



Travis County Commissioners Court Agenda Request

Meeting Date: 12/9/2014, 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 update on compliance review of Travis County's economic development incentive agreements

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

This presentation is a short update on the nine economic development incentive agreements that Travis County is currently monitoring for compliance. Attached is a PowerPoint presentation that reviews each agreement's terms and the extent to which those terms were met.

The nine agreements are with the following companies: Home Depot, Hewlett Packard, Samsung, Domain/Simon Properties, FRV Solar, RRE Solar, Apple, HID and Charles Schwab

STAFF RECOMMENDATIONS:

N/A

ISSUES AND OPPORTUNITIES:

N/A

FISCAL IMPACT AND SOURCE OF FUNDING:

N/A

REQUIRED AUTHORIZATIONS:

Planning and Budget Office
County Judge's Office

Jessica Rio
Melissa Velasquez



Economic Development

Compliance Update

December 9, 2014

Overview

- * Travis County currently has nine incentive agreements with companies
- * Each agreement goes through a yearly compliance process
- * Update Commissioners Court on progress of the agreements
- * Highlight investment and job growth

Policy

- * Current policy was approved in January 2014
 - * Base Requirements for an agreement
 - * Capital Investment
 - * Competitively Sited
 - * Offer Benefits
 - * Use of HUB vendors
 - * Preferred Location
 - * Additional opportunities to increase the incentive
 - * Job Creation
 - * LEED Certification
 - * Workforce Development
 - * 50% new hires from Travis County
 - * Construction Hiring

What must Companies do for an incentive?

- * Invest in capital improvements to increase taxable value
- * Create jobs for local residents
- * Support the local economy
 - * HUB Vendors
 - * Local labor and materials
- * Support the local community
 - * Environmentally friendly construction
 - * Support education and workforce development

Agreements

- * Abatement agreements

 - Home Depot Technology Center

 - Hewlett Packard

- * Rebate agreements

 - Domain

 - Samsung

 - FRV Solar

 - RRE Solar

 - Apple

 - HID

 - Charles Schwab

Compliance Review

- * For companies within the payment term PBO reviews the company requirements for that current year of the agreement
- * Most time is spent verifying employment
- * For companies not yet in the payment term PBO works on construction and hiring compliance
- * PBO works with the City of Austin Economic Development and Contract Compliance departments in which the City and County agreements are similar

Agreements within the payment term

- * Home Depot Technology Center
- * Hewlett Packard
- * Domain
- * Samsung
- * FRV Solar

Home Depot Technology Center

- * Total Investment Requirement: \$400,000,000
 - * Actual Cumulative Investment: \$863,970,448
- * Jobs Requirement: 400 to 500 FTE
 - * Actual Jobs as of 12/31/13: 417
- * Average Salary Requirement: \$58,608
 - * Actual Average Salary as of 12/31/13: \$82,483

September 30, 2004-December 31, 2015

Hewlett Packard

- * Amended January 24, 2012 to combine requirements on both sites
- * Total Investment Requirement: \$500,000,000
 - * Actual Investment: \$543,446,465
- * Jobs Requirement: Average of 112 on both sites
 - * Actual Average Jobs as of 12/31/13: 597*
- * Average Salary Requirement: \$60,000
 - * Actual Average Salary as of 12/31/13: \$131,270*

*Self reported-PBO in the process of confirmation

May 23, 2006-December 31, 2017

Domain

- * Total Investment Requirement: \$100,000,000
 - * Actual Investment: \$231,240,087
- * Jobs Requirement: 1,100 FTE, no less than 750
 - * Actual Jobs as of 12/31/13: 1,210
- * Good Faith effort to use HUB vendors
- * Affordable Housing: 10% of 600 units occupied by tenants with 65% area median income
 - * Verified by Travis County Housing Finance Corporation

January 13, 2006-December 31, 2026

Samsung

- * Total Investment Requirement: \$3,500,000,000
 - * Actual Cumulative Investment: \$9,625,595,708
- * Jobs Requirement: 700
 - * Actual Jobs as of 12/31/13: 2,538
- * Average Salary Requirement: \$54,000
 - * Actual Average Salary as of 12/31/13: \$68,487
- * Good faith effort to use HUB vendors

May 4, 2006-December 21, 2027

FRV Solar

- * Total Investment Requirement: \$100,000,000
 - * Actual Investment: \$140,371,116
- * Maintain 30MW power generation
- * Jobs Requirement: Maintain 3 to 5 jobs
 - * Actual Jobs as of 12/31/13: 3 full time, 3 part-time
- * Good Faith effort to use HUB vendors
- * Create a visitor center by 12/31/14
- * Establish education program with Del Valle ISD & ACC by 12/31/16

April 19, 2011-December 31, 2032

Agreements not yet in payment term

- * RRE Solar
- * Apple
- * HID Global
- * Charles Schwab

RRE Solar Farm

- * In the process of amending agreement
- * Investment Requirement: \$210,000,000
- * Jobs Requirement: 25
- * Maintain 60 MW generation
- * Establish an education program with ACC

January 19, 2011-December 31, 2032

Apple

- * Required investment: \$282,500,000
- * Required Jobs: 3,635 new and 3,100 existing
- * Average Salary: \$54,000 to \$73,500
- * Follow W/MBE contractor requirement
- * Work with Workers Defense Project during construction
- * Provide health benefits
- * Pay \$11 livable wage
- * Maintain transportation program
- * Work with Lone Star Rail District
- * Seek LEED certification
- * Hire 50% Travis County residents

HID Global

- * Required Investment: \$36,000,000
- * Required Jobs: 276
- * Required Average Salary: \$44,346- \$53,164
- * Seek LEED certification
- * Follow W/MBE contractor requirement
- * Hire 20% disadvantaged workers for construction jobs
- * Provide OSHA training
- * Hold two job fairs
- * Work with non-profits for recruitment
- * Provide health benefits

October 15, 2012-December 31, 2025

Charles Schwab

- * Required Investment: \$196,711,000
- * Required Jobs: 823 new & 927 existing
- * Required Average Salary:\$79,602
- * Seek LEED Certification
- * Good Faith effort to use Travis Co. HUB program goals
- * Provide OSHA training
- * Hold two job fairs
- * Work with non-profits for recruitment
- * Provide health benefits
- * Provide \$11 min wage for construction workers
- * Good faith effort to hire Travis County residents

August 15, 2014-December 31, 2027

- * Learn more about our economic development policy and see a copy all agreements
- * http://traviscountytexas.gov/planning_budget/economic_dev.asp
- * Katie Gipson
Planning and Budget Office
(512) 854-9106

Thank You