Item 1 REVISED

Travis County Commissioners Court Agenda Request

Meeting Date: 7/29/2014, 9:00 AM, Voting Session
Prepared By/Phone Number: Katie Petersen Gipson Planning and Budget Office, 854-9346
Elected/Appointed Official/Dept. Head: Leroy Nellis, Acting County Executive, Planning and Budget
Commissioners Court Sponsor: Judge Samuel T. Biscoe

AGENDA LANGUAGE:

Receive public comment on proposed economic development incentive agreement with Charles Schwab Corporation

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

Travis County has negotiated a draft economic development incentive agreement with Charles Schwab Corp. Attached is a PowerPoint presentation which summarizes the project and the terms of the agreement. Also attached is a draft agreement that has been drafted by the County Attorney's Office and reviewed by the company.

STAFF RECOMMENDATIONS:

PBO recommends the Commissioners Court receive public comment on the agreement and offer any necessary direction in order to finalize the agreement. A final agreement will be on the Commissioners Court agenda for approval on August 5, 2014.

ISSUES AND OPPORTUNITIES:

See attached backup

FISCAL IMPACT AND SOURCE OF FUNDING:

Using the Travis County Economic Development policy as a guide, PBO recommends a base incentive of 48.5% rebate on ad valorem property taxes on a new facility built for Charles Schwab. A bonus incentive may be earned should the facility earn LEED certification. The Company expects to invest $196,000,000 and create 823 new jobs in Travis County.

REQUIRED AUTHORIZATIONS:

Planning and Budget Office	Jessica Rio
County Judge's Office	Melissa Velasquez

ECONOMIC DEVELOPMENT PROPOSAL

CHARLES SCHWAB CORPORATION

Commissioners Court

Public Comment

July 29, 2014

ECONOMIC DEVELOPMENT PROPOSAL

- Proposal Highlights, Process and Timeline
- Overview of Charles Schwab
- Evaluation Factors
- WebLOCI Fiscal Impact Analysis
- Benefits of Charles Schwab Proposal
- Performance Based Obligations
- Next Steps
- Charles Schwab company presentation

PROPOSAL HIGHLIGHTS/ PROCESS AND TIMELINE

- PROPOSAL HIGHLIGHTS
  - Economic development agreement between Travis County and Charles Schwab
  - To locate expanded regional office in Travis County
- PROCESS AND TIMELINE
  - July 29, 2014– Staff briefing on the proposal to the Commissioners Court, followed by public comment
  - August 5, 2014– Consideration of proposed agreement by Commissioners Court

OVERVIEW OF CHARLES SCHWAB

- Publicly owned company headquartered in San Francisco
- 927 existing jobs in Travis County
- Company provides securities brokerage, banking, money management and financial advisory services

EVALUATION FACTORS

Charles Schwab proposal includes key project elements important to Travis County.

- Construction of a new 200,000 to 300,000 square foot office on a 50 acre site in Precinct 2, increasing the tax base of Travis County, City of Austin, AISD, ACC and Central Health
- Creation of 823 new jobs
  - Comprehensive employee benefits package
  - Match charitable giving from employees
  - Same sex partner benefits
  - Tuition reimbursement, paid leave and 401k benefits
- Competitively sited project

WEBLOCI FISCAL IMPACT ANALYSIS

- WebLOCI is a tool used by chambers of commerce and local governments to help estimate the fiscal impact of an economic development project.
  - Developed in 1999 by Georgia Institute of Technology
  - City of Austin currently assists Travis County with WebLOCI analysis
- Financial Benefits and Costs of Charles Schwab Proposal
  - Analysis represents only direct benefits and costs associated with project and jobs created.
  - Total direct benefits over 10-year period $11.0 million
  - Total costs over 10-year period $8.5 million*
  - Total net benefit over 10-year period $2.5 million**

*Costs include performance-based economic development grant estimated up to $3.6M.

**Total Net Economic Benefit to County

BENEFITS OF CHARLES SCHWAB PROPOSAL

- 823 new jobs in the Travis County area
  - $79,602 average salary
  - $39,733 average salary for lowest 10% of new jobs
  - Opportunities for entry level workers and professionals
- $196 million investment in a new facility and regional expansion
- Additional $3.3 million revenue for Travis County
- Will follow Travis County HUB program for Minority Contracting
- Will require $11 wage floor for construction workers
- Possible LEED Certification
- Local Community Support

PERFORMANCE–BASED OBLIGATIONS

- Performance-based economic development grant on new incremental real and personal property taxes generated from proposed project
- Travis County not obligated to make grant payment in any year in which the County has determined that Charles Schwab has not met obligations or conditions specified in the grant agreement
- Base rebate of 48.5% if job creation and capital investment requirements met
- Possible incentive bonus
  - Up to 5% if LEED certification of facility achieved

PERFORMANCE–BASED OBLIGATIONS

- Establish a expanded regional office in Travis County
  - Phase I construction by 12/31/2016
  - Phase II construction by 12/31/2023
- Create and maintain 823 new full-time jobs in Austin/Travis County metro area
  - Average annual wage of $79,602
  - Employee Minimum wage of $15 per hour
- Work with local non-profits to expand pool of diverse job candidates
- Good faith effort to hire local candidates
- Local and minority business participation in construction of new facility

NEXT STEPS

- Today
  - Receive public comment on proposed terms of economic development agreement between Charles Schwab and Travis County
- August 5, 2014
  - Consideration of proposed agreement by Commissioners Court

ECONOMIC DEVELOPMENT PROPOSAL

CHARLES SCHWAB

PUBLIC COMMENT

Schwab Austin: Celebrating our heritage and living our values

charles SCHWAB

Own your tomorrow™

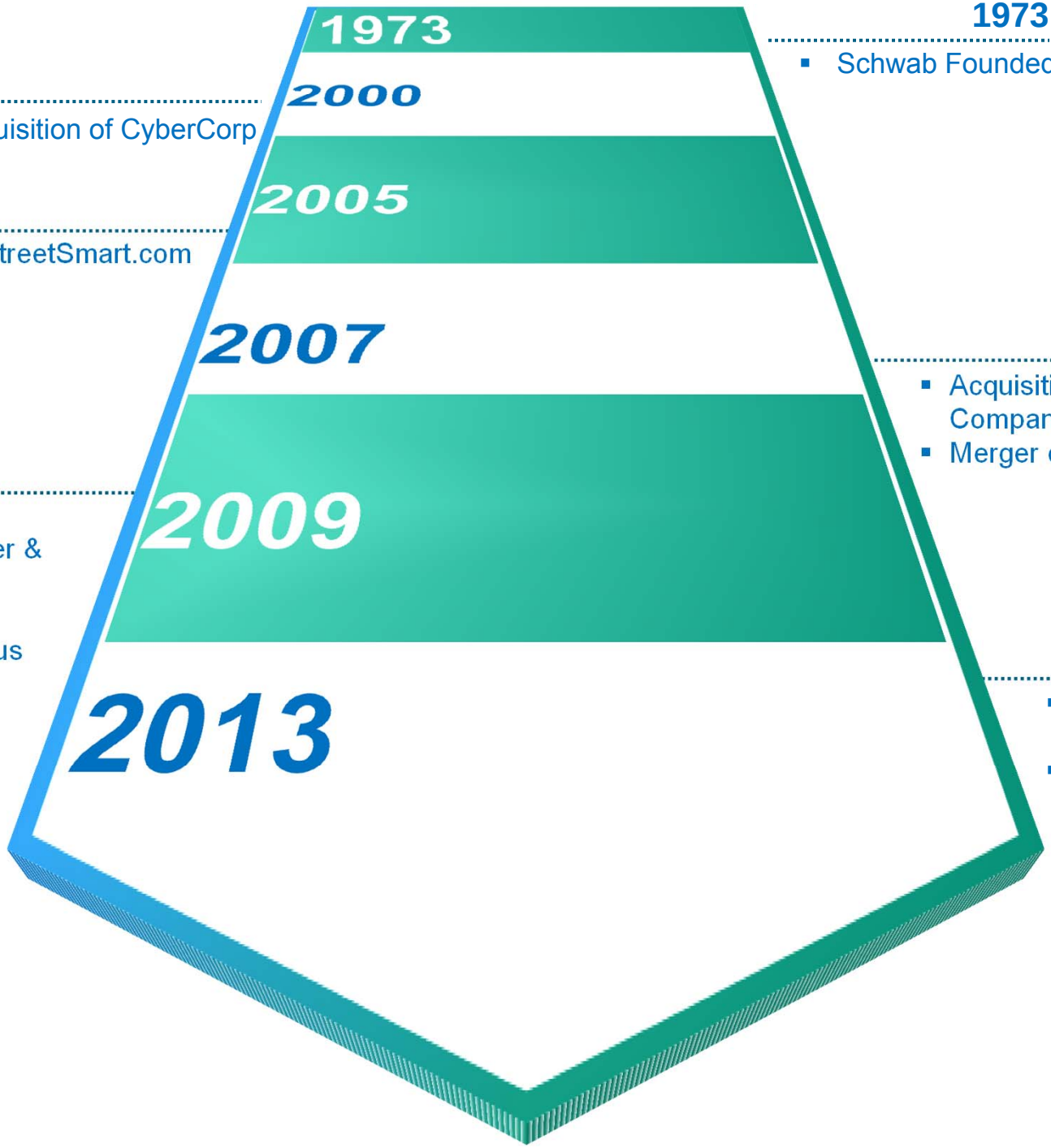
Schwab: a challenger brand

- We believe in the power of investing to transform people's lives
- The Austin site has grown and evolved over the years through acquisition, consolidation, and organic growth
- Several cultures have come together to make the Austin site truly unique, with its own culture and sense of pride
- As a large employer in Austin we have a strong desire to
  - Build our presence in the community
  - Attract top talent to the firm
  - Remain an *Austin American Statesman Top Work Place*

Schwab strives to be a leader in the communities where we live and work by donating our time, expertise and funding.
Through financial education programs, employee volunteerism, and advocacy we strive to make a positive impact on the communities where we live and work.

40 YEARS | Honoring the past Owning tomorrow

Our journey



1973

- Schwab Founded

2000

- Acquisition of CyberCorp

2005

- Launch of StreetSmart.com

2007

- Acquisition of the 401k Company
- Merger of CyberTrader

2009

- Consolidation of 401k Company, CyberTrader & Schwab
- Employees move into Research Park Campus

2013

- Schwab 40th Anniversary
- Top Workplace recognition by Austin American Stateman

Our strategy

- Develop a multi-year strategic plan to enhance the maturation and growth of Schwab in Austin

- Branding initiatives include workplace and marketplace:
  - Diversity & Inclusion
  - Community Involvement
  - Wellness
  - Career Development
  - Talent Acquisition

Reputation, Growth, and Talent Impact

Diversity and inclusion

Sponsoring employee resource groups (ERGs) is one way Schwab demonstrates its commitment to diversity and inclusion. ERGs champion Schwab as the company of choice for people from diverse communities to reach their career and investing goals.

At Schwab, we believe that every employee impacts innovation and success through unique strengths and experiences. Each one of us can lead and champion Schwab's Diversity & Inclusion strategy to drive revenue growth, client loyalty, and employee engagement.

MVN	**Military Veterans Network** - Provides a support network for veterans, their family members and friends.
PRIDE	**Schwab Lesbian, Gay, Bisexual, Transgender and Allies Pride Network** - Pursues Schwab's vision of equal opportunity for all employees without regard to sexual orientation and gender identity.
SEE	**Schwab Employees for the Environment** – In alignment with Schwab's operating principles, the group works toward improving the environment.
SOL	**Schwab Organization of Latinos** - Furthers Schwab as an employer of choice for the Latino community.
SPAN	**Schwab Parents Network (SPAN)** – Provides support for Schwab parents.
WINS	**Women's Interactive Network at Schwab** – Promotes leadership, career development, and financial fitness.

Community involvement

Community service is a big part our culture. We provide paid time off for employees to volunteer, and we also organize a nationwide, week-long volunteer event, where thousands of employees volunteer with local nonprofits.

Community involvement

- Promotes engagement by supporting Schwab employees with the resources and opportunities to make a positive contribution within their local community
  - Time to volunteer
  - Volunteer Week
  - Training and resources designed to foster greater financial literacy programs throughout the community

205 volunteers
12 projects
11 Nonprofits
=
800 + volunteer hrs

Employee wellness

At Schwab we strive to support employees in improving their health and wellbeing by creating health awareness, providing onsite wellness opportunities and making good health a part of our culture.

- Annual Wellness Expo
- Quarterly Wellness Walks
- On campus Cross Fit classes by XFIT2U
- On campus yoga classes
- Team Schwab Austin cycling

Career development

Event	Description
Leadership mixer	Opportunity for local leaders to network and provide valuable feedback regarding local site initiatives
Open house	Introduces employee to career opportunities at Schwab
Own your development panel series	Workshops focus on best practices and tips to create a sound career plan
Ghosting	Provides an opportunity to learn about other roles and departments while experiencing a day-in-the- life
Quarterly events	Events driven by feedback from managers and employees

The Austin Career Forum was launched in 2010, as a resource for delivering educational and development opportunities for our employees.

Recognition

- Schwab has won numerous accolades for its workplace culture, and its focus on diversity and employee well-being. Recent recognition includes:
  - The Gallup Great Workplace award (2014) for the third consecutive year
  - The *Austin American-Statesman* Top Workplaces (2013)
  - A 100 percent rating for the tenth consecutive year on the Human Rights Campaign's Corporate Equality Index
  - *Military Times Edge* magazine "Best for Vets" (2014) for the fifth consecutive year
  - Top Military Friendly Employer® (2014) and Top Military Spouse Friendly Employer (2014) by Victory Media, publisher of *G.I. Jobs and Military Spouse* magazines each for the second consecutive year
  - Most Valuable Employers (MVE) for Military (2014) by CivilianJobs.com, publisher of Military Transition News
  - "Best of the Best Top Veteran-Friendly Companies" in the August 2013 issue of *U.S. Veterans Magazine* for the second consecutive year

GALLUP GREAT WORKPLACE AWARD

TOP WORK PLACES The Statesman statesman.com

Thank You

charles SCHWAB

Own your tomorrow™

The Charles Schwab Corporation provides a full range of securities, brokerage, banking, money management, and financial advisory services through its operating subsidiaries. Its broker-dealer subsidiary, Charles Schwab & Co., Inc ("Schwab"), Member SIPC, offers investment services and products, including Schwab brokerage accounts. Its banking subsidiary, Charles Schwab Bank (member FDIC and an Equal Housing Lender), provides deposit and lending services and products. Schwab Advisor Services™ serves independent investment advisors and includes the custody, trading, and support services of Schwab. Independent investment advisors are not owned, affiliated with, or supervised by Schwab. Schwab Retirement Plan Services, Inc. and Schwab Retirement Plan Services Company provide recordkeeping and related services with respect to retirement plans.

Brokerage Products: Not FDIC-Insured • No Bank Guarantee • May Lose Value

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[7/25/14 DRAFT]

ECONOMIC DEVELOPMENT AGREEMENT BETWEEN TRAVIS COUNTY AND CHARLES SCHWAB & CO., INC.

This Economic Development Agreement ("Agreement") is entered into by and between Travis County,
Texas, a political subdivision of the State of Texas ("County"), and Charles Schwab & Co., Inc., a California corporation with its principal place of business in San Francisco, California, qualified to do business in Texas, its successors and assigns ("Company"), which owns or will own, or have allowable interest in (as defined in this Agreement) taxable real property in Travis County, Texas.

RECITALS

WHEREAS, Travis County is authorized to enter into this Agreement under Chapter 381 of the Texas
Local Government Code ("Chapter 381"), including: Subsection 381.004(b), authorizing counties to develop and administer community and economic development program(s) to stimulate business and commercial activity in a county and Subsection 381.004(h), authorizing counties to develop and administer a program under Subsection 381.004(b) for making loans and grants of public money; and other applicable statutes under which counties are authorized to pursue economic development.

WHEREAS, Travis County has adopted Chapter 28 of the Travis County Code, "Travis County Economic Development Incentives Policy, Guidelines and Criteria ("County Policy")" the provisions of which govern this Agreement, and the Commissioners Court finds that the proposal of the Company meets the requirements of that County Policy (with modifications or waivers as determined necessary and approved by the Commissioners Court).

WHEREAS, it is the intent of Travis County and the Company that, as a result of the Company's development under this Agreement, business and commercial activity in Travis County will be stimulated, and commercial activity will be encouraged, developed and stimulated, producing additional tax revenue, job opportunities, and small business opportunities for Travis County.

WHEREAS, the Company has stated that the Project described in this Agreement would not be completed as set forth without the herein granted County assistance.

WHEREAS, the Company intends to expand its facilities in Travis County, Texas to enhance the Company's ability to provide a full range of securities brokerage, banking, money management and financial advisory services. The new facilities ("Facility") include approximately 250,000 - 300,000 square feet or more of operating space, and will be located on approximately 50 acres located at 2309 Gracy Farms, Austin, Texas, (within the City of Austin's Desired Development Zone). The expanded business will contribute to the general economy of Travis County, Texas; make significant capital investments, thus increasing the tax base for Travis County; and create new full-time jobs, which will benefit the job force of Travis County.

WHEREAS, the investment by the Company is estimated to be approximately $196,711,000 (including construction labor).

WHEREAS, the Commissioners Court finds that the development set forth in this Agreement will result in substantial immediate and long-term benefit to Travis County and significant financial benefit to other taxing entities within Travis County and will promote state and local economic development, all furthering a public purpose.

NOW, THEREFORE, in consideration of the hereinafter set forth agreements, covenants, reimbursements and payments, the amount and sufficiency of which are acknowledged, the County and the Company agree to the terms and conditions stated in this Agreement.

1.0 DEFINITIONS. In this Agreement,

1.1 "Ad Valorem Taxes" means those property taxes assessed by the County on real and personal property located within Travis County.

1.2 "Affiliate" means all companies under common control with, controlled by, or controlling the Company. For purposes of this definition, "control" means 50% or more of the ownership determined by either value or vote.

1.3 "Agreement Term" means that time period commencing on the Effective Date of this Agreement, and continuing through December 31, 2027.

1.4 "Base Year" means calendar year 2014.

1.5 "Base Year Value" means the taxable value assessed by the County for the purpose of the payment of Travis County Ad Valorem Taxes on the Eligible Property on January 1, 2015, as set forth on the certified tax rolls of the County.

1.6 "Commissioners Court" means the Travis County Commissioners Court.

1.7 "Completion Date" references construction, and means the date of issuance of the Certificate of Occupancy for the Project. The Parties agree that the Completion Date will be no later than December 31, 2016 for Phase I of construction; and December 31, 2023 for Phase II of construction, as such phases are further described in Attachment A attached hereto.

1.8 "Construction Delay" means a material delay in the construction of the New Improvements for the Project that affects the Construction Timetable and is the result of (i) force majeure as described in Section 14.6, or (ii) the inability of the Company, through no fault of its own, to obtain the necessary permits and approvals of the City of Austin, or other governmental entity, in a timely manner.

1.9 "Construction Timetable" means the timetable for the commencement and completion of construction of the various buildings comprising the New Improvements that will be needed to enable the Company to provide the Required Number of Jobs in accordance with the Employment Schedule.

1.10 "Corporate Campus" means the Facility and Project, as well as the existing facilities and locations of the Company and its Affiliates in Austin, Texas.

1.11 "County Auditor" means Nicki Riley, the Travis County Auditor, or her successor.

1.12 "County Executive" means Leroy Nellis, Acting County Executive of Travis County Planning and Budget, his successor or designee.

1.13 "Effective Date" for purposes of the Agreement Term, will be August 15, 2014, upon execution of the Agreement by both Parties.

1.14 "Employees" means, collectively, employees of the Company and its Affiliates performing Existing Full-time Jobs or New Full-time Jobs.

1.15 “Employment Year” means each of the ten (10) years referenced in paragraph (b) of Section 5.1.2.

1.16 “Employment Schedule” means the schedule in paragraph (b) of Section 5.1.2 for the Company to provide the Required Number of Jobs.

1.17 “Eligible Property” means New Improvements and New Machinery and Equipment classified as new construction by TCAD for valuation purposes.

1.18 "Existing Full-time Jobs" means full-time jobs created prior to the Effective Date and held by employees of the Company or its Affiliates that are hired and employed at the Corporate Campus prior to the Effective Date.

1.19 "Grant Funds" or "Grant Payment" means those funds paid by the County to the Company pursuant to this Agreement and applicable law as a result of performance of obligations under this Agreement, the amount of which is based on a percentage of specified Ad Valorem Taxes paid by the Company on Eligible Property.

1.20 “Is doing business” and “has done business” mean:

1.20.1 Paying or receiving any money or other valuable thing in exchange for personal services or for purchase or use of any property interest, either real or personal, either legal or equitable; or

1.20.2 Loaning or receiving a loan of money, services, or goods or otherwise creating or having in existence any legal obligation or debt;

but does not include:

1.20.3 Any payments, receipts, loans, or receipts of a loan which are less than $250 per calendar year in the aggregate; or

1.20.4 Any retail transaction for goods or services sold to a Key Contracting Person at a posted, published, or marked price available to the general public.

1.21 “Key Contracting Person” means any person or business listed in Exhibit A to the
Ethics Affidavit attached to this Agreement and marked Attachment B.

1.22 “New Full-Time Jobs” are full-time jobs created after the Effective Date and held by employees of the Company or its Affiliates that are hired and employed at the Project or at the Corporate Campus after the Effective Date.

1.23 “New Improvements” means that development done by the Company as part of the Project to be constructed, expanded, and/or renovated as set forth in this Agreement. A list of the proposed New Improvements is set forth on Attachment A hereto and made a part hereof.

1.24 “New Machinery and Equipment” means machinery, equipment, furniture, fixtures, and information technology equipment and other items treated as personal property by the relevant taxing authorities, and purchased after the Effective Date, and installed and used at the Project for the purpose of supporting the operations of the Company.

1.25 “Parties” and “Party” means the County and/or the Company.

1.26 “Payment Term” means that time period beginning on January 1, 2018, and ending on

December 31, 2027, unless earlier terminated pursuant to the terms of this Agreement. Each calendar year within the Payment Term is designated as a Payment Year.

1.27 "Payment Year Value" means the taxable value of new improvements on the Property determined by Travis Central Appraisal District for the purpose of the payment of Travis County Ad Valorem Taxes on the Eligible Property for any tax year included in the Payment Term of this Agreement as set forth on the certified tax rolls of the County.

1.28 "PBO" means Travis County Planning and Budget Office.

1.29 "Project" means the proposed development, as described herein, of the new Facilities for the Company, as more fully described in Attachment A. "Project" includes the Facility in all phases during the Agreement Term, from pre-construction through construction, completion and operation.

1.30 "Property" means the land (real property) on which the Project will be developed as further described in Attachment A.

1.31 "Grant Percentage" means the percentages referenced in Section 4.1.1 to be used to calculate the Grant Funds paid to the Company pursuant to this Agreement.

1.32 "Required Average Annual Compensation" means the average annual compensation, excluding health insurance and retirement benefits.

1.33 "Required Number of Jobs" means, for any calendar year during the Agreement Term, the minimum number of Existing Full-time Jobs and New Full-time Jobs the Company is required to either create or maintain during that calendar year as stated in Section 5.1.2(a).

1.34 "TCAD" means the Travis Central Appraisal District.

1.35 "Termination Date" means the earlier to occur of

(a) December 31, 2027, or

(b) the date on which this Agreement Term is terminated pursuant to the other provisions of this Agreement.

2.0 GENERAL TERMS

2.1 **Authority - Statutory Authorization**. The County is authorized to enter into this
Agreement under the Texas Local Government Code, Chapter 381, Subsection 381.004 (and other applicable provisions of the Texas Local Government Code, Chapter 381, and other applicable statutes), in order to stimulate business and commercial activity in Travis County, Texas. The County has also adopted the County Policy, which also governs the terms and conditions of this Agreement.

2.2 **Purpose**. The purpose of this Agreement is to grant benefits to the Company in order to stimulate and encourage business and commercial activity in Travis County, to create more job opportunities, build the sales and property tax base and promote a partnership relationship with the private sector businesses that will bring capital intensive projects to Travis County.

2.3 **Terms**.

2.3.1. Agreement Term. The County and the Company acknowledge and agree that,

unless earlier terminated by the Parties pursuant to the terms of this Agreement, this Agreement shall be effective commencing on August 15, 2014 (the Effective Date, as defined herein), and continuing through December 31, 2027, unless earlier terminated pursuant to the terms of the Agreement.

2.3.2. Payment Term. The payment of the Grant Funds will take place upon compliance with all terms of this Agreement beginning on the first year of the Payment Term which begins January 1, 2018, and continues through December 31, 2027 (unless earlier terminated pursuant to the terms of this Agreement), as defined in this Agreement; provided, however, in recognition of the fact that Grant Funds will be calculated and paid after taxes have been assessed and paid to the County, and therefore always in arrears, the Agreement Term shall be deemed to include the time necessary for the payment of any Grant Funds to the Company which extend beyond the period of time defined as the Agreement Term in Section 1.3.

2.3.3 Construction Commencement Date. The Company agrees to commence construction on Phase I (as further set forth in Attachment A) no later than December 31, 2015.

2.4 **Administration of Agreement**. This Agreement shall be administered for the County by PBO. The Company shall provide the County through PBO with all information required for the County to determine and ensure compliance with specific terms of this Agreement, including those forms attached hereto, as mutually agreed to by the Company and the County.

3.0 ENTIRE AGREEMENT

3.1 **All Agreements**. All oral and written agreements between the Parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement, including the applicable terms of the Agreement, have been reduced to writing and are contained in this Agreement.

3.2 **Attachments**. The attachments enumerated and denominated below are hereby made a part of this Agreement, and constitute promised performances by the Company in accordance with all terms of this Agreement.

3.2.1. Attachment A – Description of Property and Project
3.2.2. Attachment B – Ethics Affidavit
3.2.3 Attachment C – Annual Report Form
3.2.4 Attachment D – Company Affirmative Action
3.2.5 Attachment E – County Economic Development Policy
3.2.6 Attachment F – County HUB Policy/Requirements

4.0 GRANT FUNDS

4.1 **Grant Funds.**

4.1.1. Grant Basis. Subject to the terms and conditions set forth in this Agreement, in consideration of full and satisfactory performance of the requirements and obligations under this Agreement, the County hereby agrees to make Grant payments to the Company as follows:

(a) Annual Grant Payment. For the Payment Term (defined as January 1, 2018 - December 31, 2027), the Grant Payment shall be computed as an amount equal to forty-eight and five tenths percent (48.5%) of the excess of the Payment Year Ad Valorem Taxes paid on Eligible Property over the Base Year Ad Valorem Taxes paid on Eligible Property (subject to a possible additional

incentive percentage based on achievement of specified LEED certification as set forth in Section 5.2.1 of this Agreement). Said Grant Payment shall be computed as follows:

(Payment Year Ad Valorem Taxes Paid on Eligible Property - Base Year Ad Valorem Taxes Paid on Eligible Property) X 0.485 = Annual Grant Payment by County

(b) Adjustment. The above Grant Percentage is subject to adjustment as provided in Section 5.2 and other applicable provisions of this Agreement.

(c) Eligible Property. As defined in this Agreement, Eligible Property includes only that property classified as new construction by TCAD for valuation purposes.

4.1.2. Grant Due Date. Until the Termination Date, County shall make Grant Payments to the Company annually in the amount due under this Agreement, and upon compliance with the Agreement terms, with respect to a tax year according to the schedule set forth in Section 4.2.1.

4.1.3. New Improvements and New Machinery and Equipment. The incentives provided under this Agreement shall be granted for the New Improvements and New Machinery and Equipment classified as new construction by TCAD for valuation purposes for the Project described in Attachment A.

4.1.4. Continuing Taxation. During the Agreement Term, the Company shall be subject to all County taxation under this Agreement, and to all other applicable taxation. Ad Valorem Taxes shall be payable in full on the Company's taxable property, with Grant Payments to be made by the County pursuant to this Agreement as follows:

(a) The taxable value of ineligible property (property not included under the definition of Eligible Property) shall be fully taxable.

(b) The Base Year Value of the properties of the Company shall be fully taxable.

(c) The value of Eligible Property shall be fully taxable to the Company, but subject to payment of Grant Payments by the County to Company of forty-eight and five tenths percent (48.5%) of that payment (subject to a possible additional incentive percentage based on achievement of specified LEED certification as set forth in Section 5.2.1 of this Agreement).

4.2 **Determination and Payment of Grant Funds**.

4.2.1. Reporting/Completion/Payment Dates. The following dates will guide performance, reporting and payment under the terms of the Agreement. The Parties agree that, at any time, reporting, compliance determination and monitoring may allow for payment on an earlier schedule or may require payment on a later schedule, and the Parties will both cooperate to meet all Agreement requirements and provide for payment as expeditiously as possible. However, the following **guidelines** will be utilized to direct reporting, monitoring and payment to the best abilities of the Parties:

(a)	1/1/ 14 – 12/31/ 14	Base Year Value determined by TCAD
(b)	8/15/14	Effective Date (upon execution by both Parties)
(c)	8/15/14 – 12/31/27	Agreement Term

(d)	12/31/15	59 New Full-Time Jobs Created (See Sec. 5.1.2 for Remaining Employment Timetable)
(e)	12/31/15	Deadline for Commencement of Construction as Described on Attachment A
(f)	12/31/15	$28,000,000 Investment in Eligible Property
(f)	12/31/16	$111,790,018 Investment in Eligible Property (Total: $139,790,018)
(g)	12/31/16	Latest Date for Completion of Phase I improvements As described on Attachment A
(h)	3/31/17	First Annual Report Due as to performance in 2015
(i)	1/1/18	Payment Term begins (Payment made in 2018, will be based on 2016 performance)
*(j)	3/31/18	Annual Report due as to performance for 2016
*(k)	5/31/18	County response due on Annual Report (as applicable)
*(l)	2/1/18 – 9/30/18	County budget process for FY '19
*(m)	10/31/18	County payment due (if full compliance confirmed)
(n)	1/1/19	Second Payment Year begins (Payment based on 2017 performance)
*(o)	3/31/19	Annual Report due as to performance for 2017
*(p)	2/1/19 – 9/30/19	County budget process for FY '20
*(q)	10/31/19	County payment due (if full compliance confirmed)
(r)	12/31/23	$56,920,982 Investment in Eligible Property (Total: $196,711,000)
(s)	12/31/23	Latest Date for Completion of Phase II improvements as described on Attachment A
(t)	12/31/27	End of Agreement Term

* Report/Payment process repeats each year of 10-year Payment Term.

It is understood that the schedule above is based on completion of construction as set forth in this Agreement. If construction is completed at an earlier date, then the above schedule would be adjusted accordingly.

4.2.2. Annual Report. For each tax year during the Payment Term of this Agreement, subject to performance by the Company of its obligations hereunder, the County shall pay to the Company by check or wire transfer the amount to be paid as a Grant based on Ad Valorem Taxes paid by Company for said tax year according to the following procedure:

(a) Annual Report Form. On or before March 31, 2017, and annually thereafter (on or before March 31) during each year of the Payment Term (beginning as shown in Section 4.2.1 above), the Company shall notify TCAD, Travis County Tax-Assessor Collector and PBO in writing of its calculation of the Grant Funds due to the Company by the County for the immediately preceding tax year using the format of the Annual Report Form attached to this Agreement as Attachment C. The Annual Report Form will show the amount of Ad Valorem Taxes paid on Eligible Property by the Company for said tax year that are attributable to the Base Year Value and the

amount of Ad Valorem Taxes paid on Eligible Property by the Company that are attributable to the Payment Year Value for that tax year, and will include a completed Annual Report Form, a copy of the tax bill and a copy of the evidence of payment issued by the Company in payment of that bill (and a copy of any other documentation required by the County pursuant to this Agreement). Initial submission of the Annual Report and Payment shall proceed as set forth in Section 4.2.1.

(b) Certification of Compliance.

(i) Annual Certification. The Annual Report will also include the Company's signature certifying that the Company warrants to the County that it is in full compliance with each of its obligations under this Agreement, including the number of Existing and New Full-time Jobs maintained by the Company for the preceding year. The Company shall provide such Annual Reports, and shall certify annually to the County that the Company is in compliance with all applicable terms of this Agreement.

(ii) Inability to Comply. If the Company cannot certify complete compliance with the terms of the Agreement, the Company shall include a full and complete explanation of the reasons for the failure to comply along with the Company's plans to achieve compliance or reasons that compliance cannot be achieved. Upon receipt of such explanation, the Commissioners Court of the County may, at its sole discretion, agree to work with the Company to develop a mutually agreeable amendment to this Agreement with which the Company can comply, or terminate the Agreement by written notice given to the Company within ninety (90) days after the Annual Report including the notice of inability to comply is given to the County.

(c) Access, Monitoring and Inspections.

(i) Access. The Company shall provide for inspection by the County pertinent records of the Company as reasonably necessary for the County to determine compliance with this Agreement, in compliance with the following provisions. Inspection by the County at the site of the Project will be allowed to determine compliance with construction related requirements which can only be determined on site (i.e., minimum wage provision, training notices, etc.). Other inspection of records by the County may be done at any mutually agreed to site.

(ii) Inspection. The County has the right to reasonable inspection of the Project (see Sections 5.3.2 and 5.8.2) and pertinent records of the Company as necessary to verify compliance. Inspections shall be preceded by at least seventy-two (72) hours' notice by telephone to the head of the Facility or other person designated by the Company, and may be attended by the Company representatives. Such inspections shall not include any rights to access the Company's computer systems. Inspections shall be conducted so as not to interfere with the business operations of the Company and shall comply with the Company's security and safety standards and may, at the Company's option, be held at a location in Austin, Texas, other than the Project or Corporate Campus except for compliance requirements that can only be inspected on site as specified in subsection 4.2.2(c)(i) above. The County acknowledges and agrees that the work of constructing, installing, and operating the Project may be of a highly sensitive nature

and, therefore, the County agrees that it will not make any type of recording or photographic record of the interior of the facility and agrees to keep all information relating to its contents and operations confidential to the maximum extent allowed by law. Inspections will be made by the County Executive of PBO (or his designee, with the Company's approval) and staff, and will be limited to review of those reports and information reasonably necessary to verify the Company's compliance with the requirements of this Agreement. County will attempt to achieve all necessary compliance verification with one annual inspection trip; however, County may schedule additional inspections where determined necessary and with written explanation to the Company as to the need for such additional inspection(s).

(iii) Monitoring. In order to verify compliance with employment requirements, and other requirements of the Agreement, as necessary, the County will be provided access as specified in subsection 4.2.2(c)(i) above to those original reports submitted by the Company to the Texas Workforce Commission and any and all other data used by the Company as the basis for certification of the number of Existing and New Full-time Jobs, the average salary for New Full-time Jobs, and the investment made pursuant to the requirements of the Agreement and documentation of compliance with any other requirements of the Agreement. Supporting documentation will be made available at a location in Austin, Texas (which may be a location other than the Corporate Campus, as agreed to by County) by the County (magnetic tapes will not be considered acceptable format). The Company acknowledges and agrees that the County may make ongoing inspections under these same conditions as specified in this Agreement throughout the Agreement Term to ensure ongoing compliance with the terms of this Agreement. County will attempt to achieve all necessary compliance verification under this subsection with one annual inspection trip; however, County may schedule additional inspections where determined necessary and with written explanation to the Company as to the need for such additional inspection(s). Any additional review will be as mutually agreed to by the County and the Company, and strictly limited to that information necessary to confirm Agreement compliance. If the County determines that the documentation provided is insufficient to adequately document the accuracy of the information or disputes the accuracy of the information, the County reserves the right to require additional information as reasonably necessary to complete the final review and approval of the information submitted and to withhold approval of the Annual Report until such additional information is made available pursuant to this Section 4.2.2. All monitoring activities by County under this Agreement will be subject to the requirements of 4.2.2(c)(ii) above.

(iv) Personal Data. In the course of verifying the Company's compliance with the requirements of this Agreement, the County and the County's employees, agents, consultants and contractors assigned to perform any portion of the review and inspection may obtain certain information relating to identified or identifiable individuals ("Personal Data"). The County acknowledges that it shall have no right, title or interest in any Personal Data obtained by it as a result of this Agreement, and will not use the Personal Data for any purpose other than verification of the Company's compliance with the requirements of this Agreement. The County shall take appropriate legal, organizational and technical measures to ensure the confidentiality of Personal Data,

and protect Personal Data against unauthorized disclosure or access, and against all other unlawful forms of processing, keeping in mind the nature of such data. In the event the County collects Personal Data, the County shall at all times comply with the Company's lawful instructions regarding the Personal Data, as well as all applicable laws, regulations, and international accords or treaties.

4.2.3. Grant Amount. Upon verification by the County of the amount shown in the Annual Report and other reporting information provided by the Company to the County under this Agreement, the County shall grant and pay to the Company the Grant Funds calculated in accordance with Section 4.1.1.

4.2.4. Material Issues in Grant Funds Notice. If the County identifies any material issues in the Annual Report, the County will advise the Company of such material issues that are identified in the verification process within 30 days of receipt of the Annual Report and other reporting information to allow the Company to correct/complete such Annual Report. Should the Company and the County be unable to agree to the completion/correction of the Annual Report within thirty (30) days of receipt of the notice by the Company of material issues, the matters will be addressed as provided in Section 8.0 of this Agreement.

4.2.5. Final Grant Fund Payment. The final payment of Grant Funds by the County to the Company pursuant to this Agreement shall be based on the Annual Report relevant to the last year of the Agreement Term. Upon the County's paying of said final payment as described in this Section 4.0, this Agreement shall terminate.

5.0 COMPANY PERFORMANCE

5.1 **Requirements for Grant Payment**. The Company agrees to do the following to receive and retain the 48.5% Grant (subject to a possible additional incentive percentage based on achievement of specified LEED certification as set forth in Section 5.2.1 of this Agreement) during the Agreement Term, as described in Section 4.1.1:

5.1.1. Construction and Operation of Project. The Project, as described in Attachment A, must meet the following requirements regarding the construction and operation of the Project:

(a) Location. The Project will be located on approximately 50 acres at 2309 Gracy Farms, Austin, Texas, which is a part of the City of Austin's Desired Development Zone.

(b) Ownership and Use. The Property on which the current Project is located must be owned by the Company or its Affiliate by no later than December 31, 2014, and the Project will be used for the Company's Facility, as more particularly described in Attachment A. Incentive payments made under this Agreement will only be made based on Ad Valorem Taxes paid by the Company. Any additional land utilized under this Agreement will be owned by the Company or its Affiliate and subject to the requirements of this Section 5.1.1. The Company agrees that the Project is not located in an improvement project financed by tax increment bonds and does not include any property that is owned or leased by a member of the Commissioners Court.

(c) Change in Ownership. Section 5.1.1(b) notwithstanding, the County and the Company agree that, with written notice to the County within thirty (30) days of such agreement, the Company may enter into future agreement(s) by which ownership of the property transfers to another Party; provided that, for this Agreement to continue in full force and effect, (i) the Company will retain the

obligation to pay Ad Valorem Taxes on the property (real and personal business property) either directly or indirectly; (ii) the Company will provide the County with a copy of such written obligation in the document(s) transferring ownership; and (iii) will provide the County with a cancelled check or other acceptable documentation showing payment of all Ad Valorem Taxes by the Company for each year in which Grant Funds are requested of the County under this Agreement. If the Company meets the requirements of this subsection 5.1.1(c), requirements as to ownership of the property/facility under this Agreement will be considered to have been met.

(d) Construction and Required Investment.

(i) Construction. Construction for Phase I, as further described on Attachment A, will begin no later than December 31, 2015. The Project will have approximately 250,000 – 300,000 square feet or more of space, and the Company will invest a minimum of $196,711,000 for New Improvements and New Machinery and Equipment by December 31, 2023, as further set forth on Attachment A. Such investment will be as follows:

New Improvements	$150,171,000
New Machinery and Equipment	$ 46,540,000
TOTAL:	$196,711,000

Such investment will be made on the following schedule:

Year	**IT Equipment Labor**	**Machinery & Equipment**	**FF&E**	**Construction**	**Total**
2015	-0-	-0-	-0-	28,000,000	28,000,000
2016	11,058,546	4,333,333	14,553,556	81,844,583	111,790,018
2023	9,215,454	2,341,667	5,037,444	40,326,417	56,920,982
TOTALS	$20,274,000	$6,675,000	$19,591,000	$150,171,000	$196,711,000

(ii) Rendition. Investments in new construction and new business and personal property will be as documented by the Company in its rendition to TCAD for each year of the Agreement Term.

(e) Minority and Women-Owned Business Enterprises. The Company will use good faith efforts and will encourage its agents and contractors to use good faith efforts, to ensure that Minority and Women-Owned Business Enterprises and Historically Underutilized Businesses (HUB Policy) have the opportunity to participate in the design, construction and operation of the Project in compliance with Travis County policy attached to this Agreement as Exhibit G, "County HUB Policy."

(f) Construction Laws. In the execution of the construction contracts for construction of the Company's Project covered by this Agreement, the Company will comply with all applicable state and federal laws relating to construction, including laws related to labor, equal employment opportunity, safety, and minimum wage. In addition, the Company agrees as follows:

(i) To provide salaries to all employees filling positions of New Full-Time Jobs under this Agreement and employees hired by contractors for construction of the Company's facilities related to this incentive Agreement, at an hourly wage that equals or exceeds the County's established minimum wage (currently $11.00 per hour) set by County throughout the term of the Agreement. PBO maintains the information as to the County's minimum wage and agrees to provide Company with notice if that minimum wage changes. This provision notwithstanding, the Parties agree that, under this Agreement, minimum wage for Company's non-construction-related employees hired under this Agreement will be in an amount of $15.00 or more.

(ii) To provide appropriate (as defined by Travis County Purchasing) OSHA training on site.

(g) Competitive Siting. Company agrees that the Project is a Competitively-Sited Project as defined in the County Policy, and Company has or will provide an affidavit on a form provided by County as documentation of such according to the County Policy [Section 28.006(b)(iii)(E)].

5.1.2. Employment. The Company must meet the following employment requirements:

(a) Required Number of Jobs.

(i) Current Jobs. The Parties agree that, for purposes of this Agreement, Company has 927 Existing Full-time Jobs at its Corporate Campus as of the Effective Date of this Agreement.

(ii) Creation. After the Effective Date, the Company shall create at least 823 New Full-time Jobs for employees to work at the Corporate Campus by December 31, 2024, according to the schedule set forth in subsection 5.1.2(b) below.

(iii) Retention. Company shall retain at least the corresponding number of Existing and New Full-time Jobs as required in the Employment Schedule in subsection (b) below throughout the Agreement Term.

(iv) Location of Jobs. The Parties agree to the following regarding Existing and New Full-time Jobs during the Agreement Term:

(1) Existing jobs, as referenced in Section 5.1.2(a)(i) above, will be those jobs as defined in Section 1.18 above, as of the Effective Date of this Agreement.

(2) New jobs, as referenced in Section 5.1.2(a)(ii) above, will be those 823 New Full-time Jobs created by the Company under the terms of this Agreement and located at the Project or Corporate Campus. The Parties agree that, in order to be counted by the Company for compliance under this Agreement, those New Full-time Jobs are jobs not in existence as of the Effective Date of this Agreement but that are created and maintained during the Agreement Term at the Project or Corporate Campus.

(3) Company reporting of jobs will include information specifying the number of New Full-time Jobs at the Project and the number of New Full-time Jobs at the Corporate Campus, and the number of Existing Full-time Jobs at the Project and the Corporate Campus.

(b) Employment Schedule.

(i) The 823 New Full-time Jobs shall be added by the Company in accordance with the following Employment Schedule:

Year	Existing Jobs	New Jobs	Total Jobs
2015	927	59	986
2016	986	89	1,075
2017	1,075	125	1,200
2018	1,200	122	1,322
2019	1,322	103	1,425
2020	1,425	57	1,482
2021	1,482	89	1,571
2022	1,571	63	1,634
2023	1,634	49	1,683
2024	1,683	67	1,750
TOTAL		**823**	**1,750**

(ii) Ongoing Employment Obligations. During each year of the Agreement Term after the Effective Date, the Company shall continue to have not less than the number of Existing and New Full-time Jobs set forth in Subsection 5.1.2(b)(i) above.

(iii) Construction Delay Impact Construction Timetable and Employment Schedule. The County acknowledges that the foregoing Employment Schedule is based on the Company's ability to construct the buildings and other facilities that will be needed to accommodate 823 New Full-time Jobs in accordance with its Construction Timetable. If there is a Construction Delay that will materially affect the Construction Timetable, the Company will give written notice to the County. The County Executive shall thereafter have the authority to extend the deadlines for completing the construction of the Improvements and to modify the Employment Schedule in an equitable manner if the County Executive reasonably determines that a Construction Delay has occurred and that such Construction Delay will materially affect the Construction Timetable. In no event, however, shall the deadline for the Company to create 823 New Full-time Jobs be extended by the County Executive beyond December 31, 2024.

(c) Required Average Annual Compensation. The Required Average Annual Compensation for all New Full-time Jobs must not be less than the following amounts at the end of each Employment Year:

(i)	Average Salary	$79,602.00
(ii)	Median Salary	$69,032.00
(iii)	Minimum Hourly Salary	$ 15.00

(d) Recruitment. The Company will comply with the following conditions and requirements for the recruitment of Employees for New Full-time Jobs:

(i) Work with non-profit organizations (as agreed to by County) to expand the pool of diverse candidates for jobs by posting jobs with such organizations as selected by the Company (and reasonably agreed to by County) throughout the term of the Agreement. Those organizations may include, but are not limited to, Skillpoint Alliance, Workforce Solutions, American YouthWorks, Goodwill Industries, Austin Community College, Travis County Health and Human Services and Veterans Services, and Capital IDEA.

(ii) Make good faith efforts to recruit and hire Travis County residents. The Company will provide Travis County with data reflecting the percentage of the New Full-time Jobs filled by individuals who reside in Travis County with the annual compliance report in a format mutually agreed to by the Parties.

(iii) Adhere to Company's equal employment/affirmative action policies and practices (see Attachment D).

(iv) Make employment decisions according to its internal employment and personnel practices, and base those employment decisions solely on job related qualifications.

(v) Conduct or participate in at least two (2) job fairs or similar outreach events in Travis County annually during the first two years of the Payment Term, or until the number of New Full-time Jobs for the first two years of the Payment Term have been achieved.

(vi) Provide documentation of recruitment efforts under the above requirements annually to Travis County. Such documentation may be provided in writing or by the County's inspection of Company records. Meeting the above requirements and providing documentation of such will meet the definition of "good faith" as required under this Agreement.

(e) Company Health Benefits. Company agrees that the Company's human resources policy meets or exceeds all applicable state and federal requirements, including the requirements of the Patient Protection and Affordable Care Act in effect as of the effective date of the County Policy. At any time that there is a conflict between any state or federal requirement, the Parties agree that the federal requirement(s) will pre-empt the state requirements. For Employees who are hired to provide the Required Number of Jobs pursuant to this Agreement, the Company must provide, and ensure that Employees are provided, health benefits (to the extent consistent with the Company's policies and practices in the United States) as follows:

(i) the health benefits must be provided to the Employees and their family members and including same sex partners; and

(ii) meet all applicable federal requirements for benefits provided;

(iii) with the Company or other provider contributing to such health benefits at a dollar amount that provides the opportunity for

Employees to purchase affordable coverage as determined under the regulations and requirements of the PP and ACA for themselves and Employee family members. The Parties agree that the health benefits plan provided by Company at the execution of this Agreement meets this requirement, and Company will continue to provide such benefits that meet or equal the current plan.

(iv) if Company maintains the current benefit plans (including health, dental and life insurance, vision and prescription drug plans, – with a written description provided to County prior to execution of this Agreement, and written updates to be provided to County at the time of any substantive changes to the plan), or a plan with similar benefits, that will be considered in compliance with this subsection 5.1.2(e).

(v) For the avoidance of any doubt, County agrees that the Company will offer health benefits to the extent consistent with Company's policies and practices in the United States, and acknowledges that this Agreement does not prevent Company from amending or terminating its group health plan or other benefit plans. In order to maintain compliance with the Agreement requirements, Company will maintain a general level of benefits comparable to that which is in place at the time of execution of this Agreement.

(f) Opportunity To Correct Deficiency. If the Company has not satisfied the requirements and conditions described in paragraphs above [Section 5.1.2(a) – (e)] at the end of any year during the Payment Term, the Company shall have a period of ninety (90) days after the end of the applicable year to correct such deficiency, but the County shall not have any obligation to give the Company notice concerning such deficiency pursuant to Sections 8.3 since the Company should become aware of any such deficiencies when completing the annual report to County as required under Section 5.3.1; however, County will work with Company upon receipt of any annual report showing any deficiencies to note such deficiencies and develop a plan for resolution within the 90 day cure period. If the Company fails to correct the deficiency within such 90-day period, the Company shall not be entitled to receive the applicable Grant Funds for such year.

5.1.3. Employee Benefits. In addition to the health benefits provided by the Company, the Company will offer benefits related to areas such as retirement (401K), paid leave, counseling, life insurance, training, development opportunities and tuition reimbursements as determined by the Company's policies and practices as applied to the Company employees in the United States.

5.1.4 Community Participation. The Company will be an active community member by continuing programs offered to Employees throughout the United States such as: volunteer week; charitable support; access to volunteer activities to employees; match of eligible employee charitable contributions under Company policy; and other activities as determined by Company.

5.2 **Requirements for Additional Grant and Goal Components**. The 48.5% Grant during the Agreement Term, as described in Section 4.1.1, shall be increased by the following additional Grant Percentages if the Company performs the following obligations:

5.2.1 LEED Certification. The Company shall be entitled to receive up to five percent (5%) additional Grant Percentage if the Company achieves LEED Certification

from the U.S. Green Building Council for building or buildings to be constructed on the Property. The additional Grant Percentage shall not be applicable until the Company has provided the County with the appropriate documentation concerning the LEED Certification for such buildings. The Grant percentage will be determined as follows:

Basic	2%
Silver	3%
Gold	4%
Platinum	5%

The Company expects to complete LEED Certification at a level of at least Silver for an additional three percent (3%) incentive to be received upon completion and documentation of that Certification.

5.2.2 Project Goals. The following components of the Project are goals which the Company agrees to make a good faith effort (except in the case of compliance with federal, state or local legislation and/or regulations) to attain:

(i) Environmental. The Project will be completed and maintained in a manner which preserves and respects the natural environment. The Company shall not violate any federal, state or local legislation and/or regulation(s) which prohibit or regulate deleterious effects on the environment within the Project. This Property may not be located over an environmentally sensitive aquifer or contributing zone, and the Company hereby certifies that the Property is not located over an environmentally sensitive aquifer or contributing zone.

(ii) Parking. Development will be completed in a manner which includes adequate parking.

(iii) Community Improvement. The County acknowledges the active participation by the Company in community development activities which contributes to the development and improvement of Travis County in areas beyond those directly related to business and the economy. The Company agrees to make commercially reasonable (as opposed to "good faith") efforts to continue such participation related to local education, job training and job mobility through activities such as financial contributions to local schools and volunteer work within the community.

5.3 **Reports.**

5.3.1. Annual Report.

(a) Annual Report Filing. Beginning March 31, 2017, and annually thereafter during the Payment Term (on or before March 31), the Company shall provide the Annual Report (and/or other reports as reasonably requested by County) reflecting the fulfillment of all requirements of this Agreement. The Company shall provide the Chief Appraiser of TCAD ("Appraiser"), the Travis County Tax Assessor-Collector and PBO a copy of the Annual Report. The

Company acknowledges and agrees that the Annual Report is a document that will be available to the public. The Company considers any other information provided to the County and the other governmental entities referenced above to be proprietary and confidential, and such documents and information will not be disclosed by the County except as required under the Texas Public Information Act.

(b) Other Information. The Annual Report shall include the information necessary to meet applicable requirements under the Texas Tax Code. The Appraiser of TCAD shall annually determine the taxable value of the property subject to this Agreement and shall record that taxable value on which the Agreement Grant will be based in the appraisal records. Each year, the Company shall furnish the Appraiser with such information outlined in the Texas Tax Code, Chapter 22, as may be necessary for the administration of the Grant specified herein. The Company shall be entitled to appeal any determination of the Appraiser in accordance with the provisions of the Texas Tax Code.

5.3.2. County Auditing of Reports. The County retains the right to audit the findings in all reports provided or made available to the County under this Agreement as necessary to confirm compliance with the terms of this Agreement. The Company shall retain all reports made by third parties (if any such reports are created by third parties other than the County that reflect compliance with Agreement requirements) related to this Agreement and allow the County reasonable access to inspect such reports if the County requests the opportunity to review such reports. The County will only request such review upon reasonable cause to question the accuracy of the Annual Report submitted by the Company to the County and will attempt to limit such request reviews to one time annually.

5.3.3. Annual Report Information. The following general information, as applicable for each year in a reporting period will be included:

(a) documentation to show commencement date and completion date (as applicable);

(b) total value of completed Project (as certified by TCAD for Travis County Ad Valorem Taxation);

(c) total number of Existing Full-time Jobs and total number of New Full-Time Jobs and date of hire for each;

(d) average salary of New Full-time Jobs;

(e) information showing the amount of County Ad Valorem Taxes paid by the Company and the amount of Grant Funds reimbursed by the County to date;

(f) information as set forth in Section 28.008(b)(i)-(viii) of the County Policy.

(g) other information as necessary to support compliance with terms of this Agreement; and

(h) certification as to accuracy of report and compliance with the terms of the Agreement.

5.3.4. Job Data. The Annual Report shall also include that information specifically set forth in the form of the Annual Report (Attachment C). The Company shall create and maintain such records as necessary for the County to audit specific performance under this requirement, including documentation which supports that information shown in the Annual Report and any other information reasonably necessary to calculate New Full-time Jobs as related to performance under this Agreement. As provided in Section 5.8.2, the County may require such other documentation as reasonably deemed necessary to support reported employment efforts of the Company as required under this Agreement. Such documentation shall be related to specific requirements of the Agreement and in a form and of such substance as mutually agreed to by the Company and the County.

5.3.5. Ad Valorem Taxes. The Annual Report shall include information showing the amount of Travis County Ad Valorem Taxes due for payment by the Company, the amount of Grant Funds that would be paid as a result of compliance with the applicable terms of this Agreement and other information as specified in the form attached as Attachment C.

5.4 **Company Authority**. The Company warrants that the Company has the authority to enter into this Agreement and that the person signing this Agreement on behalf of the Company is duly authorized to do so.

5.5 **Accuracy of Information**. The Company will use commercially reasonable efforts to ensure that all reports, data and information submitted to the County will be accurate, reliable and verifiable according to the terms of this Agreement. Approval by the County of such information shall not constitute nor be deemed a release of the responsibility and liability of the Company, its employees, agents or associates for the accuracy and competency of their reports, information documents, or services, nor shall approval be deemed to be the assumption of such responsibility by the County for any defect, error, omission, act or negligence or bad faith by the Company, its employees, agents, or associates.

5.6 **W-9 Taxpayer Identification Form**. The Company shall provide the County with an Internal Revenue Service Form W-9 Request for Taxpayer Identification Number and Certification that is completed in compliance with the Internal Revenue Code, its rules and regulations, and a statement of entity status in a form satisfactory to the County Auditor before any Grant Funds may be paid to the Company.

5.7 **Indemnification and Claims**.

5.7.1. **INDEMNIFICATION. The Company agrees to and shall indemnify and hold harmless the County, its officers, agents, and employees, from and against any and all claims, losses, damages, negligence, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorney's fees ("Claim"), for injury to**

or death of any person, or for damage to any property, arising out of or in connection with the work done by the Company under this Agreement, whether such injuries, death or damages are caused by the Company's sole negligence or the joint negligence of the Company and any other third party. The indemnified party shall cooperate with the resolution of any Claim and acknowledges and agrees that the defense of such Claim and any settlement or resolution thereof shall be in the sole discretion of the Company.

5.7.2. Claims Notification. If any Claim, or other action, including proceedings before an administrative agency is made or brought by any person, firm, corporation, or other entity against the Company or the County relating to the enforcement of this Agreement, the Party with notice of the Claim shall give written notice to the other Party of the Claim, or other action within three (3) working days after being notified of it or the threat of it; the name and address of the person, firm, corporation or other entity that made or threatened to make a Claim, or that instituted or threatened to institute any type of action or proceeding; the basis of the Claim, action or proceeding; the court or administrative tribunal, if any, where the Claim, action or proceeding was instituted; and the name or names of any person against whom this Claim is being made or threatened. This written notice shall be given in the manner provided in the "Notice" provision of this Agreement. Except as otherwise directed, the Party with notice of the Claim shall furnish to the other Party copies of all pertinent papers received by that Party with respect to these Claims or actions.

5.8 **Miscellaneous Responsibilities**.

5.8.1. Change in Project. The Company shall notify the County promptly and in advance where possible, of any significant change relating to the Project that may affect the Company's performance under this Agreement, including any change in the Company's name or identity.

5.8.2. Employment Records and Investment Certification.

(a) In order to verify compliance with employment, salary and investment requirements, the Company will provide the County with an annual written certification (attached to the Annual Report) by an authorized representative of the Company of the following:

(i) Number of New Full-Time Jobs
(ii) Average Salary of New Full-Time Jobs
(iii) Amount of investment pursuant to this Agreement

(b) The Company agrees to provide the County access at the Company's Austin location [or a mutually agreed to location, as specified in Section 4.2.2(c)(i)] at the time of submission of the certification and as needed

to any and all supporting documentation which was utilized in making the determinations reported in the certification as to the number of New Full-time Jobs, the average salary and the amount of investment by the Chief Financial Officer. This supporting documentation will be made available at locations as specified in Section 4.2.2(c)(i) in a format that allows for easy review by the County.

(c) Right to Withhold Approval of Grant Funds. If the County determines that the documentation provided is insufficient to adequately document the accuracy of the information or disputes the accuracy of the information, the County reserves the right to require additional information as necessary to complete the final review and approval of the information submitted and to withhold approval of the Grant Funds Notice until such additional information is made available pursuant to this Section 5.8.2.

5.8.3. Record Maintenance. The Company shall maintain all records and reports required under this Agreement for a period of three years after the termination date, or until all evaluations, audits and other reviews have been completed and all questions or issues, including litigation, are resolved satisfactorily, whichever occurs later. County agrees to advise Company of any need to maintain records beyond the three year period prior to the termination of that three year period.

6.0 AMENDMENTS

6.1. **Written Amendments Only**. Unless specifically provided otherwise in this Agreement, any change to the terms of this Agreement or any attachments to it shall be made in writing and signed by both Parties. An amendment may only be approved by the Parties if the terms and provisions of the amendment reflect provisions which could have been included in the original Agreement.

6.2. **Acknowledgments as to Amendments**. It is acknowledged by the Company that no officer, agent, employee or representative of the County has any authority to change the terms of this Agreement or any attachments to it unless expressly granted that authority by the Commissioners Court under a specific provision of this Agreement or by separate action by the Commissioners Court. Verbal discussion or other indications of changes to this Agreement will not be effective.

6.3. **Submission**. The Company shall submit all requests for all changes, alterations, additions or deletions of the terms of this Agreement or any attachment to it to PBO Attention: Leroy Nellis, Acting County Executive (or his successor in office) with a copy to the County Judge, Samuel T. Biscoe, or his successor in office. This Agreement shall be administered by PBO, and all information provided by the Company to the County shall be provided through PBO.

7.0 COMPLIANCE

7.1. **Federal. State and Local Laws**. The Company shall provide all services and activities

performed under the terms of this Agreement in compliance with the Constitutions of the United States and Texas and with all applicable federal, state, and local orders, laws, regulations, rules, policies, and certifications governing any activities undertaken during the performance of this Agreement. The Company shall meet all applicable requirements of the County and the City codes and ordinances, rules and regulations and permit requirements, and all necessary inspections will take place in a timely manner. The Company will make all hiring decisions in compliance with the Civil Rights Act of 1964 and the Americans With Disabilities Act of 1990 and will not discriminate against any employee or applicant for employment on the basis of race, religion, color, national origin, age or handicapping condition in accordance with the Company's policies.

7.2. **Law and Venue.** This Agreement is governed by the laws of the State of Texas and all obligations under this Agreement shall be performable in the City of Austin, Texas or in Travis County, Texas. It is expressly understood that any lawsuit, litigation, or dispute arising out of or relating to this Agreement will take place in State Court in Travis County and the City of Austin. The Parties acknowledge and agree that each Party shall be responsible for any attorneys' fees incurred by that Party relating to this Agreement.

7.3. **Immunity or Defense**. Section 7.2 notwithstanding, the Company expressly understands and agrees that, neither the execution of this Agreement nor the conduct of any representative of the County shall be considered to be a waiver of, nor shall it be deemed to have waived, any immunity or defense that would otherwise be available to it against claims arising in the exercise of it governmental powers and functions, nor shall it be considered a waiver of sovereign immunity to suit. The Company and the County shall have all remedies and defenses allowed by law.

7.4. **Failure to Comply**. The Commissioners Court may cancel or modify this Agreement, as set forth herein, if the Company fails to comply with the Agreement and such failure continues beyond the notice and cure period as further set forth in Section 8.4 below.

8.0 NON-PAYMENT, TERMINATION AND DEFAULT

8.1 **Non-Payment**. The Company understands and agrees that NO payment of Grant Funds will be made for any Payment Year in which the following conditions (as applicable) of this Agreement are not met:

8.1.1 Investment/Construction.

(a) Construction completed no later than December 31, 2016 for Phase I, and December 31, 2023 for Phase II (as such dates may be adjusted as set forth in this Agreement).

(b) $ 28,000,000 invested in New Improvements and New Machinery and Equipment no later than December 31, 2015.

(c) $ 111,790,018 invested in New Improvements and New Machinery and Equipment no later than December 31, 2016 (Total: $139,790,018).

(d) $ 56,920,982 invested in New Improvements and New Machinery and Equipment no later than December 31, 2023 (Total: $196,711,000).

(e) Construction and installation of New Machinery and Equipment investment documented in rendition to TCAD and classified as new construction.

8.1.2 Jobs.

(a) Conditions to be met under terms of the Agreement, including the cure period set forth in Section 8.4.

(b) Use good faith efforts to meet minority participation and recruiting requirements set forth in Sections 5.1.1(e) and 5.1.2(d) and Attachment F.

8.1.3 Recapture. The Company agrees that Grant Funds received by the Company for the last five (5) years of the Agreement are subject to recapture by the County if Company fails by the termination date as defined by Section 1.35 to fulfill the requirement for the total investment amount in New Improvements and New Machinery and Equipment and the total number of New Full-time Jobs to be created as of such termination date.

8.2. **Termination**. This Agreement may be terminated in the following circumstances:

8.2.1. Election Not to Proceed Prior to Grant. In the event the Company elects not to proceed with the Project as contemplated by this Agreement prior to the first receipt by the Company of the Grant Funds, the Company shall notify the County in writing, and this Agreement and the obligations on the part of both Parties shall be deemed terminated and of no further force or effect.

8.2.2. Successful Completion. This Agreement will terminate upon completion of the performance of the respective terms and conditions of the Agreement by both Parties or upon termination pursuant to the terms of this Agreement.

8.2.3. Failure to Comply.

(a) After notice of default and opportunity to cure pursuant to Section 8.4, this Agreement may be terminated, at the election of the County, if the Company fails to comply with the following conditions and requirements as set forth herein (each referred to herein as a "Termination Event"):

(i) The Company fails to comply with the requirement in paragraphs (a), (b) or (c) of Section 5.1.1 regarding the location of the Project and the ownership and use of the Property.

(ii) The Company allows its Ad Valorem Taxes to the County, the City of Austin, Austin Independent School District, Austin Community College District, Central Health District, or other local taxing entity to become delinquent and fails to

timely and properly follow the legal procedure for their protest and/or contest.

In the event this Agreement is terminated by the County pursuant to this subparagraph (a), the County shall have the right to terminate this Agreement immediately upon notice; and, no further Grant Funds shall be payable by the County to the Company; and this Agreement shall be of no further force or effect.

(b) Termination by Company. After notice of default and opportunity to cure pursuant to Section 8.4, this Agreement may be terminated by the Company without prejudice to any other right or remedy which the Company or the County may possess, if the County fails to comply with its obligations under this Agreement.

8.2.4. Judicial Finding. This Agreement may be terminated by either the County or the Company if the Grant agreed to be made by the County herein is found to be invalid or illegal by a court of competent jurisdiction and said judicial decision is not overturned on appeal or is no longer subject to appeal. In the event that this Agreement is terminated under this Section, the County shall have the right to recapture all of the money granted to the Company under this Agreement to the extent but only to the extent that said judicial decision specifically require said Grant to be refunded to the County, and there is no other lawful manner by which the County can reimburse, pay or credit the Company with the amount of said Grant that is refunded as a result of said judicial decision.

8.3. **Right to Withhold Grant Funds**. In addition to the rights granted to the County to terminate this Agreement because of a Termination Event pursuant to Section 8.2.3, the County shall have the right to withhold any unpaid Grant Funds if the Company is in default with respect to any of its obligations under this Agreement. The County shall have the right to withhold the payment of any such Grant Funds the Company would otherwise be entitled to receive until such default has been cured.

8. 4 **Notice and Opportunity to Cure**. If either Party is in default with respect to such Party's obligations under this Agreement, the non-defaulting Party shall give written notice of such default to the defaulting Party pursuant to the notice provisions in Section 10. The defaulting Party shall then have a period of ninety (90) days after the receipt of such notice to cure such default. If the defaulting Party fails to cure such default within such 90-day period, the non-defaulting Party shall have the right to exercise the right and remedies provided for in this Agreement; provided, however, the County shall have the right to withhold the payment of Grant Funds to the Company pursuant to Section 8.3, until the default is cured by the Company.

9.0 MISCELLANEOUS PROVISIONS

9.1. **Independent Contractor**. The parties expressly acknowledge and agree that the Company is an independent contractor and assumes all of the rights, obligations and liabilities applicable to it as an independent contractor. No employee of the Company shall be considered an employee of the County or gain any rights against the County pursuant to the County's personnel policies. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party. The relationship of the County and the Company under this Agreement is not and shall not be construed or interpreted to be a partnership, joint venture or agency. The relationship of the Parties shall be an independent contractor relationship. Neither Party shall have the authority

to make any statements, representations or commitments of any kind, or to take any action which shall be binding on the other Party.

9.2. **Agreement Limitation.** This Agreement sets out the agreements and obligations between the County and the Company only, and does not obligate the County in any way nor create any third party beneficiary rights as between the County and any of the Company's subcontractors, nor to any other third party. The County shall not under any circumstances be liable to the Company's creditors or subcontractors for any reimbursements under this Agreement.

9.3. **Representations and Warranties**. The County represents and warrants to the Company that this Agreement is within its authority, and that it is duly authorized and empowered to enter into this
Agreement unless otherwise ordered by a court of competent jurisdiction. The Company represents and warrants to the County that it has the requisite authority to enter into this Agreement.

10.0 NOTICES

10.1. **Requirements**. Except as otherwise specifically noted herein, any notice required or permitted to be given under this Agreement by one party to the other shall be in writing and shall be given and deemed to have been given immediately if delivered in person to the address set forth in this section for the party to whom the notice is given, or on the third day following mailing if placed in the United
States Mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the party at the address hereinafter specified.

10.2. **County Address**. The address of the County for all purposes under this Agreement shall be:

Honorable Samuel T. Biscoe (or his successor in office)
County Judge
P.O. Box 1748
Austin, Texas 78767

With copies to (registered or certified mail with return receipt is not required):

Leroy Nellis, Acting County Executive, Planning and Budget (or his successor)
P. O. Box 1748
Austin, Texas 78767

Honorable David Escamilla (or his successor in office)
Travis County Attorney
P.O. Box 1748
Austin, Texas 78767
ATTENTION: Civil Transactions

and

Cyd Grimes, Purchasing Agent (or her successor)
Travis County Purchasing
P.O. Box 1748
Austin, Texas 78767

10.3. **Company Address**. The address of the Company for all purposes under this Agreement
and for all notices hereunder shall be:

Charles Schwab & Co., Inc.

Attn: Denise Gow, Vice President, Corporate Real Estate
211 Main Street
San Francisco, CA 94105
Phone: 415/667-7000
Fax: 415/667-4757
Re: Economic Development Agreement
Email: denise.gow@schwab.com

10.4 **Change of Address**. Each party may change the address for notice to it by giving notice of the change in compliance with Section 10.0. Any change in the address shall be reported to the County within fifteen (15) days of the change.

10.5 **Change of Name**. If a change of name is required by the Company, in addition to the requirements of Section 5.8.1, the Company shall notify the County in writing immediately pursuant to this Section 10.0.

11.0 PROHIBITIONS

11.1. **County Forfeiture of Agreement.** As to payment of Grant Funds, if the Company has done business with a Key Contracting Person as listed in Exhibit "A" to Attachment B to this Agreement during the 365 day period immediately prior to the date of execution of this Agreement by the Company or does business with any Key Contracting Person at any time after the date of execution of this Agreement by the Company and prior to full performance of this Agreement, the Company shall forfeit all County benefits of this Agreement and the County shall retain all performance by the Company and recover all Grant Funds paid to the Company pursuant to this Agreement. For purposes of this Agreement, it is agreed that the Company providing financial services in the ordinary course of its business to a Key Contracting Person at a posted, published, or marked price available to the general public shall not be considered "doing business with" or "does business with" a Key Contracting Person and shall not result in the Company forfeiting the benefits of this Agreement.

11.2. **Conflict of Interest**. The Company shall ensure that the Company will not take any action that would result in any person who is an employee, agent, consultant, officer, or elected or appointed official of the County who exercises or has exercised any functions or responsibilities with respect to activities performed pursuant to this Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to these activities, to obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect to it, or the proceeds under it, either for him or herself or those with whom he or she has family or business ties, during his or her tenure with or engagement by the County or for one year thereafter.

11.3. **Solicitation**. The Company warrants that no persons or selling agency was or has been retained to solicit this Agreement upon an understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial selling agencies maintained by the Company to secure business. For breach or violation of this warranty, the County shall have the right to terminate this Agreement without liability, or, in its discretion to, as applicable, add to or deduct from the consideration, or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

11.4. **Gratuities**. The County may cancel this Agreement if it is found that gratuities in the form of entertainment, gifts, or otherwise were knowingly offered or given by the Company or any agent or representative to any County official or employee with a view toward securing favorable treatment with respect to the performing of this Agreement. In the event this Agreement is cancelled by the County pursuant to this provision, the County shall be entitled, in addition to any other rights and remedies, to recover from the Company a sum equal in amount to the cost incurred by the Company in providing such gratuities.

11.5. **Limitation**. The Parties understand and agree that the above prohibitions do not apply to any ceremonial gift which might be offered by the Company and accepted by the County or a County representative in an open and public event to commemorate the decision to locate the Project on the Property to commence construction of the Project so long as such offering and acceptance does not violate applicable law.

12.0 ASSIGNABILITY

12.1. **Assignment**. This Agreement may not be assigned to a new company without prior written approval of the Commissioners Court of the County; provided, however, the Company may assign to an Affiliate of the Company without approval of the Commissioners Court of the County, so long as the Company shall remain responsible and obligated to the County for the performance of its obligations under the Agreement. Written notice of such assignment shall be provided to the County prior to the assignment. No assignment shall be approved if the assignor or assignee are indebted to the County for Ad Valorem Taxes or other obligations.

12.2. **Binding Agreement**. Subject to Section 12.1, this Agreement shall be binding upon the successors and/or assigns of the parties to this Agreement. In the case of assignment to an Affiliate, benefits and obligations of the Agreement shall inure to the benefit of such Affiliate without the prior approval of County so long as such assignment includes the requirements set forth under Section 12.1.

13.0 INTERPRETATIONAL GUIDELINES

13.1. **Computation of Time**. When any period of time is stated in this Agreement, the time shall be computed to exclude the first day and include the last day of the period. If the last day of any period falls on a Saturday, Sunday or a day that County has declared a holiday for its employees these days shall be omitted from the computation.

13.2. **Numbers and Gender**. Words of any gender in this Agreement shall be construed to include any other gender and words in either number shall be construed to include the other unless the context in the Agreement clearly requires otherwise.

13.3. **Headings**. The headings at the beginning of the various provisions of this Agreement have been included only to make it easier to locate the subject matter covered by that section or subsection, and are not to be used in construing this Agreement.

14.0 OTHER PROVISIONS

14.1. **Survival of Conditions**. Applicable provisions of this Agreement shall survive beyond termination or expiration of this Agreement until full and complete compliance with all aspects of these provisions has been achieved where the parties have expressly agreed that those provisions should survive any such termination.

14.2. **Non-Waiver of Default.** One or more acts of forbearance by any Party to enforce any provision of this Agreement or any reimbursement, payment, act or omission by any Party shall not constitute or be construed as a waiver of any breach or default of any other Party which then exists or may subsequently exist.

14.3. **Reservation of Rights**. If any Party to this Agreement breaches this Agreement, the other Party(ies) shall be entitled to any and all rights and remedies provided for by the Texas law and any applicable Federal laws or regulations. All rights of either Party under this Agreement are specifically reserved and any payment, reimbursement, act or omission shall not impair or prejudice any remedy or right to said Party under it. The exercise of or failure to exercise any right or remedy in this Agreement or in accordance with law upon the other Party's breach of the terms, covenants, and conditions of this Agreement, or the failure to demand the

prompt performance of any obligation under this Agreement shall not preclude the exercise of any other right or remedy under this Agreement or under any law, nor shall any action taken or not taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies.

14.4. **Severability**. If any portion of this Agreement is ruled invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision thereof and the remainder of it shall remain valid and binding and as if such invalid, illegal or unenforceable provision had never been contained in this Agreement.

14.5. **Dispute Resolution**. When mediation is acceptable to all Parties in resolving a dispute arising under this Agreement, as a condition precedent to filing any lawsuit, the Parties agree to mediate said dispute with the Dispute Resolution Center of Austin, Texas, as the provider of mediators for mediation as described in Texas Civil Remedies and Practice Code, Section 154.023. Unless all Parties are satisfied with the result of the mediation, the mediation will not constitute a final and binding resolution of the dispute. All communications within the scope of the mediation shall remain confidential as described in Texas Civil Remedies and Practice Code, Section 154.073, unless all Parties agree, in writing, to waive said confidentiality.

14.6. **Force Majeure**. Neither Party shall be financially liable to the other Party for delays in performance or failures to perform under this Agreement caused by force majeure (i.e. those causes generally recognized under Texas law as constituting impossible conditions). Such delays or failures to perform shall extend the period of performance until these exigencies have been removed. The Party seeking to avail itself of this clause shall notify the other Party within ten (10) business days or otherwise waive the right as a defense, unless notification is impractical under the circumstances, in which case notification shall be done in as timely a manner as possible.

14.7. **Multiple Originals**. This Agreement may be executed by the parties in multiple counterparts, each one being considered an original for any purpose.

CHARLES SCHWAB & CO., INC.	TRAVIS COUNTY
By_____	By:
_____	
Printed Name_____	Samuel T. Biscoe
Title_____	Travis County Judge
Date_____	Date: _____

ATTACHMENT A
DESCRIPTION OF PROPERTY AND PROJECT

The property is currently known as IBM's Tivoli campus/site. The property includes an existing 187,000 sq.ft. office building, associated parking deck and 50 acres of land. The Company plans to construct another office building on the property as well as build a campus support/amenities building, pending required approvals. This would be considered Phase 1 of the project and the Company would aim to complete Phase 1 by 12/31/2016.

Phase 2 of development would include another office building and parking garage. Phase 2 would be dependent on continued company growth, labor market support and city approval of plan. At the current growth pace, the Company would expect Phase II to be complete by 12/21/2023.

ATTACHMENT B
ETHICS AFFIDAVIT

Date: _____
Name of Affiant: _____
Title of Affiant: _____
Business Name of Contractor: _____
County of Contractor: _____

Affiant on oath swears that the following statements are true:

1. Affiant is authorized by Contractor to make this affidavit for Contractor.

2. Affiant is fully aware of the facts stated in this affidavit.

3. Affiant can read the English language.

4. Contractor has received the list of key contracting persons associated with this invitation for bids which is attached to this affidavit as Exhibit "A".

5. Affiant has personally read Exhibit "A" to this Affidavit.

6. Affiant has no knowledge of any key contracting person on Exhibit "A" with whom Contractor is doing business or has done business during the 365 day period immediately before the date of this affidavit whose name is not disclosed in the Invitation for Bids.

_____
Signature of Affiant

_____
Address

SUBSCRIBED AND SWORN TO before me by _____on _____ ,20__.

Notary Public, State of _____

_____
Typed or printed name of notary

ATTACHMENT B

EXHIBIT A

LIST OF KEY CONTRACTING PERSONS

Position Held	Name of Individual Holding Office/Position	Name of Business Individual is Associated
County Judge	Samuel T. Biscoe	
County Judge (Spouse)	Donalyn Thompson-Biscoe	
Executive Assistant	Cheryl Brown	
Executive Assistant	Melissa Velasquez	
Executive Assistant	Josie Z. Zavala	
Executive Assistant	David Salazar	
Commissioner, Precinct 1	Ron Davis	
Commissioner, Precinct 1 (Spouse)	Annie Davis	Seton Hospital
Executive Assistant	Deone Wilhite	
Executive Assistant	Felicitas Chavez	
Executive Assistant	Sue Spears	
Commissioner, Precinct 2	Bruce Todd	
Commissioner, Precinct 2 (Spouse)	Elizabeth Christian	Consultant
Executive Assistant	Sara Krause*	
Executive Assistant	Joe Hon	
Executive Assistant	Peter Einhorn	
Commissioner, Precinct 3	Gerald Daugherty*	
Commissioner, Precinct 3 (Spouse)	Charyln Daugherty	Consultant
Executive Assistant	Bob Moore*	
Executive Assistant	Martin Zamzow*	
Executive Assistant	Madison A. Gessner*	
Commissioner, Precinct 4	Margaret Gomez	
Executive Assistant	Edith Moreida	
Executive Assistant	Norma Guerra	
County Treasurer	Dolores Ortega-Carter	
County Auditor	Nicki Riley	
County Executive, Administrative	Vacant	
Interim County Executive, Planning & Budget	Leroy Nellis*	
County Executive, Emergency Services	Danny Hobby	
County Executive, Health/Human Services	Sherri E. Fleming	
County Executive, TNR	Steven M. Manilla, P.E.	
County Executive, Justice & Public Safety	Roger Jefferies	
Director, Facilities Management	Roger El Khoury, M.S., P.E.	
Chief Information Officer	Tanya Acevedo	
Director, Records Mgment & Communications	Steven Broberg	
Travis County Attorney	David Escamilla	
First Assistant County Attorney	Steve Capelle	
Executive Assistant, County Attorney	James Collins	
Director, Land Use Division	Tom Nuckols	
Attorney, Land Use Division	Julie Joe	
Attorney, Land Use Division	Christopher Gilmore	
Director, Transactions Division	John Hille	
Attorney, Transactions Division	Daniel Bradford	
Attorney, Transactions Division	Elizabeth Winn	
Attorney, Transactions Division	Mary Etta Gerhardt	
Attorney, Transactions Division	Barbara Wilson	
Attorney, Transactions Division	Jennifer Kraber*	
Attorney, Transactions Division	Tenley Aldredge	
Director, Health Services Division	Beth Devery	
Attorney, Health Services Division	Prema Gregerson	
Purchasing Agent	Cyd Grimes, C.P.M., CPPO	
Assistant Purchasing Agent	Elaine Casas, J.D.*	

Assistant Purchasing Agent .....Marvin Brice, CPPB
Assistant Purchasing Agent.....Bonnie Floyd, CPPO, CPPB
Purchasing Agent Assistant IV.....CW Bruner, CTP, CPPB
Purchasing Agent Assistant IV.....Lee Perry
Purchasing Agent Assistant IV.....Jason Walker
Purchasing Agent Assistant IV.....Richard Villareal
Purchasing Agent Assistant IV.....Patrick Strittmatter, CPPB
Purchasing Agent Assistant IV.....Lori Clyde, CPPO, CPPB
Purchasing Agent Assistant IV.....Scott Wilson, CPPB
Purchasing Agent Assistant IV.....Jorge Talavera, CPPO, CPPB
Purchasing Agent Assistant IV.....Loren Breland, CPPB
Purchasing Agent Assistant IV.....John E. Pena, CTPM, CPPB
Purchasing Agent Assistant IV.....Angel Gomez
Purchasing Agent Assistant IV.....Jesse Herrera, CPPB, CTPM, CTCM, CTP
Purchasing Agent Assistant III.....Shannon Pleasant, CTPM
Purchasing Agent Assistant III.....David Walch
Purchasing Agent Assistant III.....Michael Long, CPPB
Purchasing Agent Assistant III.....Sydney Ceder
Purchasing Agent Assistant III.....Ruena Victorino
Purchasing Agent Assistant III.....Rachel Fishback
Purchasing Agent Assistant II.....L. Wade Laursen
Purchasing Agent Assistant II.....Sam Francis
HUB Coordinator.....Sylvia Lopez
HUB Specialist.....Betty Chapa
HUB Specialist.....Jerome Guerrero
Purchasing Business Analyst.....Scott Worthington
Purchasing Business Analyst.....Rosalinda Garcia

FORMER EMPLOYEES

Position Held	Name of Individual Holding Office/Position	Date of Expiration
Purchasing Business Analyst.....	Jennifer Francis	11/29/14
Executive Assistant.....	Barbara Smith.....	01/15/15
Attorney, Transactions Division	Jim Connolly	02/28/15
County Executive, Planning & Budget	Leslie Browder	03/31/15

* - Identifies employees who have been in that position less than a year.

ATTACHMENT C

ANNUAL REPORT FORM
TRAVIS COUNTY ECONOMIC DEVELOPMENT PROGRAM

REPORTING YEAR: _____ (YEAR OUT OF 10)

Company shall complete the following pursuant to the applicable terms of the Agreement.

1. CONSTRUCTION COMMENCEMENT AND COMPLETION
   A. Date construction on Project commenced: _____
   B. Date Certificate of Occupancy Issued (Please attach Certificate of Occupancy): _____
   C. Date of LEED Certification (Complete this section if Company is requesting additional incentive outlined in Sec. 5.2.1):
2. VALUE OF NEW IMPROVEMENTS AND NEW MACHINERY AND EQUIPMENT
   A. Total value of Eligible Property (amount subject to Travis County Ad Valorem Taxation):
      New Improvement: $ _____
      New Machinery and Equipment $ _____

This amount must equal at least the amount specified in Section 5.1.1(d) for Company to receive benefits under the Agreement. Please attach a list of Eligible Property equal to the investment amount above and rendered to the Travis Central Appraisal District.

3. EMPLOYEES
   A. Total Number of New Full-time Jobs for the reporting year (Sec. 5.1.2(b)) _____
   B. Average Salary for New Full-time Jobs $_____
      [Must equal at least the amount specified in Section 5.1 .2(c)
   C. Median Salary for New Full-time Jobs $_____
   D. Are Employees filling New Full-time Jobs meeting salary and benefits requirements outlined in 5.1.2 (c) and (e)? Yes _____ No _____
   E. How many New Full-time Jobs are held by residents of Travis County? _____

All employment figures must be collected and maintained by Company, certified as accurate by Company as specified in this Agreement and supported by documentation as required by this Agreement.

In addition, Travis County will need evidence that Employees holding New Full-time Jobs have been eligible for health benefits, including same sex partner benefits.

   F. Attach Documentation showing recruitment efforts as required by Section 5.1.2(d)(vi)

4. AGREEMENT BENEFITS
   A. Travis County Ad Valorem Taxes paid on Eligible Property for this Reporting Year: _____
   B. Base Year Travis County Ad Valorem Taxes Paid on Eligible Property: _____
   C. Incremental Travis County Ad Valorem Taxes paid
      (Difference between "A" and "B")
   D. Agreement Benefits Claimed by Company

5. OTHER

Please attach: receipt of County taxes paid and copy of rendition to TCAD

Documentation of: (1) current ownership/lease agreement for property; (2) compliance or efforts to comply with Minority and Women-Owned Business requirements; (3) compliance with construction laws requirement; (4) compliance with or efforts to comply with recruitment requirements; (5) compliance with health benefits requirement; (6) compliance with employee benefits program (requirements under Sections 5.1).

Certification:

I, Company's authorized representative, hereby certify that the above information is correct and accurate pursuant to the terms of this Agreement:

BY: _____
Printed Name: _____
Title: _____
Date: _____

ATTACHMENT D

COMPANY AFFIRMATIVE ACTION POLICY

Schwab is committed to recruiting, hiring, and promoting a highly qualified, diverse workforce. Schwab provides equal employment opportunities to all employees and job applicants without regard to race, color, religion, gender (including pregnancy, childbirth, or related medical conditions, or gender identity), national origin, ancestry, age, disability, legally protected medical condition, genetic information, marital status, sexual orientation, veteran status, citizenship status or any other status protected by law. Equal employment opportunity applies to all terms and conditions of employment, including, but not limited to: recruitment, hiring, retention, promotions, transfers, training, pay, benefits, leaves of absence, layoffs and termination. Schwab bases employment decisions on merit, qualifications, performance, competence and the company's business needs. Schwab will make reasonable accommodation to a qualified individual with a disability in accordance with applicable laws.

ATTACHMENT E

COUNTY ECONOMIC DEVELOPMENT POLICY

CHAPTER 28
TRAVIS COUNTY ECONOMIC DEVELOPMENT INCENTIVES POLICY, GUIDELINES AND CRITERIA

28.001 AUTHORIZATION

(a) **General.** The Travis County Commissioners Court is authorized to develop and administer a program to stimulate business and commercial activity in Travis County pursuant to LOCAL GOVERNMENT CODE, Chapter 381 [specifically, Sections 381.004(b) and 381.004(g)], and other applicable statutes.

(b) **Purpose**. The purpose of this Policy includes the following:

(i) to encourage economic stimulation and prosperity by attracting new businesses to the County;

(ii) to enhance the County tax base by attracting new businesses that will make significant investments in new construction;

(iii) to assist with workforce development in the County by attracting companies that offer significant numbers of new jobs and/or training to current residents who are unemployed or under-employed;

(iv) to encourage diversity of the County's economy by attracting businesses that will contribute to the economy by broadening the scope of business and industry within the County; and

(v) to attract significant new businesses that also help promote the growth of other new businesses needed to provide supporting services or supplies, particularly small companies.

28.002 DEFINITIONS

(a) "Agreement," or "Incentive Agreement" means a contractual agreement between a property owner and/or lessee (and lessor) and an eligible jurisdiction granting or pertaining to an Incentive under this Policy, including any contract entered into under this Policy.

(b) "Applicant" means an authorized representative of a legal business entity who requests in writing the consideration of a proposal for Incentives under this Policy.

(c) "Commissioners Court" means the Travis County Commissioners Court.

(d) "Competitively-Sited Project" means a project where the Applicant has completed a written evaluation for assistance by a governmental entity in another location in which expansion, relocation or new operations (the project being proposed for Travis County Incentives) are actively being considered by the Applicant.

(e) "Economically Disadvantaged" means a Travis County resident who meets one of the following requirements:

(i) Has a verified income of 200% or less of the current Federal Poverty Guidelines; or

(ii) Meets two or more of the criteria under the definition of "economically disadvantaged" under TEXAS GOVERNMENT CODE, Section 2303.402(2)(c)(1) – (9) (with documented evidence of such eligibility).

(f) "Eligible Project" means a proposed development which qualifies for Incentives under this Policy by meeting the requirements set forth in Section 28.004(a).

(g) "Eligible Property" means all property (real and business personal) subject to assessment by the Travis Central Appraisal District (TCAD) for the determination of ad valorem taxes that is the subject of any Agreement under this Policy. Eligible Property will be limited to:

(i) real property on which the facility is located (entire approved site as set forth in the Agreement);

(ii) the new construction improvements on the site; and

(iii) new business personal property placed within a facility within the same year the new facility is counted as new construction by TCAD or as agreed to in a specific phasing provision in the Agreement.

In no event shall the Incentive granted in any one year exceed the total ad valorem tax revenue received/due Travis County from the company's cumulative new construction as certified by TCAD. To be eligible and subject to receive Grant Incentives, property, both real and business personal, must also be owned by the Applicant seeking the tax incentive over the entire term of the Agreement; and taxes on that property must be paid by the Applicant seeking the tax incentive. In the case of a project that includes a leasehold interest in real estate that has been approved by the Commissioners Court pursuant to this Policy, the company may retain eligibility for incentives as long as the County is provided a copy of the lease agreement that indicates the obligation of the company to pay all ad valorem taxes (either directly or indirectly) and the company agrees to provide the County with a copy of the cancelled check indicating payment of those ad valorem taxes each year in which incentives are requested.

(h) "Employee" means a person:

(i) whose employment is permanent, full-time and non-seasonal; and

(ii) who is employed by the Applicant for Incentive for a minimum of 1,750 hours per year; and

(iii) whose employment is reflected in the Applicant's report filed with the TWC on December 31 of each year, or reflected in other acceptable company generated and certified payroll report or other documentation of employment deemed adequate by County.

It is understood that, in order to receive Incentives based on employment numbers, Applicant must also provide documentation that required health insurance benefits [see Section 28.004(a)(v)] are provided.

(i) "Grant Incentives" means the grant funds paid by County as a result of performance of obligations under an Agreement, the amount of which is based on a percentage of specified ad valorem taxes paid on certain Eligible Property pursuant to that Agreement

entered into under this Policy as authorized by TEXAS LOCAL GOVERNMENT CODE, Chapter 381, and other applicable laws, rules, regulations and policies.

(j) "Incentive(s)" means the benefit granted under an Agreement entered into pursuant to this Policy and applicable statutes, including and Grant Incentive.

(k) "Investment" means the capital investment made by the Applicant in new construction and new taxable business personal property as indicated in documentation rendered to TCAD annually. Rendition to TCAD is required by County in order to receive Incentives under this Policy. Applicant will provide a copy of that rendition to County with its reporting information. The Investment total will not include payroll, cost of goods sold, or any other investment not directly related to Eligible Property, as determined by County.

(l) "PBO" means Travis County Planning and Budget Office.

(m) "Taxable Value of Eligible Property" means the certified appraised value of Eligible Property, as finally determined by TCAD.

(n) "TCAD" means Travis Central Appraisal District.

(o) "TCEQ" means the Texas Commission on Environmental Quality.

(p) "TWC" means the Texas Workforce Commission.

28.003 <u>AUTHORIZED FACILITIES</u>

(a) **<u>Preferred Facilities</u>**. In considering an application for Incentives under this Policy, preference will be given to an Applicant if it seeks to locate any of the following within Travis County:

(i) <u>Convergence Technology Facility</u>, defined as a company engaged in research and development activities, computer and other electronic systems and hardware design or testing, software development, testing, or publishing, wireless telecommunications, or related product manufacturing.

(ii) <u>Creative Media Facility</u>, defined as a company engaged in the creation, development, production and distribution of musical works, motion pictures, television and other forms of video programming and content, video games, advertising and informational content.

(iii) <u>Green Industries</u>, defined as companies engaged in clean energy and resource conservation. "Clean energy" includes research and development, headquarters or manufacturing projects that involve any type of energy efficiency, energy storage, energy resource conservation, renewable energy or alternative fuel technology. "Resource conservation" includes companies involved in the research, development and manufacturing of products focused on improved efficiency and availability of natural resources including clean air and water.

(iv) <u>Corporate/Professional Headquarters</u>, defined as the main office from which a regional, national or international organization is managed. Typical functions that occur in these types of offices include executive decision-making and strategy, sales and marketing, human resources, financial operations, advanced information technology operations, consulting and training. The chief executive officer for the region for which this location serves as a headquarters must be based at the location.

(v) <u>Healthcare and Life Sciences Facility</u>, defined as companies in the fields of healthcare, biotechnology, pharmaceuticals, biomedical technologies, life

systems technologies, environmental, biomedical devices, and organizations and institutions that devote the majority of their efforts in the various stages of research, development, testing, technology transfer, commercialization or manufacturing.

(vi) Regional Live Entertainment or Fine Arts Facility, defined as buildings and structures, including fixed machinery and equipment, used as a venue for live entertainment or the display of fine arts through the admission of the general public where a substantial percentage of users reside at least 100 miles from any part of the County.

(vii) Research and Development Facility, defined as buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials, the production processes of such, or current technology in biomedicine, electronics or pre-commercial emerging industries.

(viii) Economically Disadvantaged Job Provision. A business that will provide substantial opportunities for employment for Economically Disadvantaged individuals.

(ix) Other. Other businesses approved by the Commissioners Court that will provide substantial opportunities to enhance or diversify the County's economy.

(b) **Retail Developments.** Developments which are primarily for retail may be reviewed on a case-by-case basis to determine eligibility for Incentive, but will not be considered as preferred development proposals.

(c) **Leased Facilities**. Existing leased facilities will only be eligible for Incentives under this Policy if:

(i) the minimum investment requirement [Section 28.004(a)(i)] is met for new construction by the renovation or building of facilities or addition of business personal property, which are certified by TCAD as new construction; and

(ii) the company shows proof of: obligation of company in the leasehold agreement to pay all ad valorem taxes (either directly or indirectly); payment by the company of the ad valorem property taxes related to such new construction and/or eligible business personal property; and

(iii) the amount of the Incentive is based only on business personal property or real property improvements certified as new construction by TCAD.

If the above conditions are met and leased property will be utilized for new construction that is granted a tax Incentive, the Agreement will be executed with both the lessor (owner) and lessee of the land on which the facility is located provided that the term of the lease is equal to or exceeds the term of the Agreement.

(d) Findings. An agreement cannot be entered into unless the Commissioners Court finds: that the terms of the Agreement and the Property subject to the Agreement meet the applicable guidelines and criteria set forth in this Policy; and that the development of the Project will result in substantial immediate and long-term financial benefit to Travis County and significant financial benefit to other taxing entities within Travis County.

(e) Commissioners Court Ownership. Property that is owned or leased by a person who is a member of the Commissioners Court (or staff of such member) is excluded from receiving Incentives under this Policy.

28.004 BASE INCENTIVE

(a) **Eligible Project.** To be eligible for consideration for the base Incentive a project must meet the following criteria:

(i) Investment. Include additions of investment in new construction of Eligible Property, as certified by TCAD, which totals at least twenty-five million dollars (as shown by the Applicant's annual tax rendition, a copy of which will be provided to County) by January 1 of the tax year that will commence immediately following the year in which the construction period defined in the Agreement is completed or the year in which the Incentive begins;

(ii) Job Transfer. Not solely or primarily have the effect of transferring employment from one part of the County to another;

(iii) New Job Creation. Provide additional full-time, non-seasonal jobs for at least 100 Employees within the time period or periods set forth in the Agreement, with additional Incentive available for more than 100 new jobs [(see Section 28.004(a)(iii)];

(iv) Competitively Siting. Be competitively-sited;

(v) Benefits. Have a human resources benefits policy:

(A) meeting all applicable state and federal requirements, including provision of health benefits at a level which, as determined by the Commissioners Court, meet or exceed the requirements of the Patient Protection and Affordable Care Act in effect as of the date of the adoption of this Policy; and

(B) including the Applicant's offering group coverage or contribution to health benefits in a dollar amount that provides meaningful opportunity for all workers to purchase coverage for all Employees and Employee family members ("all" Employees and Employee family members defined to include same sex/domestic partners).

(vi) Location. An Eligible Project must be located in a Travis County Regional Activity Center located in an area:

- identified in a comprehensive plan (a plan adopted, or to be adopted , by the Commissioners Court for the long-range development of the unincorporated area of the County which is used to coordinate and guide County programs);
- a Conservation Development that conforms to the provisions of the County Conservation Development Order (Travis County Code, Chapter 82, Subchapter A);
- areas consistent with the City of Austin Growth Concept Map; or
- in another targeted area specifically identified by Travis County for economic development preference at the time this Policy is approved or at any time this Policy is in effect.

A specific Regional Activity Center, Conservation Development, or other area described above must be identified in the Agreement approved by the Commissioners Court and cannot be added to the Agreement at a later date.

(vii) Equal Employment Opportunity Policy. Provide County with a copy of the Applicant's equal employment opportunity policy. If the Applicant does not have a

written equal employment policy at the time of application, Applicant may provide County with a written plan for adoption of such policy, to be completed and provided to the County prior to any Agreement being executed. NO Agreement will be entered into until the copy of the policy is provided to County;

(viii) Cash-Positive Evaluation. Have been evaluated using an economic development software program (currently, webLOCI, but subject to change at County's discretion) which calculates the benefits and costs to the County from Incentive deals, including the payments and the cost of County services, with such evaluation having a cash-positive result; and

(ix) Salary Requirements. Provide salaries to all Employees, including contract Employees and employees hired by contractors for construction of the Company's facilities related to the incentive Agreement, at an hourly wage that equals or exceeds the County's established minimum wage.

(x) Construction Requirements. Meet specified County requirements related to wages and safety conditions for employees hired by contractors for construction of the Company's facilities related to the incentive Agreement.

A proposal which meets the above criteria will be considered an Eligible Project. This establishes initial eligibility but does not ensure the granting of Incentives by Travis County.

(b) **Base Incentive Amount**. An Eligible Project may receive a base Incentive of up to 45% of ad valorem taxes on new value of Eligible Property if the Applicant shows a minimum investment as set forth in Section 28.004(a)(i), with the percentage determined as follows:

Investment Amount	Base Incentive Percentage
$25 Million to $100 Million	up to 25%
$101 Million to $200 Million	up to 33.5%
More than $200 Million	up to 45%

28.005 ABOVE BASE INCENTIVE.

(a) **Maximum Incentive**. No Incentive will be granted that exceeds eighty percent (80%), regardless of the total above-base requirements that an Applicant may fulfill. Additional Incentives above the base may be considered as set forth in this Section 28.005.

(b) **Jobs**.

(i) Additional Incentive. An additional Incentive of up to fifteen percent (15%) may be granted based on Employee jobs created as follows:

Number of Jobs	Additional Incentive Percentage
100 – 150	up to 6%
151 – 200	up to 10%
201 +	up to 15%

(ii) Advertising. To qualify for additional Incentive for jobs created, Applicant must advertise jobs and provide documentation of such on public job boards (i.e., Workforce Solutions) and other resources as identified by County.

(c) **Residency**. An additional Incentive of 5% may be granted of the Company fills at least 50% of its new positions for the project with Travis County residents. For purposes of this requirement, "residency" will be defined as having a permanent address within Travis County and not having worked for the Company prior to the Effective Date of the Agreement.

(d) **Leadership in Energy and Environmental Design (LEED) Certification**.

(i) Additional Incentive. An additional Incentive of up to five percent (5%) may be given for Leadership in Energy and Environmental Design (LEED) certification.

(ii) Level of Certification. If the owner or lessee of a new commercial facility or an existing facility to be adapted or renovated has registered with the U. S. Green Building Council (USGBC) seeking LEED Certification, then PBO may recommend approval of an additional Incentive based upon the level of certification obtained after completion of construction as follows:

LEED Certification Level	Additional Incentive Percentage
Basic	up to 2%
Silver	up to 3
Gold	up to 4%
Platinum	up to 5%

(iii) Registration. Applicant must be registered with USGBC seeking LEED Certification prior to submitting its application for additional LEED Incentive to the County. The additional Incentive for LEED shall not commence until construction of the project is completed and LEED Certification is obtained by the Applicant and acceptable documentation provided to County of that certification.

(e) **Economically Disadvantaged Hiring/Training**. An additional Incentive of up to ten percent (10%) for training and/or hiring of Economically Disadvantaged residents may be granted as follows:

(i) Option A – Needs Based Scholarships.

(A) Scholarship. Applicant may pursue additional Incentive under this subsection 28.005(e) by providing needs based scholarships covering at least 50% of the full tuition cost of a degree or certification (with "tuition" being defined to include all required fees, books and actual tuition costs) to Economically Disadvantaged individuals.

(B) Number. Scholarships under this subsection must be provided to a number of Economically Disadvantaged individuals equal to at least ten percent (10%) of the Eligible Project's total employment annually. For example, if Applicant will have 200 full time Employees, Applicant would have to fund 20 scholarships.

(C) Administration. The administration of the needs based scholarship must be provided through an institute of higher education, an independent school district, or a workforce training program approved by Travis County. Verification of the funding for and the distribution of the needs based scholarship shall be provided by the educational or workforce training program administering the program.

(ii) Option B – Full Time Employment.

(A) Employment. Applicant may pursue additional Incentive under this subsection 28.005(e) by providing full time employment to Employees who have been participants in any needs based scholarship program or workforce training program approved by Travis County.

(B) Number. Employment under this subsection must be provided to a number of Economically Disadvantaged individuals equal to at least ten percent (10%) of the Eligible Project's total employment annually. For example, if Applicant will have 200 full time Employees, Applicant would have to hire and retain 20 Economically Disadvantaged individuals to qualify for the additional incentive.

(C) Administration. Verification of the employment of Economically Disadvantaged Travis County residents shall be met through documentation by the Applicant that:

(1) the full time Employee has been a recipient of any qualifying based scholarship (as approved by County) within the last four years; or

(2) the full time Employee has completed a workforce training program approved by Travis County within the last four years.

(iii) Option C – Monetary Donations.

(A) Donation. Applicant may pursue additional Incentive under this subsection 28.005(e) by providing a specified monetary donation (the amount to be included in the Agreement) to a workforce training program approved by Travis County or to an established Travis County workforce training fund, if such a fund is established.
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(B) Administration. Verification of the donation to the workforce training program must be provided by that program; verification of the donation to a Travis County funds will be provided by County.

(iv) Option D – Other Participation. Applicant may pursue additional Incentive under this subsection 28.005(e) by participating to the level negotiated in the Agreement in an approved Travis County program designed to enhance workforce training/hiring of Economically Disadvantaged. For example, Applicant could agree to participate by providing a specified number of internships under the County summer youth employment program.

(v) Other Requirements. If Applicant pursues additional Incentive under Option A or Option B above:

(A) Pre-Approval. Travis County, through Travis County Health, Human Services and Veterans Services, must pre-approve any proposal by the Applicant under this subsection 28.005(e) as to the educational institution, program or needs based scholarship program.

(B) Addition to Agreement. At the request of the Applicant, and at the discretion of the Commissioners Court, a training and hiring Incentive provision [as set out in this subsection 28.005(e)] may be added as an amendment to a prior Incentive Agreement approved by Commissioners Court. Additional Incentive for such added provision will only be granted effective as of the date of the fully executed amendment.

28.006 PROCESS

(a) **General**.

(i) Initial Proposal. A company will make written application for Incentives pursuant to the applicable provisions of this Policy. PBO will review the initial application and make recommendation to the Commissioners Court regarding the proposal. The Commissioners Court will, at its sole discretion, determine whether to grant the Incentive, the level of the Incentive to be granted and the terms of the Agreement.

(ii) No Limitation. Nothing in this Policy is meant to or will be construed to limit the discretion of the Commissioners Court to decide whether to enter into a specific Agreement; or limit the discretion of the Commissioners Court to delegate to its employees the authority to determine whether the Commissioners Court should consider a particular application or request for Incentive; or create any property, contract or other legal right in any person to have the Commissioners Court consider or grant a specific application or request for Incentives.

(b) **Application Package.** Components of a complete application package establishing minimum qualifications for a base Incentive will include:

(i) a completed Travis County Application form (Exhibit 1 of this Policy);

(ii) a non-refundable check in the amount of $1,000.00 payable to Travis County to reimburse the County the reasonable cost of proposal evaluation; and

(iii) a completed narrative prepared in accordance with the template provided in the County application including, but not limited to:

(A) an investment budget detailing components and costs of the Eligible Property for which Incentive is requested, including type, number, economic life and eligibility for a tax exemption granted by TCEQ, if known;

(B) a map and legal description of the property/properties, if a location or alternate locations have been identified, with the understanding that this information will be provided prior to the execution of the Agreement if not available at the time of application;

(C) a time schedule for undertaking and completing the proposed improvements;

(D) a ten-year environmental and worker safety compliance history for all facilities located within the State of Texas and owned in whole or in part by the Applicant, as defined in "Environmental and Worker Safety Qualification;

(E) an affidavit by the Applicant affirming that the application is a Competitively-Sited Project and acknowledging that documentation confirming the competitive process will be provided to County if an Incentive is granted by Travis County prior to the execution of the final Agreement; failure to provide the acceptable documentation of being a Competitively-Sited Project will result in the termination of Agreement negotiations;

(F) information pertaining to the reasons that the requested Incentive is necessary to ensure that the proposed project is built in the County (i.e., documentation supporting the assertion that "but for" an Incentive, the stated project could not be constructed in the County);

(G) copies of the report filed with the TWC for December 31 of the last complete year prior to the filing of the application documenting the current number of full time non-seasonal Employees, and full-time contract Employees , if any, at the time the application is submitted. Applicant may substitute another company-generated and certified payroll report or other documentation of employment for the previous year deemed adequate by County to provide the above information;

(H) financial and other information as the County deems appropriate for evaluating the financial capacity and other factors of the Applicant's proposal; and

(I) certification prepared by the Travis County Tax Assessor-Collector stating that all tax accounts within the County are paid on a current basis.

Additional information required for Incentives, particularly above base Incentives, may be included if the Applicant desires those proposal to be considered or may be requested on a case by case basis.

(c) **Additional Information – Leased Facility**. The Applicant will provide County, as a part of the application package, the name and address of the lessor and a copy of the proposed lease agreement, or option contract (with a final copy of the executed lease to be provided to County prior to execution of the Agreement). In the event a lease or option contract has already been executed with the owner of the site, the document should include a provision whereby Incentive Applicant may terminate such contract or lease in the event that the County does not grant an Incentive. Leased property will only be considered for Incentives as to the Eligible Property being proposed. The lease term must extend for at least as long as the requested Incentive Agreement term and the Lease agreement must include the requirement that the Company pay the Ad Valorem taxes (either directly or indirectly) throughout the term of the Agreement.

(d) **Initial County Review by PBO.** Any current or potential owner or lessee of taxable property in the County may request an Incentive by filing a completed application (an application which includes all information set forth in this Policy and deemed necessary by County to make a full assessment of the proposal) with the County Judge, with a copy to PBO prior to any public expression of a site selection decision. The County Judge's office will notify the Commissioners Court of receipt of an application for Incentive and PBO will begin the assessment pursuant to this Policy. PBO may request additional information and clarification from the Applicant as necessary to complete the application. PBO, in consultation with the County Judge, will create an assessment of the proposal and make a best effort to respond to a completed application in a timely manner upon receiving the completed application and completing the financial analysis. The response will include notification by PBO which either:

(i) notifies the Applicant in writing that the Travis County Commissioners Court will not take up the application for consideration; or

(ii) notifies the Applicant in writing that consideration of the application will be set for consideration by the Travis County Commissioners Court.

(e) **County Assessment of Application.** Upon receipt of a completed application and completion of the necessary financial analysis, PBO shall determine whether a project meets

the minimum threshold for consideration by the Travis County Commissioners Court for a base Incentive and any additional Incentive under this Policy. If PBO determines that the threshold has been met, or that the proposal warrants consideration with the possibility of waivers, PBO shall offer the application for consideration by the Travis County Commissioners Court at a regularly scheduled voting session. County will make every effort to offer the application for consideration by the Commissioners Court in a timely manner after receipt of the completed application and completion of the financial analysis.

(f) **Consideration**. The Commissioners Court will consider the proposed application for any Incentive in a regularly scheduled voting session with opportunity for public comment.

28.007 LIMITATIONS

(a) **County Indebtedness.** No Incentive shall be approved or allowed if the Applicant is indebted to the County or any other local taxing jurisdiction for past due ad valorem taxes or other obligations.

(b) **Incentive on New Value**. Incentives may only be granted for the increase in taxable value of Eligible Property on or after the effective date of the Agreement granting the Incentive if the Eligible Property is listed by kind or type in the Agreement between the County and Applicant, subject to such limitations as the Commissioners Court and the TEXAS TAX CODE (and other applicable statutes) may require.

(c) **Duration**. An Incentive Agreement between Travis County and an Applicant (and, if applicable, the Applicant's lessor or lessee) shall remain in effect for up to but not more than ten (10) years.

(d) **Failure to Meet Requirements**. No Incentive shall be given for any year in which the Eligible Project fails to meet the contractually-defined minimum new investment requirements and job requirements as set forth in the Agreement, and any other requirements as specified in the Agreement.

(e) **Prior Construction or Improvements**. The County will not enter into an Incentive Agreement if it finds that an application was received after a project commenced construction or installation of improvements which are proposed to be considered for Incentive.

(f) **Non-Compete Agreements.** An Incentive will not be granted for projects whose competitive siting consists only of consideration of taxing jurisdictions that have agreed with County to forego the use of tax incentives in competing with the County for such projects.

28.008 AGREEMENT TERMS

(a) **Negotiation.** After the approval of the general concept of the initial proposal by the Commissioners Court, the County may negotiate and execute an Agreement with the owner of the facility (and/or lessee/lessor, where applicable) as required by this Policy and applicable law. Travis County will make all reasonable efforts to execute an Agreement in a timely manner upon the Court's approval to commence negotiations.

(b) **Terms**. The terms of the Agreement will include:

(i) Annual Certification. A requirement that the Applicant annually submit (or provide acceptable access for monitoring purposes) notarized written certification to PBO of compliance with the Agreement terms, including the following:

(A) A January Employee count for the Eligible Project which is the subject of the Agreement which corresponds to Employee counts reported in

the facility Employer's Quarterly Report to TWC (or other acceptable company-generated and certified payroll report or other documentation of employment deemed adequate by County) for the quarter most recently ended at calendar year-end;

(B) A description of employment, including: the number of jobs created as a direct result of the improvements which are the subject of the Incentive Agreement; the number of Employees in other facilities located within Travis County; and the compliance with the environmental and worker safety requirements in the Agreement for the preceding calendar year, as of January 1, as required by the Agreement;

(C) A copy of the tax bill for the year for which Incentives are claimed and proof of payment; and

(D) Other reporting data and documentation necessary to confirm compliance with all terms and conditions of the Agreement and to evaluate long-term effects of the performance of the Agreement terms.

Submission of all required reporting information shall be used to determine Incentive eligibility and shall be subject to audit if requested by the Commissioners Court. Failure to submit will result in the ineligibility to receive an Incentive.

(ii) Monitoring. A provision requiring the Applicant to allow the County or other authorized representatives (including third-party consultant/auditor) to have access and the ability to review and evaluate all Applicant information and data related to the performance of the Agreement on-site or as provided to County to confirm compliance and to perform other evaluation of long-term results of the Agreement.

(iii) Permits. A requirement that the owner or lessee will:

(A) obtain and maintain all required permits and other authorization from the United States Environmental Protection Agency and the TCEQ for the construction and operation of its facility and for the storage, transport and disposal of solid waste; and

(B) seek a permit from the TCEQ for all grandfathered units on the site of the facility by filing with the TCEQ, within three years of receiving the Incentive, a technically complete application for such a permit.

(iv) Competitively Sited Documentation. A requirement that the Applicant provide to PBO within one month of executing the Agreement documentation confirming the Eligible Project was in fact part of a competitively-sited process where applicable. Documentation may include, but will not be limited to:

(A) documentation (correspondence or financial information) presented to the Applicant by other taxing jurisdictions; and

(B) results of a competitive site survey conducted by Applicant (or consultant for the Applicant).

Failure to provide this documentation confirming a competitively-sited process will make any Incentive Agreement null and void or subject to a reduction in Incentive, as determined by the Commissioners Court.

(v) Recapture. A requirement for recapture of the Incentive received by Applicant for the last five (5) years of the Agreement if the Applicant fails by the

termination date to fulfill the requirement for the total Investment amount and the total number of new jobs to be created.

(vi) Hiring. A statement certifying that the Applicant does not and will not knowingly employ an undocumented worker; and, if after receiving Incentives under the Agreement, the company is convicted of a violation under 8 U.S.C., Section 1324a(f), the company will repay the amount of Incentive, with interest at the rate and according to the other terms of the Agreement not later than the 120th day after the date the company is notified by County of the violation.

(vii) Commissioners Court Ownership Statement. A statement whereby the Applicant warrants that none of the Property subject to the Agreement is owned or leased by any member of the Commissioners Court (or staff of such member).

(viii) Other Terms. Other terms and conditions as required by applicable law or determined by the Commissioners Court to be necessary.

28.009 OTHER PROVISIONS

(a) **Assignment**. An Incentive Agreement may be assigned to a new owner or lessee of a facility with the prior written consent of the Commissioners Court, which consent will not be unreasonably withheld. Any assignment shall provide that the assignee will irrevocably and unconditionally assume al the duties and obligations of the assignor upon the same terms and conditions as set out in the Agreement. Any assignment will be to an owner that continues the same improvements or repairs to the property (except to the extent such improvements or repairs have been completed), and continues the same use of the facility as stated in the original Agreement with the initial Applicant. No assignment will be approved if the assignor or the assignee is indebted to the County for past due ad valorem taxes or other obligations.

(b) **Amendments and Waivers**.

(i) Agreement Changes. Amendment of any Agreement entered into under this Policy can only be made by written instrument signed by all parties, and only so long as the terms and conditions of the amendment reflect provisions which could have been included in the original Agreement under this Policy and which meet all applicable statutory requirements. Submissions for amendments to an Agreement will be made in writing to PBO.

(ii) Waivers of Policy Requirements. The Commissioners Court reserves the right to waive any provision of this Policy that is not required by law upon determination that the waiver requested does not violate the purpose of the Policy and is in the best interest of the County.

(c) **Application of Policy.** Application of this Policy will be implemented as of the effective date set forth in Section 28.010; however, the Commissioners Court may consider the terms of this Policy as guidelines in evaluating proposals for Incentives submitted prior to the adoption of this Policy as desired by the Commissioners Court.

28.010 SUNSET PROVISION. The guidelines and criteria set forth in this Policy are effective November 27, 2012, and will remain in place unless earlier terminated by the Commissioners Court.

ATTACHMENT F

Historically Underutilized Business Program

Policy

The policy of the Travis County Purchasing Office is to ensure a good faith effort is made to assist certified HUB vendors and contractors in receiving contracts in accordance with the HUB Program policies and the Minority and Woman-Owned Business (M/WBE) goals adopted by the Travis County Commissioners Court.

The HUB Program policies and Minority and Woman-Owned Business goals shall be applicable to the eligible procurement dollars spent in the following areas**:**

- Purchase of supplies, materials, products, services, and equipment.
- Maintenance or service of County assets and property
- Contracts for professional and non-professional services
- Contracts for commodities, equipment, supplies or materials
- Contracts for repair or alteration of real property
- Contracts for the construction on real property
- Contracts for the repair or construction of roads, bridges, or other related structures and surfaces.

Travis County HUB Goals	Construction	Commodities	Services	Professional Services
African-American	1.7%	0.3%	2.5%	1.9%
Hispanic	9.7%	2.5%	9.9%	9.0%
Native/Asian American	2.3%	0.7%	1.7%	4.9%
WBE	13.8%	6.2%	15.0%	15.8%
MBE	13.7%	3.5%	14.1%	15.8%

Each buyer shall, to the maximum extent practical, ensure the HUB goals are met through the award of purchase orders and contracts, in each area defined above, to certified HUBs. This is achieved through a systematic approach of soliciting quotes, bids, and proposals from certified HUBs.

Informal Solicitations

For solicitations up to $2,499, the Purchasing Office solicits a quote from a certified HUB, if possible. For a solicitation from $2,500 to $50,000, the Purchasing Office requires at least three informal quotes, one of which must be from a certified HUB.

Formal Solicitations

The Purchasing Office uses a third party vendor to maintain the Bidders List. All registered vendors within a specific commodity and sub-commodity category are solicited. All HUB vendors are encouraged to register with the third party vendor so they are included in formal solicitations within the commodity code they select.

Eligibility

Travis County does not certify HUB vendors. HUB vendors must complete the certification process with the State of Texas Comptroller of Public Accounts, the City of Austin, or Texas Unified Certification Program. The vendor must hold a current valid certification from one of these entities.

Travis County may review the certification status of any vendor applying to do business with the County. This review determines the validity and authenticity of the vendor's certification as a HUB. The Travis County HUB Coordinator works in conjunction with the various certifying agencies to conduct random audits of those vendors representing themselves as certified HUBs. If a vendor representing itself as a certified HUB does not meet the requirements of the certifying agency, the vendor may be disqualified as a certified HUB with Travis County.

Outreach Efforts

Outreach activities help educate the HUB community on the logistics of doing business with Travis County. The marketing and outreach programs entail:

- Conducting workshops and seminars on the HUB Program and how it can help the HUB Entrepreneur be an active participant in the Travis County procurement process.
- Identifying certifying agencies accepted by Travis County, and
- Providing overall assistance to HUBs in various areas as required, within the limits of the Purchasing Act.

Good Faith Effort for Construction Projects

Prime Contractors who are awarded contracts with the County are required to make a "Good Faith Effort" to subcontract with HUBs. This includes professional services associated with the projects.

The Prime Contractor shall comply with the following criteria:

1. Divide the contract work into the smallest feasible portions to allow for maximum HUB Subcontractor participation, consistent with standard and prudent industry practices.
2. Notify HUBs of work that the prime contractor plans to subcontract, allowing sufficient time for effective participation. The notification shall include:
   - Adequate information about the project and intended subcontracting work (i.e. plans and specifications, scope of work).
   - Bonding and insurance requirements of HUB subcontractor
   - A point of contact within the Prime Contractor's organization that can answer any questions a HUB may have about the project.
3. Provide written notice and explanations to the Purchasing Agent or HUB Coordinator if the Prime Contractor is unable to meet the required goal for HUB subcontractor participation, and why the goal was not met.
4. Negotiate in good faith with interested HUBs, not rejecting bids from HUBs that qualify as lowest, responsive and responsible bidders.
5. Use the services of minority or women trade organizations or development centers

to disseminate the subcontracting opportunities to their membership and participants.

6. Communicate to the Purchasing Agent when no HUB participation is achieved and include reasons why.

7. Obtain pre-approval from the Purchasing Agent or the HUB Coordinator of all changes involving Certified HUB Subcontractors. Modifications to the HUB Subcontractor Participation Plan are permitted only after award of the bid and solely with the prior written approval of the Purchasing Office.

The HUB Coordinator provides a list of certified HUBs, upon request, to any prime contractor experiencing difficulty locating certified HUBs to fulfill their subcontracting goals,

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Prime Contractors report all payments to subcontractors to the Purchasing Office. Payments made to all subcontractors are tracked on a monthly basis. A semi-annual report including information on contracts awarded to HUBs and payments made to those contractors and subcontractors is provided to the Commissioners Court.

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To qualify as a sub-recipient of federal funds for the design and construction of various public work projects, the County is required to implement a federally compliant Disadvantaged Business Enterprise (DBE) Program as established in 49CFR Part 26, or partner with another governmental agency's DBE Program. This policy was established to ensure DBE's had the opportunity to participate in the performance of contracts financed in whole or in part with Federal funds.

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The Vendor Tracking System (VTS) is a web-based paperless system used to route and verify subcontracting payments made to certified HUBs for any subcontracting tier-level, specifically for construction and professional services contracts.