



Travis County Commissioners Court Agenda Request

Meeting Date: 10/21/2014, 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 comments regarding:

- 1.) Adoption of an order to nominate Rackspace as an Enterprise Project
- 2.) An order to identify and summarize available local incentives.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

Travis County has been asked to nominate Rackspace as an Enterprise Project under the Office of the Governor's Enterprise Zone program. This agenda item is a required public hearing to nominate Rackspace as an enterprise project. A newspaper ad required by statute ran in the October 14, 2014 edition of the Austin American Statesman. Attached is a summary of the project as well as a PowerPoint presentation describing the company and project. The final orders will be placed on the October 28, 2014 voting session for Commissioners Court consideration. There is also a fact sheet on the requirements and benefits of the Enterprise Zone program.

STAFF RECOMMENDATIONS:

Applications to the Enterprise Zone programs are outside the bounds of the Travis County Economic Development policy, since the company is not requesting a Ch. 381 agreement for tax incentives. PBO recommends nominating Rackspace for the Enterprise Zone program due to the level of capital investment as well as the job creation and retention levels. The company is also planning to partner with Austin Community College (ACC) which is in line with the County's workforce development initiatives.

ISSUES AND OPPORTUNITIES:

Rackspace is planning to invest \$32 million in a new data center facility located at the Highland Mall space, now owned by ACC. They expect to create 500 jobs over 10 years, including 100 entry level positions. The company will also retain 602 existing jobs in Travis County. The average wage is expected to be \$88,618. Working with ACC they will create internships and other workforce development programs for local workers and students.

FISCAL IMPACT AND SOURCE OF FUNDING:

The Enterprise Zone program is a state program. The County is not expected to offer any incentives. The County will receive ad valorem property taxes on the new business personal property value created by this program. Estimates on new property taxes for this project are estimated from \$800,000 to \$950,000 over a ten year period.

Under the Enterprise Zone program, Rackspace will have the maximum expected incentive of \$1,250,000 in rebate state sales tax. The sales tax rendered to the City of Austin and Capital Metro will be unaffected.

REQUIRED AUTHORIZATIONS:

Planning and Budget Office
County Judge's Office

Jessica Rio
Melissa Velasquez

Project Transform

CONFIDENTIAL

Summary:

Overview

Rackspace is the open cloud company, delivering open technologies and specialist expertise that power more than 200,000 business customers in 120 countries. We and other cloud computing companies free our business customers from much of the expense and hassle of owning and managing their own computer hardware and software. What distinguishes us from our competitors is our emphasis on delivering an exceptional customer experience, our broad portfolio of services, and our leadership in open standards that give customers freedom of movement among cloud providers. We are the co-founder, with NASA, of OpenStack, the world's fastest-growing open cloud platform and developer community.

We are also a pioneer in the hybrid cloud, which combines the security, performance and scalability of our dedicated and public cloud hosting services, integrated through our RackConnect offering. In contrast to the one-size-fits-all approach taken by some vendors of public cloud services, we believe that the hybrid cloud gives each customer the best fit for its specific needs. It enables each of the customer's workloads to run where it will achieve the best performance and cost-efficiency, whether on the public cloud, a private cloud, dedicated servers, or a combination of these platforms. Our rapid growth over the last 15 years is the result of our technology leadership and our renowned customer service, known as Fanatical Support.

We offer a diverse portfolio of cloud computing services, including public cloud, dedicated, private cloud, and hybrid cloud - all delivered with a commitment to open technologies. The equipment (servers, routers, switches, firewalls, load balancers, cabinets, software, wiring, etc.) required to deliver services is typically purchased and managed by us. We are committed to delivering Fanatical Support for the open cloud across our entire product portfolio, and we will continue to pursue our vision to be considered one of the world's great service companies.

We were incorporated in Delaware in March 2000, but our operations began in 1998 as a limited partnership, which became our subsidiary through a corporate reorganization completed in August 2001.

Our Industry

The cloud computing industry, best described as delivering computing, storage, and applications as a service over the Internet, is fast-growing and crowded, and Rackspace has earned a well-defined leadership role within it. We are a company of specialists, with expertise in key skill-sets around hybrid cloud configurations, the deployment and operation of OpenStack, and the management of complex customer applications ranging from MongoDB to SharePoint. We are the industry's service leader and a leader in the open cloud and hybrid cloud. Our employees, who are called Rackers, are focused on providing open and standard cloud products, along with specialist expertise, advice and support for our business customers.

ALL BACKED BY
FANATICAL SUPPORT

INTERNATIONAL: 1.210.312.4000 | FAX: 1.210.312.4100 | WWW.RACKSPACE.COM
RACKSPACE® HOSTING | 1 FANATICAL PLACE | CITY OF WINDCREST | SAN ANTONIO, TX 78218 U.S.A.

 **rackspace.**
the open cloud company

Highland Mall

Currently we are hoping to partner with Austin Community College to take approximately 185,000 sq. ft. of the existing Dillard's space at Highland Mall in Austin, Texas.

Highland Mall levels the playing field allowing our Culture and Opportunities to win over top talent. Current Light Rail and future Urban Rail provide opportunities to attract talent from technical talent rich areas in the downtown core and the northern suburban areas through public transit and reduced commutes.

Rackspace will be a part of the revitalization of a once thriving, now depleted area of central Austin. Rackspace will expand its reach into Austin as an advocate and supporter of education which creates job-ready individuals.

The project will cost Rackspace approximately \$32,000,000 to finish out the space at this location and we intend to hire up to 500 additional employees over the next 5-10 years.

Employment:

Retention of 602 existing FTE, Creation of 500 new FTE

Anticipated Average & Median Wages:

Average: \$88,618 Median: \$82,974.50

Potential Job Positions at this Location:

100 entry level, 320 staff, 40 supervisor, 20 manager, and 20 executive positions

Types of jobs: Software Development, Systems Administration, Leadership and Business Operations

Number of entry level jobs: Approximately 20% of our net adds will be entry level

Facility Size:

185,000 sq ft lease facility at (location)

Investment:

\$10,670,000 Labor on Construction; \$8,730,000 Building Expansion/Renovation Costs; \$3,500,000 Machinery & Equipment; \$9,400,000 Furniture, Fixtures & Equipment

Competition:

San Francisco, CA; Blacksburg, VA; San Antonio, TX

Building Materials

Wholesale Pipe

Attention Dealers & Contractor!
Truckloads

2 3/8" & 2 7/8" No. 1 USED TUBING

ALL OTHER SIZES AVAILABLE THROUGH

LARGE OD IN NEW & USED

PIPE UNLIMITED USA

PHONE: 979-830-1300
EMAIL: brad@pipeunltdusa.com

Buildings/Prefab

WOOD STORAGE BUILDING

12' X 24' \$2,600.
call (512) 748-0003

**Electronics/
TV/Audio**

80" Sharp TV 4 months old. \$2,000. Call David 512-300-0536

Firewood/Fuel

OAK FIREWOOD DELIVERED \$225/cord, \$160/half cord. Please call 512-552-6548 or 512-367-0127

OAK FIREWOOD DELIVERED \$220 for CORD & \$130 for 1/2 CORD. 1/4 Avail. Stacking Avail. Serving Austin 22 Years. CALL 512-734-2862

Fitness Equipment

Paramount Functional Trainer 2 1: \$1,400.00

True ULC900 Upright Bike: \$500.00

True TC500 Treadmill: \$1,300.00

True XLC900 Elliptical: \$1,000.00

True XLC900 Elliptical: \$1,000.00

True XLC900 Elliptical: \$1,000.00

True XLC900 Elliptical: \$1,000.00

True RLC900 Recumbent Bike: \$600.00

Paramount Pectorial Fly Rear Deltoid 250 lbs - FS-55: \$700.00

Paramount Lateral/Row 170 lbs - FS-3: \$625.00

Paramount Multipress 250 lbs: \$725.00

Paramount PFW 5300 Abdominal Crunch: \$200.00

Paramount Biceps Triceps 170 lbs - S-56: \$625.00

Paramount Leg Extension Seated Leg Curl 170 lbs - FS-50: \$625.00

Paramount Leg Calf Press 250 lbs: \$750.00

Contact Security Dept. at securityform@statesman.com

Furniture

ED \$250 New queen pillow top mattress & box. Still in plastic. Can deliver. Call or text (512) 843-2465

DAVID'S FURNITURE REPAIR & FAMOUS WIND CHIMES
PLEASE CALL 512-836-6016

**Dogs
Supplies/Services**

CHIHUAHUA CKC PUPPIES - Shots/Wormed. M \$50-\$200; F \$200 & up.. 512-365-2832 new website. www.memeschihuahuas.com

DASHCHUND - 2 male, black & tan. Born July 9. Both parents on site. Micro chipped, shots, de-wormed. Health guar., vet record. CKC regis. Goody bag incl. SW Austin. \$650 cash. 915-219-1110 512-751-7411, 512-658-2031

Doberman Pinscher AKC - 9 weeks old. German & warlock bloodline. 1 red female, 1 black female available. \$500. 512-746-2066. jessedobermans.com

GERMAN SHEPHERD - Full blooded puppies for sale. South Austin. \$300. 512-554-2725

Goldendoodle - Beautiful, healthy, F2, hypo-allergenic, non shedding Golden-doodle pups. 1 boy and 2 girls, raised in our home. Parents are our pets. \$1,000. 254-289-6647, 254-368-6252

GOLDEN DOODLE puppies - Avail. now. F1, non shedding & hypoallergenic. Wonderful temperament. Golds & Blacks \$995. 512-626-1908

GOLDEN RETRIEVER - Adorable AKC puppies. Males & Females. Parents on site. Shots/Wormings. Light in color. Ready Oct. 23rd. \$800. 830-708-4756

GREYHOUND ADOPTION/ Open House. Sat 1-3:30. 2805 W Fresco, Near Mopac/45th. 512-453-7737. Tick disease tested. www.greyhoundrescueaustin.com

LAB PUPS AKC - 3M, 3F. All black. Weaned, 1st shots & dewormed. Mom is yellow & dad is chocolate. Great hunting line. \$450/obo. 512-273-2080

LABRADOODLE - Puppies for sale. \$750.00. Chocolate. F1. Only 4 left. Have shots and vet ck. CKC eligible. Text 512-656-3016 for appt.

NEEDED AKC MALE GERMAN SHEPHERD Looking to mate with black & tan female German Shepherd. Prefer tail/large male. 512-293-2724

POODLE MIX - Multi-Poo, Yorkie-Poo, Shih Tzu-poo, \$350 & Up. Shots & Dewormed. 512-789-7325. More info: myrainbowpuppies.com

RAT TERRIER - Full blooded pups. 6 weeks old. All shots. Health guarantee. \$150 Neg.. 512-845-2035

CHIHUAHUA PUPS - 2 cute chocolate chihuahua puppies, Will mature less than 3 lbs. Registered, Vet references, \$600 cash 830-928-7566

Sheltie - Two beautiful 4 yr. old house trained, crate trained. One male, one female. Mountain View Shelties.com \$850. 512-589-5079

VIZSLA PUPPIES AKC - Health guaranteed. 12 wks old, Shots, Sherman Texas \$500. 903-821-5321, 903-564-7387

WEERESCUEYOUADOPT Shih Tzus, Lhasas, Pekingese. MEET & GREET Every 2nd & 4th Saturday. Go to www.weerescue.org. 512-533-9360

White German Shepherd Puppies - AKC Certified White German Shepherd Puppies! DOB 8/23/14. \$500. 512-644-7087

Yorkshire Terrier Puppies - Two Yorkshire puppies for sale, full blooded, have both parents. Located in Thrall, TX. Ready November 1st. Female \$800, Male \$700. 512-633-4630

**Livestock
Supplies/Services**

2014 Coastal Round Bales \$45. Delivery Available. ♦ Taylor area 512-924-3213

2014 Fresh 5th Cut Coastal Square Bales. Irrigated & fertilized. Horse & Show Cattle Quality. \$9.59/50 each, 200 bale minimum. Free delivery. Mary Tyson 979-200-1618

**Farms/Land/
Acreage**

15 to 20 AC. MENARD OR EDWARDS COUNTY. GOOD TREE COVER, ABUNDANT NATIVE & EXOTIC GAME. 20 YEAR OWNER FINANCING OR TX VET FINANCING. 800-876-9720 ranchenterprisesltd.com

200-828 acres. Brown Co. Rolling hills, large live oaks, 7 tanks, lots of deer. Paved frontage. Electric & rural water available. \$2,450 per acre. Broker. 325-200-1908, 325-646-2444

LIVE WATER 74 Acres 45 min. west of Austin. Both sides of N. Cypress Creek. Big trees. Hill top home sites \$658,600 Jim Ahern/Agent 210-410-2170

Sanderson Hunting 240 Acres. Terrell County. Quail & mule deer. Small cabin off grid. Water rights. \$90,000. Call Sanderson Real Estate Lloyd Gully 432-244-9995. landssoftexas.com MLS# 1496620

MUST SELL
Llano County 13.17 Acres*
Mountaintop with unbelievable views!
\$99,900
Call for Information 512-987-8498

SOUTH TEXAS BRUSH COUNTRY. 10-20 AC. LIVE OAK OR DUVAL COUNTY. HEAVY COVER, DEER & HOGS. STARTING AT \$1,793 DOWN \$327/MONTH. 866-286-0199 ranchenterprisesltd.com

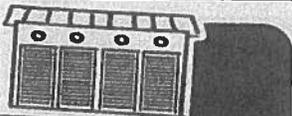
TEXAS HILL COUNTRY
Reduced for Quick Sale
Private Wooded Homesite, \$19,900.
18-hole Golf course, Lake, Resort Style Pool, New Clubhouse.
Call 888-894-0112

Lots/Subdivisions

Lake Travis Nice lot w/ private access to Lake Travis. Small down payment, No credit check. \$6,990. 830-285-2910

**Residential
Investment Prop**

GIDDINGS, TX 10.76 Acres For Sale By Owner. Residential or Commercial. 1148 ft frontage on Hwy 77. 3 mi. S of Hwy 290. Fenced on 3 sides, power & water available. No restrictions. \$9,900 per acre. 409-779-67901



**Real Estate
Rentals**

North

Cozy 2 BR, 2 BA duplex, off Baker & Metric, 1 car garage, fenced yard, \$875 monthly, Pets ? Call 512-789-1856 for appt.

Northeast

Lago Vista, 2BR, 2.5BA, Plus office, 2.5 car garage Brand new 1780 sq ft 2 story 2nd floor balcony with Amazing Hill Country Views! No pets. \$1500 dep. & \$30 app fee, \$1,500/mo. 512-300-9608

Bastrop/Lee Co.

GIDDINGS, 3BR, 2BA, Ranch home, 111+/- acres, fireplace, new appliances, barn, rolling hills, fenced, live oaks, 2 stock ponds, 2 year minimum lease, \$1,850/mo. Owner is licensed real estate broker in Colorado. 713-876-3033

**Caldwell/
Fayette Co.**

Legal Notices

Notice is hereby given that on the 5th day of November, 2014, the Advisory Board of University of Texas-University Charter Schools (UT-UCS) will hold a School FIRST Public Hearing at 11:30 a.m. at the UT-UCS Administration Office, 8701 North Mopac Expressway, Suite 350, Austin, Texas, 78759 followed by the regular board meeting.

NOTICE BY PUBLICATION

STATE OF TEXAS
COUNTY OF TRAVIS
TO: THE UNKNOWN HEIRS OF ANNIE LOIS BUNTON, DECEASED, whose names and whereabouts are unknown You are each hereby notified that a hearing will be held at 10:00 o'clock a.m., on the first Monday after the expiration of forty-two (42) days from the date of issuance hereof, that is to say Monday, the 27th day of October 2014, and the TXDOT DISTRICT COMPLEX, 7901 N. IH-35, BUILDING 1, AUSTIN, TEXAS 78753 to assess the damages of the owner of the property being condemned.

The State of Texas filed a Petition for Condemnation with the Judge of the Probate Court No. One of Travis County, Texas on the 26th day of February, 2014 in Cause No. C-1-CV-14-001502 which is styled The State of Texas v. Dovie Bunton, a widow, et al. The Plaintiff is the State of Texas. The Defendants are: The Unknown Heirs of Annie Lois Bunton, Deceased, whose names and whereabouts are unknown, and, if any of them be deceased, their respective heirs and legal representatives, if any; Dovie Bunton, a widow, Frank E. Bunton, Jr., a single man, Duffy L. Bunton, a single man, City of Austin, Texas, Travis County, Texas, Del Valle Independent School District, Austin Community College District, Travis County Healthcare District.

The name and address of the attorney for Plaintiff is Anna Spinks, Assistant Attorney General, P.O. Box 12548, Austin, Texas, 78711-2548.

This suit is an eminent domain proceeding in which the State of Texas is condemning a tract of land located in Travis County, Texas, containing 0.090 of one acre (3,911 sq. ft.) of land out of the Santiago Del Valle Grant in Austin, Travis County, Texas, same being a portion of that certain tract of land described in a deed for 1/2 interest to Dovie Bunton, of record in Volume 7231, Page 880, Deed Records, Travis County, Texas, same being a portion of Lot 1, Block 8, Davidson City Addition, a subdivision of record in Book 4, Page 176, Plat Records, Travis County, Texas; such property being fully described in Exhibit "A" of Plaintiff's Petition for Condemnation filed under the above-referenced cause number.

The interests of these Defendants are that they either own or claim an interest in said property, subject to unpaid accrued taxes.

You are further notified that you may appear at the hearing before the Special Commissioners and present evidence you desire on the issue of damages to be assessed against the State. If you do not appear at the hearing, the Special Commissioners may proceed to assess the damages of the owner of the property being condemned.

If this Notice is not served within ninety (90) days after its issuance, it shall be returned forthwith.

ISSUED this 4th day of September, 2014

/s/By: Beverly Leaks
Amelia Bullock
Aralyn Hughes
SPECIAL COMMISSIONERS

NOTICE BY PUBLICATION

STATE OF TEXAS
COUNTY OF TRAVIS
TO: THE UNKNOWN HEIRS OF OLLIE MAE HATCHETT A/K/A OLLIE MAE HATCHER, whose names and whereabouts are unknown; THE UNKNOWN HEIRS OF MARY LEE WILLIAMS, whose names and whereabouts are unknown You are each hereby notified that a hearing will be held at 10:00 o'clock a.m., on the first Monday after the expiration of forty-two (42) days from the date of issuance hereof, that is to say Monday, the 10th day of November, 2014, and at the TXDOT District Complex, 7901 IH-35, Building 1, Austin, Texas 78753, to assess the damages of the owner of the property being condemned.

The State of Texas filed a Petition for

Legal Notices

NOTICE TO CREDITORS

Notice is hereby given that original Letters Testamentary for the Estate of Betty Ann Waters, Deceased, were issued on May 8, 2014, under Docket No C-1-PB-14-000515, pending in the Probate Court of Travis County, Texas, tc William Stephan Waters, Independent Executor.

Claims may be presented in care of the attorney for the estate, addressed as follows:

William Stephan Waters,
Independent Executor
c/o Mayo Davidson, Attorney
P. O. Box 340190
Austin, Texas 78734

All persons having claims against this estate, which is currently being administered, are required to present them within the time and in the manner prescribed by law.

DATED the 9th day of September, 2014.

By: /s/Mayo Davidson
Mayo Davidson, Attorney for Executor



Public Hearing Notice

The Travis County Commissioners Court will conduct a public hearing on October 21, 2014, at 9:00 A.M. at the Commissioners Courtroom, on the first floor of the Travis County Administration Building at 700 Lavaca St, Austin, Texas, to consider comments concerning the adoption of an order to participate in the Texas Enterprise Zone Program, to nominate Rackspace as an Enterprise Project, and an order to identify and summarize available local incentives. Rackspace is requesting approval of their request for nomination under the statutory provisions related to job retention and capital investment. The hearing will include discussion of any tax or other incentives which might be available to the Texas Enterprise Zone Program under existing Travis County policy, but which is not currently proposed for the Rackspace project, and consideration of the nomination of Rackspace US, Inc., located at 9001 N IH 35 #150 Austin, Texas, to the Office of the Governor as a Texas Enterprise Project. All interested parties are encouraged to attend and present their views. For additional information, contact the office of the Honorable Judge Samuel T. Biscoe (512-854-9555).

REQUEST FOR COMPETITIVE SEALED PROPOSALS - Austin Independent School District requests competitive sealed proposals for construction of AISD Project No. 14-0044-SUMIT, HVAC Renovations at Summit ES 100% Performance and Payment Bonds required - 5% Proposal Warranty required.

PROPOSAL DEADLINE: 2:30 p.m. Austin time, on Tues, Oct 28, 2014, at AISD Construction Mgmt Dept, 812 San Antonio, Ste 200, Austin, TX 78701, Phone 512-414-8940. Proposals will thereafter be publicly opened and the names of the offerors and any monetary proposals made by the offerors will be read aloud.

Proposal Instructions, copies of drawings, specifications and contract documents, addenda (if any) and other documents related to this Request for Proposals will be available at the location indicated below for a deposit amount of \$50.00 per set. The deposit will be refunded upon return in good condition to the location indicated below within 14 calendar days of the opening of proposals.

Miller Blueprint Planroom
Download documents at:
www.planroom.millerblueprint.com
Request and pick up printed documents at 501 W. 6th St, Austin, TX 78701, (512) 381-5292 - Email: planroom@millerblueprint.com
Questions or concerns regarding this RFP must be directed to: Brent Lizakowski, MEP Engineering, Inc. by phone: 512-306-9650, or by email at: blizakowski@mepeengineering.com
PRE-PROPOSAL CONFERENCE: 3:30 p.m., Austin time, on Tues, Oct 21, 2014 at Summit ES, 12207 Brigadoon Ln (27). AISD may consider an Offeror's attendance at the pre-proposal conference in its determination of best value of each Proposal submitted. AISD



OFFICE OF THE GOVERNOR
ECONOMIC DEVELOPMENT & TOURISM

RICK PERRY
GOVERNOR

**TEXAS ENTERPRISE ZONE PROGRAM
FREQUENTLY ASKED QUESTIONS**

What is an enterprise zone?

Any block group within the State of Texas that has a poverty rate of 20% or more, as determined by the U.S. Census Bureau during each decennial census is a state enterprise zone. The block group will remain an enterprise zone until it no longer qualifies, as a result of a subsequent decennial census.

Any distressed county in Texas is an enterprise zone. A county is considered to be a distressed county if it has a poverty rate above 15.4 percent based on the most recent decennial census; in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate based on the most recent decennial census; and that has an unemployment rate that has remained above 4.9 percent during the preceding five years, based on Texas Workforce Commission data.

Any federally designated empowerment zone, enterprise community or renewal community is also a State enterprise zone, for the duration of the federal designation.

It is the purpose of the Texas Enterprise Zone Act to establish a process that clearly identifies distressed areas and provides incentives by both local and state government to induce private investment in those areas by the provision of tax incentives and economic development program benefits. Under this program, economic development is encouraged by allowing enterprise projects to be designated outside of an enterprise zone, with a higher threshold of hiring economically disadvantaged or enterprise zone residents. The purpose of these sections is to provide standards of eligibility and procedures for designation of applications for qualified businesses as enterprise projects.

Who may participate in the program?

Any municipality or county in the State of Texas may participate in the program, whether they have an enterprise zone within their jurisdiction or not.

How do I determine in what block group I am located?

You can access the U.S. Census Bureau web site to determine what block group a particular address is in. The web address is http://factfinder.census.gov/servlet/ReferenceMapFramesetServlet?_lang=en.



How do I determine if my block group qualifies as an enterprise zone?

The Governor's Office, through the Economic Development Bank (Bank), has published on its website the areas that qualify as an enterprise zone as either a qualifying block group or a distressed county. The website can be accessed at http://www.governor.state.tx.us/divisions/ecodev/ed_bank/enterprise_zone. If your block group is not listed, it does not qualify as an enterprise zone.

How does a municipality or county participate in the program?

The municipality or county must nominate a qualified business as an enterprise project by an ordinance or order as applicable. The ordinance or order must establish the local incentives being offered to the business seeking enterprise project designation. Local incentives may be established for all zone areas separately or individually, as well as areas of the jurisdiction outside of a zone area. The ordinance or order must state by position, who will act as liaison for the local program with the state, and nominate the qualified business for enterprise project status. Subsequent project nominations may be done by resolution, if the local incentives offered are the same as outline in the original ordinance or order.

Can a community offer local incentives without an enterprise zone?

Yes. A community can offer certain incentives as allowed by state law. Enterprise zones, however, are simply a means of packaging a number of state and local incentives together to help revitalize a distressed area.

What local incentives are available in an enterprise zone?

Local incentives that may be offered to an expanding or locating business vary. Examples of local incentives that may be offered include tax abatement, a refund of local sales and use taxes, waiver of permitting fees, tax increment financing, transfer of publicly owned buildings at below market cost, and low interest loans.

What is a qualified business?

A qualified business is a person, including a corporation or other entity, that has been certified by the Bank, for purposes of state benefits under the Act, or a governing body for purposes of local benefits, to have met the following criteria:

- (A) the person is engaged in, or has provided substantial commitment to initiate the active conduct of a trade or business at a qualified business site; and
- (B) at least 25% of the business' new employees are either economically disadvantaged or enterprise zone residents (ED/EZR) if the qualified business site is located in an enterprise zone, or at least 35% of the business' new employees are ED/EZR if the qualified business site is located outside of an enterprise zone; and
- (C) a franchise or subsidiary of a new or existing business may be certified by the governing jurisdiction as a qualified business if the franchise or subsidiary is located entirely at the qualified business site and maintains separate books and records of the business activity conducted at the qualified business site.

What is the definition of economically disadvantaged?

An individual who at the time of hire:

- (A) was unemployed for at least three months before obtaining employment with a qualified business;
- (B) receives public assistance benefits, including welfare payments or food stamps, based on need and intended to alleviate poverty;
- (C) is a low-income individual, as defined by Section 101, Workforce Investment Act of 1998 (29 U.S.C. Section 2801(25));
- (D) is an individual with a disability, as defined by 29 U.S.C. Section 705(20)(A);
- (E) is an inmate, as defined by Section 498.001;
- (F) is entering the workplace after being confined in a facility operated by the institutional division of the Texas Department of Criminal Justice or under contract with the Texas Department of Criminal Justice;
- (G) has been released by the Texas Youth Commission and is on parole, if state law provides for such a person to be on parole;

- (H) meets the current low income or moderate income limits developed under Section 8, United States Housing Act of 1937 (42 U.S.C. Section 1437f et seq.); or
- (I) was under the permanent managing conservatorship of the Department of Family and Protective Services on the day preceding the individual's 18th birthday.

What is an enterprise project?

An enterprise project is a business that is nominated by a municipality or county and approved by the bank for state benefits. State incentives include state sales and use tax benefits based on capital investment and jobs created and/or retained during the designation period. The State may designate up to 105 enterprise projects each biennium.

What items purchased are allowable for sales and use tax refund under the Program?

An enterprise project is eligible for a refund of the taxes imposed by the Texas Tax Code on all taxable items purchased for use at the qualified business site related to the project or activity during the designation period.

How many enterprise projects can we have?

Municipalities or counties with a population of 250,000 or more, based on the most recent decennial census, are eligible for up to nine enterprise project designations during a state biennium based upon availability.

Municipalities or counties with a population of less than 250,000 based on the most recent decennial census are eligible for up to six enterprise project designations during a state biennium based upon availability.

How long is an enterprise project designation?

The enterprise project designation is for an expansion or relocation from out-of-state, an expansion, renovation, or new construction, or other property to be undertaken by a qualified business. The designation period is a predetermined period approved by the Bank, with beginning and ending dates for each proposed project or activity. The designation period for an enterprise project may not be for a period of less than one year, nor more than five years from the date on which the designation is made.

What state incentives are available to enterprise projects?

Designated enterprise projects are eligible to apply for state sales and use tax refund on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created at the site.

Level of Capital Investment	Maximum number of jobs allocated	Maximum potential refund	Maximum refund per job allocated
\$40,000 to \$399,999	10	\$25,000	\$2,500
\$400,000 to \$999,999	25	\$62,500	\$2,500
\$1,000,000 to \$4,999,999	125	\$312,500	\$2,500
\$5,000,000 to \$149,999,999	500	\$1,250,000	\$2,500
Double Jumbo Project \$150,000,000 to \$249,999,999	500	\$2,500,000	\$5,000
Triple Jumbo Project \$250,000,000 or more	500*	\$3,750,000	\$7,500

Each project is limited to a maximum refund of \$250,000 per year for five years for a regular enterprise project designation, \$500,000 per year for five years for a double jumbo enterprise project and \$750,000 per year for five years for a triple jumbo enterprise project. NOTE: a qualified business making a capital investment eligible to apply for a double jumbo enterprise project or a triple jumbo enterprise project must be nominated by the

governing jurisdiction for the elevated designation in the nominating ordinance, order or resolution, as applicable, or the designation will automatically be for a regular enterprise project designation. A double jumbo enterprise project will count as two enterprise project designations against the 105 projects designations allowed statewide and against the four or six allowed for the governing jurisdiction. A triple jumbo enterprise project will count as three project designations for the state as well as the governing jurisdiction.

*A triple jumbo enterprise project must create and/or retain a minimum of 500 jobs.

What constitutes capital investment?

Money paid to purchase capital assets or fixed assets including but not limited to land, buildings, labor used to construct or renovate a capital asset, furniture, manufacturing machinery, computers and software, or other machinery and equipment. Property that is leased under a capitalized lease is considered a qualified capital investment but property that is leased under an operating lease is not considered a qualified capital investment.

NOTE: if using a contractor to construct the facility, a "separated contract" (a contract in which the agreed contract price is divided into separately states prices for materials and labor) must be executed. If a "lump sum" contract is executed, a claim for refund of taxes invoiced to, and paid by a third party, will not qualify for a refund under this Program. Please call the Comptroller of Public Accounts' Office at 1-800-531-5441 ext. 51083 if you have any questions regarding this issue.

What is a qualified employee?

A qualified employee is an employee that works at least 50% of his or her time for the qualified business at the qualified business site.

What is a new permanent job?

A new permanent job is a new employment position created over and above the business' current baseline that provides a qualified employee of a qualified business with employment of at least 1,820 hours of work annually and exists at the qualified business site for at least three years after the date on which a state benefit is received. Seasonal, temporary or part-time jobs are not considered to be new permanent jobs, and therefore are not eligible for state benefit through the program.

What is a retained job?

A retained job is a position that existed with a qualified business on the 91st day prior to the application deadline, that has provided employment to a qualified employee of at least 1,820 hours annually and is retained throughout the designation period, or for at least three years after the date on which a state benefit is received, whichever is longer.

What is a job retention project?

Job retention projects are available under limited circumstances. To qualify for a job retention project, a business must present documentation to the applicant jurisdiction supporting any one of the following circumstances:

- (A) that permanent employees will be permanently laid off;
- (B) the business will permanently close down;
- (C) the business will relocate out of state;
- (D) the business is able to employ individuals in accordance with Section 2303.402; or
- (E) the business facility has been legitimately destroyed or substantially impaired due to fire, flood, tornado, hurricane, or any other natural disaster and that at least 60 percent of the capital investment is being spent to repair damages resulting from the disaster.

All of the retained jobs must be certified by the Comptroller of Public Accounts before any benefits for jobs can be obtained.

What is an existing job?

An existing job is a full-time position that has existed with a qualified business, which does not qualify for benefit. The current number of existing jobs is used to determine the baseline level of employment at the time of project designation. New jobs which are created 90 days prior to the application deadline through the end of the project designation period qualify for benefit if the baseline jobs are maintained.

Do leased, contract or construction employees qualify for benefit?

No. All employees occupying the new or retained jobs for benefit must be under the direct, full-time and permanent employment of the enterprise project that has received the designation.

How long does it take to obtain an enterprise project designation?

Projects are designated typically eight to ten weeks after the project application deadline, depending on the number of applications received in that quarterly round.

ORDER NOMINATING
RACKSPACE
AS AN ENTERPRISE PROJECT

WHEREAS, Travis County has the authority to make this nomination pursuant to Texas Government Code, Chapter 2303, "The Texas Enterprise Zone Act" ("the Act"), specifically Section 2303.004(b) whereby the governing body of a county with a population of one million or more may nominate for designation as an enterprise project a qualified business that is located within the jurisdiction of a municipality located in the county.

WHEREAS, Travis County desires to assist businesses in severely distressed areas of the County and provide incentives to induce private investment.

WHEREAS, the project proposed is located in an area designated as an Enterprise Zone pursuant to the Act.

WHEREAS, Rackspace meets the requirements as a Qualified Business under the Act being engaged in or providing substantial commitment to initiate active conduct of business in an Enterprise Zone where at least 25% of the new employees will be residents of an Enterprise Zone or economically disadvantaged (as defined by the Act);

WHEREAS, Rackspace ("Company") has requested that Travis County nominate the proposed business as an Enterprise Project.

WHEREAS, the Company will participate as an expansion or relocation from out-of-state; an expansion, renovation or new construction; or other property to be undertaken.

WHEREAS, Travis County hereby designates County Executive for Planning & Budget as the liaison to oversee enterprise projects and to communicate and negotiate with the bank, the enterprise project and other entities in the Enterprise Zone pursuant to Section 2303.204 of the Act; and notes the following information regarding the liaison pursuant to Section 2303.4052(3) of the Act:

Name:	Leroy Nellis (or his successor)
Title:	County Executive for Planning & Budget
Address:	700 Lavaca St, Ste 1560, Austin TX 78701
Telephone Number:	512-854-9106
Electronic Mail Address:	leroy.nellis@traviscountytexas.gov

WHEREAS, pursuant to applicable terms of the Act, Travis County:

1. Agrees to submit an annual report no later than October 1 of each year containing the information required by the statute and the bank, pursuant to Section 2303.205 of the Act;¹ and
2. Hereby approves the request made by Rackspace for application to the bank for designation of a project or activity as an enterprise project based on expansion and renovation and creation of 500 new permanent jobs and retention of 602 existing employees; and
3. Approves the request by Rackspace to apply to the bank for designation of the project as an Enterprise Project pursuant to Section 2303.405 of the Act; and
4. Includes as a part of this Order the following which are attached to this Order:
 - Exhibit 1 - Economic Analysis of the plans for expansion, revitalization or other activity including the information required under 2303.405(b); and
 - Exhibit 2 - Identification and summarization of local incentives available within Travis County (but not promised to Company by Travis County) pursuant to Sections 2303.4051(b) and 2303.4051(c)(2) of the Act; and
 - Exhibit 3 - Copies of the public notices from the newspaper and as posted at the courthouse, and the letter to the bank with the notice; and
 - Exhibit 4 - Certified copy of Order identifying and summarizing local incentives. 2303.0452(1); and

Exhibit 5 - Transcript of public hearing(s) with respect to local incentives available pursuant to Section 2303.0452(2) of the Act; and
Exhibit 6 - Documentation showing the number of employment positions at the qualified business site pursuant to Section 2303.4052(4) of the Act; and
Exhibit 7 - Official census map with location of business; and
Exhibit 8 - Description of effort of Travis County to achieve development and revitalization of the area; and how the designation of this Enterprise Project will contribute to that effort.

5. States that the project is located in an area designated as an Enterprise Zone pursuant to Section the Act.
6. States that, to the best of its knowledge, Travis County has read and is in compliance with Texas Government Code, Chapter 2303, and other applicable statutes as to this nomination.

WHEREAS, Travis County acknowledges that:

1. The County has received information that Rackspace has been certified as a "qualified business;" and
2. The enterprise project designation is for the expansion and renovation of the property pursuant to Section 2303.404(b) of the Act, and for
 - 500 job creation
 - 602 job retention
3. The designation period for the enterprise project begins December 1, 2014, and ends December 1, 2019 pursuant to Section 2303.404(c) of the Act; and
4. Travis County held a public hearing October 21, 2014, pursuant to Section 2302.4051(e) of the Act; and
5. Rackspace has represented that it will make in investment of over 32 million dollars (\$32,000,000.00) during the designation period.

NOW THEREFORE, TRAVIS COUNTY, as of this 28th day of October, 2014, hereby:

1. Nominates Rackspace as an Enterprise Project. pursuant to Texas Government Code, Section 2303.4051(c)(3); and
2. Finds that Rackspace meets the criteria of the Act to be designated as an Enterprise Project; and
3. Finds that Rackspace meets the requirements of the Act to be a qualified business; and
4. Finds that there has been and will continue to be a high level of cooperation between public, private and neighborhood entities in the area in furthering economic development in the area; and
5. Finds that the designation of Rackspace as an Enterprise Project will contribute significantly to the achievement of the plans of Travis County for development and revitalization of the area; and
6. Submits this Nomination with the required nonrefundable \$750 application fee; and
7. Certifies that the contents of this Order are, to the best of its knowledge, true and correct.

TRAVIS COUNTY COMMISSIONERS COURT

Samuel T. Biscoe
Travis County Judge

Ron Davis
Commissioner, Pct. 1

Bruce Todd
Commissioner, Pct. 2

Gerald Daugherty
Commissioner, Pct. 3

Margaret Gómez
Commissioner, Pct. 4

Exhibits are in the process of being finalized with the Company and County Attorney's office. They will be available for the October 28th agenda back up for the final orders.

ORDER IDENTIFYING AND SUMMARIZING
LOCAL INCENTIVES RELATED TO
THE TEXAS ENTERPRISE ACT

WHEREAS, Travis County has the authority to nominate qualified businesses for status as a Texas Enterprise Zone project pursuant to Texas Government Code, Chapter 2303 ("the Act");

WHEREAS, the Act requires Travis County, before nominating the project or activity of a qualified business for designation as an enterprise project, to, by ordinance or order, identify and summarize briefly any local incentives available;

WHEREAS, Travis County, in its desire to assist businesses in severely distressed areas of the County and provide incentives to induce private investment, and to assist Travis County residents, has developed a variety of programs and incentives to support those efforts.

NOW THEREFORE, this 28th day of October, 2014, the Travis County Commissioners Court issues this Order recognizing the local incentive programs available as listed in Exhibit 1 to this Order.

TRAVIS COUNTY COMMISSIONERS COURT

Samuel T. Biscoe
Travis County Judge

Ron Davis
Commissioner, Pct. 1

Bruce Todd
Commissioner, Pct. 2

Gerald Daugherty
Commissioner, Pct. 3

Margaret Gómez
Commissioner, Pct. 4

EXHIBIT 1
IDENTIFICATION AND SUMMARIZATION OF
LOCAL INCENTIVES

	Name of Incentive	Description of Incentive
1	Tax Increment Financing	Travis County has and may offer incentives under the Tax Increment Financing Act for redevelopment and community projects.
2	Freeport Exemption	The Constitution allows Travis County to exempt certain types of tangible personal property from ad valorem taxes.
3	Homestead Exemption	Travis County does provide for the maximum homestead exemption allowed by law
4	Building Code Exemptions	Certain building code exemptions may be allowed to expedite the development process through Travis County Transportation and Natural Resources Department (TNR)
5	Streamlined Permitting	The County may allow permit applications and supporting materials to be tendered to one department for distribution to the appropriate County departments
6	Fire and Police Protection	Safety and protection of County residents is provided through the Travis County Sheriff's Department, the Austin Fire Department and local Emergency Services Districts, and the Austin/Travis County Emergency Services Department.
7	Community Crime Prevention Programs	The Travis County Sheriff's Department and Austin Police Department provide various crime prevention programs in conjunction with other local entities
8	Capital Improvements in Water and Sewer Facilities	Travis County can provide resources for capital improvement plans related to water and sewer services through Travis County TNR
9	Road Repair	Travis County provides road and bridge maintenance in rural Travis County through TNR; the City of Austin provides these services within the City of Austin
10	Housing Rehabilitation and Purchase Programs	Travis County, through the County or various County Corporations, provides programs including funding for home purchase and weatherization repairs
11	Dispute Resolution	The County has contract(s) with non-profit(s) to provide certain dispute resolution services
12	Promotion and Marketing	Travis County benefits from the promotion and marketing services provided through the Greater Austin Chamber of Commerce and the Austin Economic Growth and Redevelopment Services Office
13	Job Training and Employment Services	Travis County participates with the Workforce Solutions - Capital Area Workforce Board and other non-profit agencies to provide workforce training and employment services, retraining programs and literacy programs.
14	Creation or Improvement of Parks	Creation, improvement and maintenance of County parks is provided through TNR
15	Special Public Transportation	Travis County contracts with non-profits to provide certain transportation to eligible county residents

TEXAS ENTERPRISE ZONE NOMINATION RACKSPACE

Commissioners
Court Public
Hearing
October 21,
2014

PUBLIC HEARING

- Public notice & hearing required by statute
- Advertised in October 14, 2014 Austin American Statesman
- Overview of Enterprise Zone Program
- Economically Disadvantaged Hiring
- Travis County Benefits
- Rackspace Overview
- Austin Community College Partnership

ENTERPRISE ZONE PROGRAM

- State program overseen by the Office of the Governor
- Establish incentives for private development in economically disadvantaged areas and/or hiring economically disadvantaged residents
- 25% of new hires must be “economically disadvantaged”

ECONOMICALLY DISADVANTAGED HIRING

Rackspace will be required to hire 25% of their 500 new employees from people in the following categories:

- was unemployed for at least three months
- receives public assistance benefits, including those qualified under Section 8 Housing Act
- is an individual with a disability,
- Is an ex-offender in the adult or juvenile system

ENTERPRISE ZONE PROGRAM

- State incentive is a refund of state sales tax
- Rackspace would qualify for up to \$1,250,000 sales tax refund over a five year period
- City of Austin and Capital Metro sales tax unaffected
- Requires a local government to nominate the project and summarize all local incentives that are available (but not necessarily utilized by the company)
- Local ad valorem property tax is unaffected

BENEFITS TO TRAVIS COUNTY

- New ad valorem property tax on \$32 million of investment
- Estimated \$800,000- \$950,000 over a 10 year period
- Create 500 new jobs, of which 20% entry level and over county minimum wage
- Maintain 602 existing jobs in Travis County
- Pay an average wage of \$88,618
- Commit to workforce development through partnership with ACC
- Revitalize the Highland Mall area

RACKSPACE

- **Cloud Computing Company**
- **Headquartered in San Antonio**
- **Over \$1 Billion in revenue**
- **5,000 global employees with data centers around the world**
- **602 Current Travis County Employees**

ACC PARTNERSHIP

- Co-Locate at Highland Mall with Austin Community College
- Offer Internships to ACC students
- Offer Scholarships to ACC students
- Provide Curriculum Content
- Share space with students
- Advise computer science students
- Provide managed Cloud Services

NEXT STEPS

- **October 28, 2014 Voting Session**
- **Approve orders to nominate Rackspace as an Enterprise Zone Program**
- **Approve order summarizing local incentives**