



COMMUNITY REPORT

GENERATING JOBS, TAX REVENUES AND INVESTMENT

CITY OF AUSTIN:

ECONOMIC DEVELOPMENT DEPARTMENT

JULY 14, 2014

STRATEGIC INITIATIVES: ECONOMIC DEVELOPMENT DEPARTMENT

Global Business Recruitment and Expansion

- Business Expansion
- Development of Eco-Industrial Park
- International Trade and Investment
- International Welcome Program
- Sister and Friendship Cities
- IC-squared
- Austin Technology Incubator

Cultural Arts Division

- mindPOP
- Art in Public Places
- Faces of Austin
- CreateAustin Cultural Master Plan
- Cultural & Heritage Tourism
- Cultural Funding
- Take it to the Next Level
- The People's Gallery

Small Business Development Program

- Family Business Loan Program
- LocallyAustin.org
- BizAid Business Skills Classes and Certification
- BizOpen
- Business Solutions Center
- ElevateAustin
- Getting Connected & Meet the Lender

Redevelopment Division

- Mueller
- Seaholm District
- 2nd Street
- Green Water Treatment
- Downtown Redevelopment
- Sustainable Places Project

Music and Entertainment Division

- ATXPort
- Austin Music Memorial
- HopeFM First Live Sundays
- Music For Kids
- Music Loan Program
- Music Tourism
- Outdoor Music Venue Permitting
- Music Industry Relations

MYTHS AND LITTLE KNOWN FACTS

CH 380 AGREEMENTS

- Myth: Incentives are done behind closed doors
 - Austin received a perfect score for Transparency of Economic Agreements by *Good Jobs First* (Washington, DC)
- Myth: Money for incentives could be used for parks, public safety, libraries, and other similar purposes
 - If a project doesn't locate in Austin, there is no money from the project
- 21 agreements executed since 2003; 2 Per Year (Avg)
- All agreements are performance-based, no clawbacks necessary
- Only cash positive proposals are brought forward

MYTHS AND LITTLE KNOWN FACTS

CH 380 AGREEMENTS

- Myth: Companies come to the City asking for incentives
 - Through Opportunity Austin, the City markets itself to businesses in targeted industry sectors that want to locate or expand in Austin.
- The City negotiates with the profit from each project
- Evaluation Matrix helps select companies that embrace Austin's core community values including, but not limited to:
 - Extend benefits to domestic partners and their dependents
 - Provide employees training and opportunities for advancement
 - Good wages and employee diversity in hiring and promotion

ACTIVE FIRM-BASED ECONOMIC DEVELOPMENT INCENTIVE AGREEMENTS

Company	Jobs Required ³	Investment Required ³	City's Net Benefit ²	Council Approved
Websense	470	\$9,930,000	\$1,760,000	2/20/2014
Athenahealth	607	\$7,750,500	\$1,665,899	1/30/2014
Visa	794	\$27,312,918	\$6,860,665	12/6/2012
HID Global	276	\$36,000,000	\$2,257,170	9/27/2012
Apple	3,635	\$282,500,000	\$14,573,704	3/22/2012
Advisory Board Company	239	\$8,100,000	\$1,406,971	6/23/2011
Facebook	200	\$3,150,000	\$312,731	3/11/2010
Hanger	250	\$6,744,335	\$924,778	1/28/2010
Samsung	500	\$4,000,000,000	\$8,000,000 ¹	8/18/2005
Totals	6,971	\$4,381,487,753	\$37,761,918	

\$33,220,932.37 (Total Paid To Date) - A complete listing of agreements and payments can be found at www.austintexas.gov/ecodev

¹Prior to use of WebLOCI; represents net revenue

²Figure is an estimation calculated through WebLOCI analysis

³Deliverables provided in each agreement

CITY LEVERAGED STATE COMMITMENTS

Company	City's Incentive	State's Incentive
Websense	\$438,000	\$4,500,000
Athenahealth	\$679,500	\$5,000,000
Visa	\$1,560,000	\$7,900,000
HID Global	\$920,576	\$1,900,000
Apple	\$8,600,000	\$21,000,000
Advisory Board Company	\$372,590	\$500,000
Facebook	\$200,000	\$1,400,000
Hanger	\$500,000	\$1,500,000
Samsung	\$62,875,194 ¹	\$129,908,917
Total	\$76,145,860	\$173,608,917

¹ Estimated before expansion

LOCAL IMPACT: COMPANIES MAKING A DIFFERENCE



The Advisory Board Company provided 5,000 volunteer hours to the Austin community over the past year. Examples include:

- *Developing an HR strategy plan for Breakthrough Austin,*
- *Working with the City of Austin on web application platforms to increase community and corporate volunteerism, developing analytical frameworks and care improvement strategies for multiple community health clinics in the region,*
- *A number of hands-on activities that include “Saturday Service” events and staffing of a weekly Meals on Wheels route and monthly Ronald McDonald House dinner.*



Samsung Austin Semiconductor provided substantial financial grants and volunteer hours in areas such as:

- *Early childhood intervention and youth development,*
- *STEM education and*
- *Environmental sustainability.*

Samsung also sponsored the first ever Samsung Holiday Shop:

- *Partnership with Manor ISD at Decker Middle School.*
- *Collected donations from employees and served over 50 Manor families at the Holiday Shop by providing gifts that were discounted by 90%.*
- *All proceeds presented to the MISD Student and Family Support Services.*

Thank you

**Rodney Gonzales, Deputy Director
City of Austin Economic Development**

Visit us at www.austintexas.gov/ecodev

