



## Travis County Commissioners Court Agenda Request

**Meeting Date:** 10/28/2014, 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

*ASCR for Leroy Nellis*

### AGENDA LANGUAGE:

Consider and take appropriate action regarding:

- 1.) Adoption of an order to nominate Rackspace as an Enterprise Project, and
- 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. A public hearing to nominate Rackspace as an enterprise project was held on October 21, 2014. Attached are the final orders and exhibits that are required by statute for Travis County to approve in order for Rackspace to complete their application to the Governor's Office for consideration as an Enterprise Zone project.

### 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

**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;<sup>1</sup> 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

**EXHIBIT 1**  
**ECONOMIC ANALYSIS OF RACKSPACE PLANS**

1. Number of employment positions in existence at Rackspace on the 91st day before the application deadline: 602
2. Number of new permanent jobs Rackspace commits to create during the designation period: 500
3. Number of permanent jobs Rackspace commits to retain during the designation period:

<b>Job Category</b>	<b>Positions</b>	<b>Base Wage Range</b>
Entry Level	100	Max: 108,160; Min: 31,200; Avg: 53,788
Staff	320	Max: 189,000; Min: 37,213; Avg: 89,883
Supervisor	40	Max: 157,500; Min: 47,288; Avg: 99,901
Manager	20	Max: 205,000; Min: 85,000; Avg: 135,533
Executive	20	Max: 300,000; Min: 99,330; Avg: 167,053
<b>TOTAL</b>	<b>500</b>	Max: 300,000; Min: 31,200; Avg: 88,931

4. Amount of investment to be made by Rackspace: \$32,300,000
5. Description of the projected schedule for activity:  
Rackspace commits to make capital investment in Travis County on the following schedule:

2014	\$ 2,000,000.00
2015	\$28,000,000.00
<u>2017</u>	<u>\$ 2,300,000.00</u>
Total	\$32,300,000.00

6. Description of local effort by County, Rackspace and other affected entities to develop and revitalize the jurisdiction of the County:

Both Travis County and the City of Austin have procedures in place to provide services, incentives and regulatory relief authorized by law and to negotiate with Rackspace and with other local groups or businesses to achieve the public purposes of the Texas Enterprise Zone Act, Texas Government Code, Chapter 2303 ("Act"). County procedures are more fully described in Exhibit 2 of this Order.

**EXHIBIT 2**  
**IDENTIFICATION AND SUMMARIZATION OF**  
**LOCAL INCENTIVES**

	<b>Name of Incentive</b>	<b>Description of Incentive</b>
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
16	Tax Incentives	Travis County has and may offer incentives under the Chapter 381, Texas Local Government Code, for redevelopment and community projects.

**Travis County and Rackspace agree that no incentives have been granted or promised to Rackspace related to this nomination as an Enterprise Zone Project.**

EXHIBIT 3

COPIES OF PUBLIC NOTICES

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., 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).

**EXHIBIT 4**

**CERTIFIED COPY OF ORDER IDENTIFYING AND SUMMARIZING  
LOCAL INCENTIVES**

**(to be provided upon availability)**

EXHIBIT 5

TRANSCRIPT OF PUBLIC HEARING

**Travis County Commissioners Court  
Voting Session  
Oct 21, 2014 9:00 AM**

***Please note that the closed captioning text and resulting transcripts are created live during the meeting, may contain occasional errors, and are not intended to represent a verbatim transcript or official record.***

9:13  
AM

> good morning. I call to order this October 21, 2014 voting session of the travis county commissioners court. Commissioner Davis will miss today's meeting. We did receive an email from the county attorney yesterday indicating that on item 26 there is no update and let's try2to have it back on next week. Number 26 in executive session. We also learned from the fire marshal yesterday that there is no burn ban in place and the recommendation is that we not adopt one. @ so by taking no action on item 2, basically we preserve the status quo which is residents are free to burn and we request that thty do so safely. Item number 1 is a public hearing to receive comments regarding, a, adoption of an order to nominate rackspace as an enterprise project, and b, an order to identify and summarize available local incentives.

9:14  
AM

Move the public hearing be open.

Second.

All in favor that carries unanimously. And this will be posted for action next advertise, tuesday, the 28th of october. This is public hearing for us to lay this out and receive any public comment. Good morning.

Good morning, katie gipson, planning and budget. Today we are here to nominate rackspace as an enterprise project for the texas enterprise zone program. Part of that program requires a local entity, in this case travis county, to nominate -- to approve an order to nominatet the company to be part of this program. Therefore we also need a public hearing and public notice. That is required by statute. It was advertised on the October 14, 2014, austin american-statesman. Today we will have a quick presentation. I will do a very quick overview of the enterprise program and some ofo the economically disadvantaged hiring requirements and go over some of the travis county benefits and then I will turn it over to Mr. Blackstone to talk about his compana, rackspace, and their partnership with the austin community college. The enterprise zone is a state program. It's overseen by the office of the governor and the compliance is done by the comptroller's office. Its mission is to establish %incentives for private development in economically disadvantaged areas or hire economically disadvantaged residents. As pppt of this program, rack spies is required to hire 25% of new employees as defined as being economically disadvantaged. There's a very long definition in your backup of what exactlythe economically disadvantaged hiring requires. In general, they will be required to hire 25% of 500 new employees who are unemployed for the last three mo ths, that received some sort of public assistance

benefits including section 8 housing, an individual with disability or is an offender in the juvenile or adult system. Those folks unemployed for at least three months includes students and recent college graduates. The enterprise zone, its main benefit is a refund of the state sales tax. Under their formula, Rackspace would qualify up to \$1.25 million in state tax refund in a five-year period. The portion of sales tax that goes to city of Austin and Capital Metro are unaffected in this program. The program does again require the local government to nominate the project and summarize you a local incentives available. That does not mean we actually need to utilize those incentives for this project. And the -- the local ad valorem property tax is unaffected so all local entities will have increase in increase in property tax for this project. Again some of the benefits to Travis County. The company is plan to go invest up to \$32 million in investment. We would receive any ad valorem tax incentive on the business personal property for that project. I did a quick estimate from 800,000 to 950,000 over a 10-year period. I will give a -- on that estimate because I'm not quite sure how that is break up and do the parcels on that Highland Mall [inaudible] since it's zoned by acc. 500 new jobs, all jobs are over the county minimum wage. They are going to maintain 600 jobs in Travis County that they already have. The average wage is quite high. And the project will revitalize the Highland Mall area. And this area is in Precinct 1. Now I'll turn it over to Mr. Blackstone to kind of do an overview of his company and his project and his plans for expansion with acc.

9:19  
AM

Thank you. Judge Biscoe, commissioners, thank you so much for having us this morning. I appreciate your time and having us on the agenda today. Rackspace is a company that was started in 1998 in San Antonio, Texas. Despite confusion around the name, we are not a shoe store and we are not a closet design store as well. Rackspace is actually a term in a data center where you are take a server and I actually rack that on a mount within the data center. So therefore our name was then created Rackspace. We are the number one managed cloud computing company in the world. We have customers in almost every continent and we are over a billion dollar public company. Again, founded in San Antonio, Texas and our corporate headquarters is in San Antonio, Texas and South. In 2006 we entered the Austin market with a small group of sales individuals with the purpose to enter into kind of a very high-tech-rich area. Over the last eight years we've seen rapid growth and we now have 600 employees in the local area that are within the Travis County area. The office here has about two-thirds of what you would consider your traditional sales and support, so dealing directly with customers and one-third in jobs that are what you would consider more of a research and development type of role, and those are specifically tend to be in a product managed as well as then software development. A little over a year ago we needed to start looking for additional space, so we were coming up to a point where we were running out of space in our current location at Rundberg and I-35. We started looking around the city for locations and we were introduced to the acc project at Highland Mall. In the early part of this year acc produced a public RFP process looking for a partner to help redevelop the 185,000 square foot portion of the Highland Mall. This is 185,000 square feet and they were looking for a corporate partner to be able to not only occupy the space but also then help them with curriculum development, et cetera. Throughout

this process, in July of this year we actually -- we passed the first phase of that project and we entered into negotiations that we're still currently in negotiations with austin community college. This partnership itself is very unique to community colleges throughout the nation. In fact, on a quick search, this is one of the only type of public-private partnerships with a co-located facility. What's important about this is that this 185,000 square feet will be redeveloped using private money. This will not be part of the proposal that they are doing in November and no public money will be used to -- to redevelop the highland mall -- i'm sorry, the dillard's portion of highland mall. Part of the public-private partnership that we would enter into with austin community college would be opportunities for internships for austin community colleges as well as students won within the computer science track and advisors on the latest and greatest in technology and be able to help them create programs where they can create job ready individuals at the end of either a traditional two-year program or a professional development program. What is great about this project is that not only does it provide an opportunity for folks who are underemployed and/or in other areas of industry to be able to get the skills necessary to be able to enter into the high-tech job where jobs within the travis county are very high demand. In addition, this partnership itself, again, is -- you know, it's predicated on the idea of helping develop curriculum. In san antonio specifically we have an entity that we have helped create called the open cloud academy. Within that open cloud academy, individuals are able to go in and go through 8 to 12-week intense training course that gets them the necessary skills to be able to enter the high-tech field. My favorite example is an individual who spent the last 11 years as a cook in the food service industry. They entered into the open cloud academy, went through the program and the training and exited that program with a job at rackspace in network security, which is a job that starting salary averages industrywide around \$65,000 a year. This individual was able to completely change the trajectory of their career path as well as income for their family. We hope to bring that type of program in connection with u. K. With austin community college into the travis county area. This is dave porter.

9:24  
AM

Good morning, judge, commissioners, thank you for having us today. First of all, the enterprise zone designation has nothing to do with your current economic development policy for 381 agreements. And so this really isn't a county incentive as the funds -- it's a sales tax rebate from the state. So no travis county moneys will be used for this. It's also a very competitive situation. Even though next week you may or may not, but hopefully we'll prove this designation, it still has to go through a competitive process at the state. And we're hopeful that the state will reward or award this designation to rackspace. Many of the things that bill mentioned I have written down so my comments will be brief, but the one thing about this particular public-private partnership that I think is very important is that if you look at the poverty rate in this particular part of travis county, it's 22%. And so the -- this public-private partnership will help drive, in our opinion, people out of poverty and in that particular part of travis county and we think that this is a very worthy project, worthy of a designation of -- from travis county for an enterprise zone designation. Thank you.

9:26

Any comments? sir.

AM

Yes, thank you, Judge And good morning, commissioners. My name is Charles Cook and I'm the provost and executive vice president for academic affairs at Austin Community College. And I just want to reiterate some of the comments that have previously been made by Mr. Blackstone. We are extremely excited about the opportunity for this public-private partnership and the opportunities that it's going to afford our students. As you perhaps know, we opened the first section of the high land campus, renovated the -- what was the old J. C. Penney's portion of the mall, and it is -- exceeded all expectations. We expected about 3,000 students. We now have about 4,000 students in the first eight weeks of operation. We have a huge 600 station computer lab where we are working with students individually to meet them at their current skill level and help them take them to the next highest level possible. We recently received a TWC grant to help transition veterans who have military training but they have not necessarily received the academic credits for their skills. So we're working with them to get them their academic credit. We're thrilled that we could work with a company that is on the cutting edge of technology in terms of cloud architecture, so we want to be able to help our students achieve those skills which are going to result in good, high paying jobs for them. The high land campus will probably be the location for both our first capitol academy, which will be a partnership between ACC and our public high schools where we would bring high school students on to the campus for part of their day to engage in high-tech dual credit courses. As you know, House Bill 5 now provides students an opportunity to take an endorsement and begin a career pathway while they are still in high school. This would be a great opportunity for them as we waive dual credit tuition for those students. It's also going to be the site of our career expressway where we're reaching out to residents of central Texas that already have some college credit but for whatever reason never finished a credential or degree, so we want to bring those people back into the educational setting so we can get them back in the workforce. To reiterate what Mr. Blackstone said no public money is going to be used on this renovation. Rackspace is building out the space. We will lease it to them and in exchange they are offering our students paid internships and some scholarships. So we think it's a win, win, win for all concerned and we certainly endorse the partnership and hope you will consider the request.

9:29  
AM

Court members, any questions or comments?

Judge, I do. Excuse me. Charles, how many parking spaces are there in -- at the high land campus presently?

I really don't know an exact number, but there is abundant parking as it currently exists. We're working with Rackspace to designate how many of those spaces will be available for their use exclusively going forward, but right now there is no shortage of parking spaces, I can assure you.

9:30  
AM

I realize that. Which is the reason I'm always entertained by trying to deal with public transportation and entice people to do something other than, you know, there are some people in that community that would rather have everybody out of their cars. And it's pretty tough to have it both ways. What percentage of your student population at ACC do you think takes public transit because it's on the metro line and it's on, you know,

probably several bus routes. Do you know what percentage of people?

This would be somewhat of a guess and I can confirm when I return to the office, but I would speculate it's somewhere around 30, 35% of our students rely on public transportation.

9:31  
AM

Okay. if you wouldn't mind getting --

I shall do.

Very phing that viewing area phing verifying that for me. when I was reading the article, I was entertained with the current light rail and future rail and opportunity to attract talent. When you were in the office the other day, I was asking what you all thought you were going to do to induce people. Because if we're going to get serious about this transportation thing, and I think that the chamber has indicated that they've got an idea as to what they think needs to happen with mobility and transportation, I think that we've got -- I mean, if we're going to really try to do something about traffic mitigation, I don't think that you can do it by hoping that people will do something other than the car. I personally think that 95% of the people are going to get in the car and they are going to use it. I think it's fortunate that you have a large parking area. When you think of an outside mall, which obviously what Highland Mall was forever, the nice thing you have about malls is you have a lot of parking. And why? Because that's how people travel and that's how we get around and that's how we shop and that's how we work and go to school and all the other things. So there's got to be a connection here with what we're going to do, and Bill has, you know, offered to have a meeting with me to determine how -- how best to do that. But the point I want to make is that with transportation as it relates to things like this, large employers, then I think this is a great program. I mean I think it's a great marriage for you and I'm glad and I certainly will support this. So but this is the kind of conversation that has to go on. It has to happen more than what we do, you know, or what we have done to present. It's just kind of like, okay, we just hope all these things are going to happen. Meanwhile, we are suffering in this community because you can't get from point A to point B. And thinking that we'll will get out of their vehicles into alternative modes of transportation I think is wishful thinking. But we do have to get employers and we have to get schools. I mean, you know, and quite frankly the only way you are going to do that is say you know what, you don't have parking. Here's how you get to this place. Unfortunately I don't think that would be a very good business model, you know, because, Charles, you probably are going to have people go I'm not coming to acc then. I look forward to supporting it and Bill, I look forward to us having that conversation and, uh-oh, Dave, I appreciate you taking these comments back to your organization because we all know we seem to be having some disconnect here from the chamber with at least as far as I'm concerned with mobility and transportation.

9:34  
AM

Commissioner Odd.

Well, I was thinking about this project while I was riding the bus this morning. This is not a transportation issue, but the reason I ask that character come or someone in his similar capacity is that we always thought of

university as driving the city along with high tech and that's true and will always be true. But the role of acc has expanded more in the last few years than has happened in decades before. And I was involved in the first effort for the bond to get tax platform for acc. And I think that whether it's east austin schools, be they public or private, [indiscernible] is over there, strictly on the east side, to be able to foster a relationship with acc and rackspace and others so that we can show these kids there's light at the end of the tunnel if they will take advantage of the things they are being laid out. The fact this costs us nothing is a no brainer, but the benefits are huge and i'm hopeful, i'm sure it will pass next week and look forward to voting for it.

9:35  
AM

What specific geographic area would the enterprise zone cover? Is it all the travis county?

No. it would just be that particular -- it would be the highland mall area.

So the 22% poverty rate covers what area?

There will be a map in your final orders next week. It's a specific census tract that includes highland mall and the immediate surrounding area.

9:36  
AM

Can we take a map and kind of draw that out?

Yes, have one.

Not next week, but today or tomorrow?

I have it yes. I can send it to you.

This is a public hearing. if you would like to give comment, please come forward.

Move the public hearing be closed.

Second.

All in favor? that passes by unanimous vote. This will be posted for action next week.

Yes.

Thank you very much.

Thank you.

**EXHIBIT 6**

**DOCUMENTATION OF EMPLOYMENT**

**Existing Jobs at Rackspace at the Travis County site:**

<b>Job Category</b>	<b>Positions</b>	<b>Base Wage Range</b>
Entry Level	116	Max: 108,160; Min: 31,200; Avg: 53,788
Staff	388	Max: 189,000; Min: 37,213; Avg: 89,883
Supervisor	50	Max: 157,500; Min: 47,288; Avg: 99,901
Manager	23	Max: 205,000; Min: 85,000; Avg: 135,533
Executive	27	Max: 300,000; Min: 99,330; Avg: 167,053

**Demographics of current Rackspace Employees at the Qualified Business Site in Travis County:**

<b>Subject</b>	<b>Percent</b>
White	68.6%
Hispanic or Latino	11.4%
Black or African American	3.0%
Asian	11.1%
Some other race	.3% (not counting 4.8% undisclosed)
Two or more races	.5%
American Indian and Alaska Native	.3%

**Existing Jobs at Other Texas Locations:**

<b>City</b>	<b>Number of Jobs</b>
San Antonio	3,831
Grapevine	95
Work from home	30

**EXHIBIT 7**

**OFFICIAL CENSUS MAP  
WITH LOCATION OF RACKSPACE**

**Census Tract 001503 Map, Border, and Nearby Locations**

Census Tracts Map View. Full data. Click icon to show name.



**Census Tract 001503 Block Group**

**EXHIBIT 8**

**DESCRIPTION OF EFFORT OF TRAVIS COUNTY TO  
ACHIEVE DEVELOPMENT AND REVITALIZATION OF AREA AND  
IMPACT OF ENTERPRISE PROJECT ON EFFORT**

Travis County provides incentives and programs as described in Exhibit 2 in order to encourage and assist in the development and revitalization of areas of Travis County which include economically disadvantaged residents and/or which include severely distressed areas of the County.

By making the planned capital investment in the business, Rackspace will continue to provide a valuable tax base for the County. By retaining the 602 jobs now existing at Rackspace's Travis County site and the creation of 500 new jobs, employment will be provided and those employees will be able to continue to contribute to the economy of Travis County.

**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**

	<b>Name of Incentive</b>	<b>Description of Incentive</b>
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
16	Tax Incentives	Travis County has and may offer incentives under the Chapter 381, Texas Local Government Code, for redevelopment and community projects.