governor’s Office.

TMCC employees strive to make their community a better place to live and work through volunteer efforts and financial support for a variety of organizations benefitting a wide array of people. Over the next 12-24 months, the new Plano Headquarters’ charitable giving proposal is \$700K with donations to various causes like Boys & Girls Clubs of Collin County, Girl Scouts Northeast Texas, Hope’s Door, Junior Achievement of Dallas, and other grants and scholarship programs.

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TMCC's commitment to establish their Headquarter facility in Plano will be a tremendous influence on both the private and public sectors. We look forward to working with the Texas Enterprise Zone Program, the City of Plano, and the State of Texas in the coming years.

Sincerely,



Tim Phu
Sales and Property Tax Project Manager
Toyota Motor Credit Corporation