



Travis County Commissioners Court Agenda Request

Meeting Date: 11/25/2014, 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:

Consider and take appropriate action regarding:

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

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

Travis County has been asked to nominate ARM Inc. as an Enterprise Project under the Office of the Governor's Enterprise Zone program. A required public hearing was held on November 18, 2014. Attached are the final orders and exhibits that are required by statute for Travis County to approve in order for ARM Inc. 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 ARM, Inc. for the Enterprise Zone program due to the level of capital investment as well as the job creation and retention levels. Travis County also has supported programs and companies that hire economically disadvantaged residents.

ISSUES AND OPPORTUNITIES:

ARM, Inc. is planning to invest \$12 million in a new facility located off Southwest Parkway in Precinct Three. In addition, they will invest \$44 million in new data center equipment. The data center is located off Hwy 71 in Precinct Four. The company expects to create 150 jobs over 10 years. The company will also retain 342 existing jobs in Travis County. The expected average salary is \$88,000. The company will hire 35% of their new hires as "economically disadvantaged" as defined by the Enterprise Zone program.

It should be noted that this project is located in an Edwards Aquifer recharge zone. However this project has already gone through the City of Austin planning and zoning

process and the project is adhering to the necessary development restrictions of that area.

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 real property and new business personal property value created by this program. Estimates on new property taxes for this project are estimated from \$500,000 to \$600,000 over a ten year period for the new facility.

Under the Enterprise Zone program, ARM, Inc. 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

ARM

ARM, Inc. Travis County Expansion Project

COMPANY OVERVIEW:

ARM, Inc. ("ARM"), headquartered in San Jose, California, designs scalable, energy efficient-processors and related technologies to deliver the intelligence in applications ranging from sensors to servers, including smartphones, tablets, enterprise infrastructure and the Internet of Things. ARM's innovative technology is licensed by ARM Partners who have shipped more than 50 billion Systems on Chip ("SoCs") containing the company's intellectual property since the company began in 1990. The ARM business model involves the designing and licensing of IP rather than the manufacturing and selling of actual semiconductor chips.

PROJECT SUMMARY:

ARM currently employs approximately 342 employees in Travis County and 396 employees in the State of Texas. As a result of the company's tremendous growth and success, ARM is planning to spend approximately \$12 million to construct, build out, and furnish a four-story, 120,000 square foot "corporate campus" type facility, located at 5707 Southwest Parkway, Austin, Texas 78735, that will accommodate ARM's current and future Travis County business operations needs. The new facility, known as the Encino Trace Building, is expected to be ready for occupation in August 2015. Additionally, ARM leases a data center facility in Travis County that houses the company's IT network and data storage operations, at which the company plans to invest an additional \$44 million in hardware and software. In total, ARM anticipates spending over \$56 million in capital related projects in Travis County over the next five years.

As a result of the proposed capital investment, ARM expects to retain all full-time employees and anticipates creating 150 new full-time jobs at its Travis County facilities over the next five years.

ESTIMATED PROJECT COST BREAKOUT:

- Building Construction and Finish-Out	\$12 million
- <u>IT Software & Hardware:</u>	<u>\$44 million</u>
- Total Project Budget/Cost:	\$56 million

TIMELINE:

- Begin Building Construction	Q2 2014
- Complete Building Construction	Q2 2015
- Begin Finish-Out Work	Q2 2015
- Move-In and Begin Operations	August 2015

ASSISTANCE REQUEST:

- Texas Enterprise Project nomination from Travis County

ORDER NOMINATING
ARM, Incorporated
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 that is not designated as an Enterprise Zone pursuant to the Act.

WHEREAS, ARM, Inc. meets the requirements as a Qualified Business under the Act being engaged in or providing substantial commitment to initiate active conduct of business outside an Enterprise Zone where at least 35% of the new employees will be residents of an Enterprise Zone or economically disadvantaged (as defined by the Act)

WHEREAS, ARM, Inc. ("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 Leroy Nellis (or his successor) 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 ARM, Inc. for application to the bank for designation of a project or activity as an enterprise project based on expansion and renovation and creation of 150 new permanent jobs and retention of 342 employees; and
3. Approves the request by ARM, Inc. 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 the following:
Exhibit 1 - Economic Analysis of the plans for expansion, revitalization or other activity including the information required under 2303.405(b);³ 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 not located in an area designated as an Enterprise Zone pursuant to 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 ARM, Inc. 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
the creation of 150 new jobs and
the retention of 342 existing jobs; and
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 November 18, 2014, pursuant to Section 2302.4051(e) of the Act; and
5. ARM, Inc. has represented that it will make an investment of over fifty-six million dollars (\$56,000,000.00) during the designation period.

NOW THEREFORE, TRAVIS COUNTY, as of this 25th day of November, 2014, hereby:

1. Nominates ARM, Inc. as an Enterprise Project pursuant to Texas Government Code, Section 2303.4051(c) (3); and
2. Finds that ARM, Inc. meets the criteria of the Act to be designated as an Enterprise Project; and
3. Finds that ARM, Inc. 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 ARM, Inc. 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 PLANS

1. Number of employment positions in existence at ARM, Inc. on the 91st day before the application deadline: 342
2. Number of new permanent jobs ARM, Inc. commits to create during the designation period: 150
3. Number of permanent jobs ARM, Inc. commits to retain during the designation period:

Job Category	Positions	Base Wage Range
Executive	75	\$130K - \$300K
Manager	30	\$50K - \$225K
Supervisor	15	\$150 - \$250K
Staff	205	\$30K - \$300K
Entry Level	17	\$40K - \$110K

4. Amount of investment to be made by ARM, Inc. \$56 Million
5. Description of the projected schedule for activity:
ARM, Inc. commits to make capital investment in Travis County on the following schedule:

2014	\$8,500,000.00
2015	\$12,800,000.00
2016	\$4,300,000.00
2017	\$15,600,000.00
2018	\$14,900,000.00
<u>*Total</u>	<u>\$56,100,000.00</u>

*Amount of capital may fluctuate each year; however, total capital expenditures are expected to be \$56 Million over the next five years.

6. Description of local effort by County, ARM, Inc. 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 ARM, Inc. 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 policies are more fully described in Exhibit 2 of this Order.

EXHIBIT 2
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
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 ARM Inc. agree that no incentives have been granted or promised to ARM Inc. 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 November 18, 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 nominate ARM, Inc. as an Enterprise Project, and an order to identify and summarize available local incentives. ARM, Inc. 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 are not currently proposed for the ARM, Inc. project, and consideration of the nomination of ARM Inc., located at 3711 S. Mopac Expressway 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

Nov 18, 2014 9:00 AM Video

Commissioners Court

Voting Session

MOTION: Open the Public Hearing.

RESULT: APPROVED [UNANIMOUS]

MOVER: Margaret J. Gómez, Commissioner

SECONDER: Gerald Daugherty, Commissioner

AYES: Samuel T. Biscoe, Ron Davis, Gerald Daugherty, Margaret J. Gómez

ABSENT: Bruce Todd

Nov 18, 2014 9:00 AM Video

Commissioners Court

Voting Session

Members of the Court heard from:

Katie Gipson, Senior Budget Analyst, Planning and Budget Office (PBO)

Kerry McGuire, Vice President, New Business Ventures, ARM, Inc.

Gus Peña, Travis County resident

Dr. John Kim, Travis County resident

MOTION: Close the Public Hearing.

RESULT: APPROVED [UNANIMOUS]

MOVER: Margaret J. Gómez, Commissioner

SECONDER: Gerald Daugherty, Commissioner

AYES: Samuel T. Biscoe, Ron Davis, Gerald Daugherty, Margaret J. Gómez

ABSENT: Bruce Todd

Transcript

Nov 18, 2014 9:00 AM

Commissioners Court

Voting Session

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.

9:14
AM

> good morning. good morning. I call to order this November 18th, 2014, voting session of the travis county commissioners court. Turning to the agenda, we have been asked to postpone item 37, that'ss the first executive session item, and item 46.

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9:14
AM

Session. We'll have them back on next week and the other items are ready for our consideration. Number 1 is a public hearing to receive public comments regarding, a, adoption of an order to nominate arm, inc. , as an enterprise project, and 1 b, adoption of an order to identify and subpoena rise available local incentives.

9:15
AM

Move the public hearing be open.

Second.

All in favor? that passes by unanimous vote. Commissioner Todd temporarily off the dais. Let me note up front that we are posted for a public hearing today. It will be brought back next Tuesday for appropriate action by the court. Miss Gipson.

Good morning, Katie Gipson, planning and budget. Today we're here to hold a required public hearing to nominate arm inc. Under the enterprise zone program managed by the office of the governor. This public hearing was advertised in the November 11 edition of the Austin American-Statesman. Today I have Kerry Mcentire from arm and from Ryan Consulting and they will go over the power point slide and we can open up for comments and questions. . We were here a couple weeks ago to nominate another company, Rackspace, for the same program. Both companies will be applying for the December 1 deadline to the governor's office. The key difference between these two projects is location. Arm, inc. is building a headquarters off Southwest Parkway in Precinct 3, the area is not already designated as an enterprise zone, therefore the company is required to hire -- as economically disadvantaged as defined by the enterprise zone program. The company is looking to add another 150 jobs to the area and maintain 302 existing jobs. The investment is going to happen in two locations. 12 million -- near the Bergstrom airport in Precinct 4. Just a quick reminder, the company is applying for state sales tax incentives only. No county incentives are being offered. In addition to the sales tax rendered to the city of Austin or Capital Metro are affected. With that I will hand it over to Kerry Mcentire.

9:17
AM

Good morning. I've been with the Austin Design Center since 2000 so a long time resident of Austin. So I'm here today to share with you our plan to support and be part of this program emanating from the governor's office from the Texas Enterprise Zone project. We're going to discuss three elements of our proposal. As in the introduction, we -- we currently have a data center facility that we have built out and we are planning a large expansion to that to the scale of \$44 million in additional investment in hardware and software technology for that data center. And we are also building out an engineering campus to support our headquarters here in Austin. So maybe first a little about our company. Arm is a technology company. We design processors that reside in all of the world's smart phones. Over 99% of the smart phones are powered by Arm technology. We do not make the chips that go into these phones, but we design the technology and license them to our partners, Samsung, and Apple, and many of these companies who reside with us here in Austin, Texas. Inside of Arm we have three global processor teams and the design teams in Austin design our high performance processors that are going into phones, the V. S., but also servers, network and infrastructure and actually this week two of our processors won an award at the Super Computing show. It's a very

central part of our organization, the design center in Austin, has been a long part of our history of designing the technology that lines these products. We work closely with our partner company like Qualcomm and Samsung and many have chosen to increase investments in Austin in effort to participate and work collaboratively with our design team. With regards to our proposal, I'll just highlight really three elements of the proposal and our intention not only to meet the requirements of this program but also the spirit of this program. First and foremost, as indicated in the introduction, we're committed to hiring 35% of our new employees to meet the economically disadvantaged criteria of the proposal. This will be accomplished through some new HR Practices in part of our hiring that will allow us to proactively track our applicants and new hires against these criteria. Noting not only their economic status but also their enterprise zone residence requirements. So these are new practices that we're adding as part of our effort to meet the spirit and intent of this proposal. We plan to create over 150 new jobs. Our office in Austin is primarily design engineering, these are primarily high value engineering jobs with an average salary of over \$88,000. As part of this -- as part of this effort, we, of course, actively recruit at local universities, University of Texas and have attracted a number of candidates from those schools. It's our intention to add over 150 to 200 jobs. Over the last three years, we've added 160 positions in the design center. It is a rapidly growing design center and we expect we will continue to be able to hire at that level. Finally, on the hiring side, we are creating a new diversity, a hiring program, and this is the intent to roll out this program over the next four to six months. So to really embrace the values and spirit of this proposal, we are actively changing our HR Policies. We also are making investments in terms of the facilities and sites that we utilize here in Austin. We are currently located at Mopac and 360, but we're building a new Austin based head quarter out at Encino Trace which is out off Southwest Parkway area. This site will house over 120,000 square feet for our design center. Much needed space for the rapid hiring that we're doing in the Austin facility. Part of our proposal is we will be spending over \$12 million to complete and outfit that building for our opening this summer. In addition, we will be making additional investments in our data center, which is really required to support the engineering activity at that site to the tune of additional \$44 million of anticipated expense. ARM is also a long-time supporter of the community. %actually I was just remembering at the anniversary of our 20th year in existence, each site was allowed to find a way to give back to the local community. At our site, we chose to bring high school students in to show them some hands on engineering activities, program race cars, write code, develop, you know, robots and such. This -- this endeavor which started just a few years ago has led to many of our community involvements in the STEM program. So we -- we've been part of the robotic competition sponsoring the event. Something I had the joy of attending just a couple years ago. Last year we also sponsored the local science fair here in Austin and we continue to want to engage directly in a personal way with students and engineers, growing engineers from within the community. We, of course, support -- we have a program at ARM where our company matches our charitable contributions. For me personally, I've made contributions to Girl Start which has been matched by my company allowing us at the employee level to give back in real ways to our local community. So these are the elements of our -- of our

proposal that I offer for your consideration and our application for this, for the Texas Enterprise Zone for the project from the governor's office.

9:23
AM

Court members, any questions? Or comments?

A couple of questions, judge.

Commissioner Davis.

9:24
AM

Thank you. You mentioned earlier hiring disadvantaged employees and especially in the disadvantaged areas of the city. This morning I heard from some alarming news. I was already aware of it, but I guess they really did just hit on it extensively and that was this, that there is a real shortfall of high-tech persons that do not have the skill set to deal with a lot of high-tech jobs that are here within Austin-Travis County. And it appeared that there has to be a challenge set forth to make sure that the workforce that's here are able to fit the needs of the scale sets that are required for such jobs. I guess my question, and since disadvantaged areas of the city was part of the discussion here, I guess my question is how will the nexus be built to ensure that the students that are in school, those that are seeking high-tech skills to get some of the better paying jobs, since it is a shortfall, what are you all going to do about trying to fit that need and tie up the knot on that skill set?

9:25
AM

Yes, thank you, Commissioner Davis. We share your concerns. You know, the demand for technology certainly is outpacing the level of talent we can sort of pour into it. We feel that making investments in STEM education, being really involved, the earlier the better with the students from our community is going to help us prepare the best possible base of potential new hires. So I think from our perspective, we've been actively engaged with high school level students. We think that's an excellent intersection. In fact, our robotics competition is focused at sort of the middle school, high school sort of time. So we certainly share your concerns and believe that these programs, the science fairs, the STEM outreach programs, things like robotics competition really help onboard children into science and engineering and we will need that.

9:26
AM

Okay. Thank you.

Any other questions, comments? We've had Rackspace before us last week or two weeks ago. They have been negotiating with ACC regarding an appropriate curriculum to fill some of their entry-level positions. And hire the targeted group here. So would you all be willing to negotiate with ACC toward that end?

9:27
AM

I can certainly take that proposal and suggestion back to our team. As I mentioned before, we actively work and do job fairs at local universities and, you know, certainly want to see the best talent come up. So I would be happy to take that recommendation back to the team.

And what -- what happens if you do not meet the 35% new hires as economically disadvantaged.

Well, it's my understanding, and I'll ask my team to correct me if I'm wrong, but if we do not meet the obligations for that program that we're obligated then to pay back [inaudible] that we've seen.

The sales tax.

Correct.

Redud ion. miss peterson, are yu satisfied that we have met the state imposed requirements for a local governmental entity to nominate a project such as this for the governor's program?

9:28
AM

Yes, sir.

That's based on your many, many years of experience and expertise.

Learning every day.

This is a public hearing. if you would like to give comment, please come forward. If you would give us your name, we eould be happy to get your comments.

Good morning, judge, commissioners, gus pena, proud native east austinite, proud united states marine corps veteran and proud former teacher at cc acc and marine corps as instructor. Judge, what economic impact will travis county bear? And I know theanswer already, but for the public that is viewing this governmental meeting.

Okay, you mean what financial incentives does the county provide?

9:29
AM

W hat economic development, if any, will the taxpayers feel from this? I already know the answer, but I would like to hear it from you. Not what the desires of the travis county commissioners court and residents are.

Well, I think that they will invest \$44 million iin a new data center equipment and overe a pperiod of 10 years create approximately 150 new jobs, retain the 342 existing jobs, and I guess other ripple effect economic benefits that May result. To me the thing that -- that helps is that the county does not invest any financial consideration. We basically recommend to the governor. The other thing for the record is that the governor of the state has 12 allotments per quarter. This project, if we recommend it next tuesday, will have to compete against the other projects that are submitted and they come in from statewide. So you never really know whether you will get it until I guess after the governor's determination. Right?

9:30
AM

And another suggestion also, udge and commissioners, for you the group is that remember steve jacobs of capital idea has done an outstanding job of educating a lot of the economically disidvantaged -- I really don't like that terminology, but students who need more higher education or education as a whole to be able to enter the workforce. So I would ask you all also as the Judge Did also to consider steve jacobs at capital idea. There are many other outfits, but as Commissioner Davis said, we need to educate ur children and students early on andas an educator that is one of my priorities. Thank you, judge, for that ample and appropriate comment. Thank you very much.

Thank you. Dr. Kim.

9:31
AM

Yes, sir. I brought case here more than four years, since 2010 to today. This court has no jurisdiction about ac@. why are you saying now acc?

We have the probably good government duty and responsibility to try to promote collaboration in our community. So we do not -- It me finish. We don't have any power over acc, but we can certainly encourage employers to work with acc so that graduating second year students I guess and students that receive cec ificates will have better employment opportunities.

That's what this is about. That's the spirit of the recommendation.

No, what you said is not different what you did commit. Acc, you clearly said travis county commissioners court has no jurisdiction over acc. Now you say acc, this -- well, how do you say acc? They brought here the case and you need approval or something and acc.

9:32
AM

All i'm doing is recommending they negotiate with acc so that we can have graduates from there with the appropriate backgrounds to fill some of these new jobs. Since they have a responsibility under the governor's requirements, state requirements, to meet a 35% economically disadvantaged employees. You see what i'm sayinn? The one way to do that would be to touch base with the nonprofit agencies in our community and public institutions that are there to serve high school graduates and get them a good job, get them on a career path and prrvide workplace job training, education, et cetera, sort of what I had when I was much younger than today.

No, sir. your explanation does not make sense at all. Why acc killed my professor job there. They killed my professor job. They kidnapped me fom the inside room 410 to outside [indiscernible] until today.

9:33
AM

Okay. any other comments, Dr. Kim? thank you for your input. Would anyone else like to give comment during this blic hearing? If so, please coome forward. We will have it back on the court's agenda for next tuesday.

Move the public hearing be closed.

Second.

All in favor? that passes by unanimous vote. Thank you all very much.

Thank you.

Thank you.

EXHIBIT 6

DOCUMENTATION OF EMPLOYMENT

Existing Jobs at ARM, Inc. at the Travis County site:

Job Category	Positions	Base Wage Range
Executive	75	\$130K - \$300K
Manager	30	\$50K - \$225K
Supervisor	15	\$150 - \$250K
Staff	205	\$30K - \$300K
Entry Level	17	\$40K - \$110K

**Demographics of ARM, Inc. Employees at the Qualified Business Site in Travis County:
[optional]**

Subject	Percent
White	
Hispanic or Latino	
Black or African American	
Asian	
Some other race	
Two or more races	
American Indian and Alaska Native	

Existing Jobs at Other Texas Locations:

City	Number of Jobs
Plano	11

EXHIBIT 7

**OFFICIAL CENSUS MAP
WITH LOCATION OF ARM Inc.**

Address: 5707 Southwest Pkwy.
Austin, TX 78735-6219

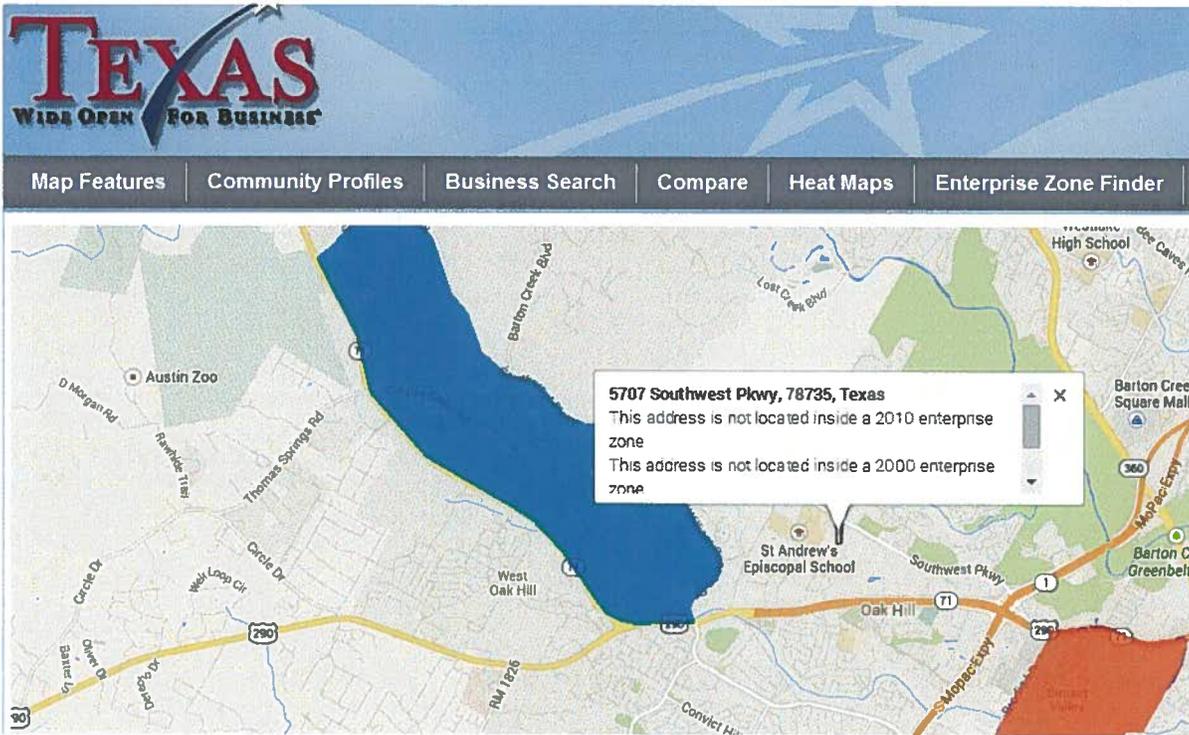


EXHIBIT 8

**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, ARM, Inc. will continue to provide a valuable tax base for the County. By retaining the 342 jobs now existing at ARM Inc.'s Travis County site, and creating 150 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 _____ day of _____, 20____, 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
16	Tax Incentives	Travis County has and may offer incentives under the Chapter 381, Texas Local Government Code, for redevelopment and community projects.