



November 11, 2014

Mr. Tom Muehlenbeck
Interim City Manager
City of McKinney
222 North Tennessee Street
McKinney, Texas 75069

Re: Request for Nomination for Enterprise Project Status for Job Retention under 2303.406(a)(4)(D) of the Texas Government Code

Dear Mr. Muehlenbeck:

We are pleased to present the relevant information required by Chapter 2303 of the Texas Government Code for your consideration and nomination of Encore Wire Corporation's facility located in McKinney as a Texas Enterprise Project for job retention benefits.

Encore Wire Corporation ("Encore") was formed in 1989 and incorporated in the state of Delaware. Headquartered in McKinney, Texas and traded on the NASDAQ stock exchange under the ticker symbol "WIRE", Encore is a low-cost manufacturer of copper electrical building wire and cable. The company is a significant supplier of both residential wire for interior electrical wiring in homes, apartments and manufactured housing, as well as building wire for electrical distribution in commercial and industrial buildings. Encore's annual sales in 2013 were approximately \$1.158 billion.

The efficiency of Encore's highly automated manufacturing facility is a key element of its low-cost production capability. Encore's residential wire manufacturing lines have been integrated so that handling of product is substantially reduced. All manufacturing and distribution operations are on a single site which is approximately 425 acres. This reduces freight and handling costs and allows Encore to have a 99%+ order fill rate.

Over the next five years, Encore anticipates making capital investments well in excess of \$5 million to expand its existing aluminum manufacturing plant on its McKinney, Texas campus. The plant expansion is part of Encore's five-year capital expenditure plan that also includes the purchase of manufacturing equipment to produce aluminum wire and cable, as well as plant-wide upgrades to the McKinney manufacturing complex. These investments will allow Encore to plan for the future and continue its long-term growth trajectory by continuing to increase the Company's product offerings in the building wire category.

As a result of these planned investments and retention of jobs, Encore respectfully requests a *Texas Enterprise Project nomination* from the City of McKinney for the December 1, 2014 application round.

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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.”

Encore qualifies for job retention benefits under this statutory provision because Encore is an Equal Opportunity Employer, and will use a proprietary, voluntary questionnaire to actively track its new-hires to determine “economically disadvantaged” hiring patterns. Additionally, Encore will geo-code its new-hires to identify employees that reside in state Enterprise Zones. The data collected from the questionnaires and geo-coding will be used to establish a best-practices model for hiring employees in accordance with Section 2303.402.

If designated as an enterprise project by the State of Texas, Encore commits to hiring twenty-five (25%) economically disadvantaged persons or enterprise zone residents, for its new or replacement personnel for certified jobs, during its enterprise project designation. Encore currently employs 960 full-time employees at the McKinney manufacturing facility. Encore expects to maintain its existing level of employment, and retain 500 full-time jobs for benefit under the Enterprise Zone Program. These jobs 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.

Encore’s employees are active participants in their communities. Encore supports the McKinney community through contributions to various charitable and public service organizations and activities. The company has contributed to a number of organizations including the American Cancer Society, Alzheimers Association, and the Muscular Dystrophy Association. Encore also contributes to drug intervention projects in McKinney such as the National Drug & Safety League.

Encore is an integral part of the McKinney community and will continue to be an active participant, contributor, and corporate citizen for years to come. Encore is excited about the improvements being made at its McKinney facility, and looks forward to working with the Texas Enterprise Zone Program and the City of McKinney in the coming years.

Sincerely,



Matthew D. Ford
Controller
Encore Wire Corporation