

**RESOLUTION NO. 20131024-056**

**WHEREAS**, economic development agreements authorized under Chapter 380 of the Texas Local Government Code (“Chapter 380 Agreements”) are evaluated based on fiscal impact, linkages to the Austin economy, impact on City services, character and number of jobs, quality of life, environmental initiatives, project investment and other related items; and

**WHEREAS**, there is a public benefit in including community values as part of economic development agreements; and

**WHEREAS**, the City Council enacted Resolution No. 20030612-015 establishing an Economic Development Policy and Program including a Firm Based Incentive Matrix used to determine the eligibility of a Firm seeking economic incentives from the City; and

**WHEREAS**, the City Council enacted Resolution No. 20041028-003 to amend the Firm Base Incentive Matrix; and

**WHEREAS**, the City Council formed the Special Committee on Economic Incentives (“Committee”) by Resolution No. 20120524-092 to make recommendations to Council regarding improvements to the City’s existing Economic Development Policy; and

**WHEREAS**, the Committee held six public meetings to consult with other governmental jurisdictions, gather information from experts regarding economic incentive policies, and provide ample opportunity for public input; and

**WHEREAS**, based on the feedback received during the public input process, the Committee recommended requiring companies entering into Chapter 380 Agreements to ensure compliance with the City's prevailing wage program for construction work funded by the Firm, the City's living wage for construction workers and employees that have permanent jobs with the company, and offer domestic partner and health insurance benefits for its employees as core values; and

**WHEREAS**, the Committee recommended an exception process to the requirements of living wage, health insurance, and domestic partner benefits; and

**WHEREAS**, the exception application attached as Exhibit A gives ultimate flexibility in the Chapter 380 Agreement terms that will be considered for exceptions by providing an option for open communication about what community benefits could be considered in exchange for an exception; and

**WHEREAS**, Resolution 20120112-058 requires that eligible third-party agreements including Chapter 380 Agreements comply with the standards and principles of the City's MBE/WBE Ordinance; and

**WHEREAS**, the matrix attached as Exhibit B reflects the recommendations passed by the Committee and retains previously existing requirements for Chapter 380 Agreements including locating in the Desired Development Zone, conducting business in compliance with environmental regulations, and compliance with the requirements imposed by other council action including the City's MBE/WBE Ordinance; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

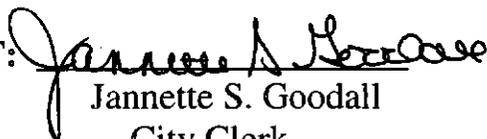
That the Firm Based Incentive Matrix used as part of the Chapter 380 Agreement approval process cited in Resolution No. 20041028-003 is hereby amended to read as shown on the matrix attached as Exhibit B.

**BE IT FURTHER RESOLVED:**

That an exception process, including the attached application form, to allow a Firm to be exempt from the identified Minimum Project Requirements in Section 1. of the matrix, shall be established for Council consideration. The completed exception application will be made available to Council and to the public at the time of the staff presentation required by Ordinance No. 20091001-011. Exceptions to the Matrix will require approval by a two-third majority vote of Council to be accepted as part of the Chapter 380 Agreement.

ADOPTED: October 24, 2013

ATTEST:

  
Jannette S. Goodall  
City Clerk

# Austin, Texas



## Exception Application

**Economic Development Department**  
*"Investing in Austin's Future"*

### EXHIBIT A

Date Received: \_\_\_\_\_

Project: \_\_\_\_\_



## Instructions

The Exception Form is intended to provide firms an opportunity to request a waiver for the requirement to pay the City of Austin's living wage to full-time employees, contract employees, and contract construction employees, to extend benefits to domestic partners, or to provide health benefits for all full-time employees. The completed exception application will be made available to Council and to the public at the time of the staff presentation required by Ordinance No. 20091001-011. Information provided on this form will be used by Council in consideration of granting the exception request.

### Questions or Comments

Please contact

Ben Ramirez

Acting Economic Development Manager

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## Company Information

Company Name: \_\_\_\_\_

Headquarters Location: City: \_\_\_\_\_ State: \_\_\_\_\_



Indicate which Minimum Project Requirement is requested to be waived (Eligible requirements for waivers: 1F. The Firm will pay all workers at least the City of Austin's living wage, including full time employees, contract employees, and contract construction employees, 1G. The Firm will extend benefits to domestic partners of employees and their dependents, or 1H. The firm will provide health insurance benefits for all new full-time employees.):

Provide the financial impact to the company to comply with the minimum project requirements without the waiver, and the cost difference expected if the waiver is approved. If applicable, please provide any additional details regarding nonfinancial hardships that would be remedied with the approval of the waiver.



Please describe any community benefits included in this project that the firm would like considered as part of this waiver:

If requesting a waiver for wages, please provide information regarding how many positions this waiver will apply to, the wages these positions will be paid, and the local median wage for that job classification. Please also describe any plans for workforce development services that will be available to employees:



Please provide any additional thoughts or comments related to the waiver request that could be pertinent to the evaluation process:

**Signature**

To the best of my knowledge, the information included in this City of Austin Business Exception Application is true and correct, as evidenced by my signature below.

Signature: \_\_\_\_\_  
(Company Representative)

Date: \_\_\_\_\_

<b>Firm-Based Incentive Matrix</b>					
Project Name:					
<b>SECTION 1. MINIMUM PROJECT REQUIREMENTS</b>					
	A. The Firm is located in the Desired Development Zone.				
	B. The Firm conducts its business in compliance with environmental regulations.				
	C. The Firm will ensure that all construction workers hired for construction funded by the Firm will be provided Workers Compensation Insurance and OSHA 10 Training.				
	D. The Firm will comply with the City of Austin's MBE/WBE Ordinance.				
	E. The Firm will ensure that all construction work funded by the Firm complies with the City's established prevailing wage program that is used on City of Austin public works projects. Unless living wage is exempted through the exception process, the City of Austin's living wage will apply to any prevailing wage classification that falls below the living wage. <i>Firm may qualify for an exception from this requirement - see Section #5 below.</i>				
	F. The Firm will ensure that all workers are paid at least the City of Austin's living wage, including full-time employees, contract employees, and construction workers hired for construction work funded by the Firm. <i>Firm may qualify for an exception from this requirement - see Section #5 below.</i>				
	G. The Firm will extend benefits to domestic partners of employees and their dependents. The Firm's policy should reflect the definition of a domestic partner as an individual who lives in the same household and shares the common resources of life in a close, personal, intimate relationship with an employee if under Texas law the individual would not be prevented from marrying the employee on account of age, consanguinity or prior undissolved marriage to another. A domestic partner may be of the same, or opposite, gender as the employee. <i>Firm may qualify for an exception from this requirement - see Section #5 below.</i>				
	H. The Firm will provide health insurance benefits for all new full-time employees. <i>Firm may qualify for an exception from this requirement - see Section #5 below.</i>				

<b>SECTION 2. EVALUATION CRITERIA</b>				
<b>Overall Economic and Fiscal Impact</b>		<b>Small 10</b>	<b>Medium 20</b>	<b>Large 30</b>
	Relative to its industry, what is the absolute size of the net benefit as measured by: jobs and income, level of desirable public benefits, and net fiscal impact to the City?			
<b>Linkages to the Local Economy</b>		<b>Poor 0</b>	<b>Acceptable 15</b>	<b>Excellent 25</b>
	Is the Firm a recognized targeted industry identified by City of Austin?			
	Is the firm a headquarters operation? Does it represent the "headquarters" of a new product line or service for the firm?			
	Is the firm growing? Is the firm in a growing industry? How stable is the firm?			
	Does the project make use of an especially underutilized asset such as certain segments of the labor force or current office space?			
	Will the project create significant contracting opportunities for local firms including small and disadvantaged businesses?			
	Does the project fill a hole in the Austin economic base?			
	Does the project have the potential to either seed a new cluster or bring additional firms to Austin?			
	Will the firm directly compete for resources with existing firms?			
<b>Infrastructure Impact</b>		<b>Disproportionate 0</b>	<b>Proportionate 5</b>	<b>Low Impact 10</b>
	Will the firm make a disproportionate demand on the community's infrastructure?			
<b>Character of Jobs/Labor Force Practices</b>		<b>Unacceptable 0</b>	<b>Acceptable 15</b>	<b>Excellent 25</b>
	Will the bulk of new hires be local or imported?			
	What is the average wage paid? How does it compare to the local or national industry average?			

	What is the median wage paid? How are job categories and wages distributed within the overall structure?				
	What training is provided? Opportunities for advancement? Are there funds for additional education?				
	Does the firm actively promote diversity in hiring and promotion?				
	<b>Quality of Life/Cultural Vitality</b>	<b>Unacceptable</b>	<b>Acceptable</b>	<b>Excellent</b>	
		<b>0</b>	<b>5</b>	<b>10</b>	
	Does the firm have a proactive cultural outreach program?				
	Does the firm actively encourage employee volunteer/charitable efforts?				
<b>SECTION 3: THRESHOLD FOR EXTRAORDINARY ECONOMIC IMPACT AND ADDITIONAL BONUS</b>					
<b>Threshold for Extraordinary Economic Impact</b>		<b>Yes</b>		<b>No</b>	
<b>Subsection A:</b>	1. The firm is in a targeted industry.				
	2. The firm is involved in leading edge technology.				
	3. State economic development funds are available for the firm.				
	4. The firm will generate 500 jobs or more.				
<b>Criteria for Additional Bonus Consideration</b>		<b>Yes</b>		<b>No</b>	
	<p>1. 10% of the new full-time jobs created by the project will be filled by economically disadvantaged workers. An economically disadvantaged worker is defined as a person who meets one of the following descriptions:</p> <ul style="list-style-type: none"> <li>• Is unemployed for at least three months before obtaining employment with the company;</li> <li>• Has a household income of less than 80% of the area median income;</li> <li>• Resides in a census tract with a rate of unemployment in excess of 150% of the Austin-MSA unemployment rate; or</li> <li>• Faces or has overcome at least one of the following barriers to employment: <ul style="list-style-type: none"> <li>o Being homeless</li> <li>o Being a custodial single parent</li> <li>o Receiving public assistance</li> <li>o Lacking a GED or high school diploma</li> <li>o Participation in a vocational English as a second language program</li> <li>o Having a criminal record or other involvement in the criminal justice system</li> <li>o Has a physical or mental disability</li> </ul> </li> </ul>				

<b>Subsection B:</b>	2. The firm will develop and implement a program for recruiting ex-offenders and provide employed ex-offenders with continuing education services (either toward the attainment of a high school diploma or GED or toward the attainment of an Associate's or Bachelor's degree) or ongoing mentoring services.				
	3. The firm will fill at least 75% of new, full-time jobs with City of Austin residents. For purposes of this requirement, residents are defined as having a permanent address within the City of Austin and not having worked for the company prior to the effective date of the agreement				
	4a. The Firm will locate in a high frequency transit corridor, TOD, or Regional Center, Town Center, or Neighborhood Center identified in the Growth Concept Map in the Imagine Austin Plan and/or locate within ½ mile of a rail or bus stop that is accessible by safe pedestrian and bicycle routes.(If met, firm eligible for up to 7% additional incentive.) 4b. The firm will develop a program to encourage employees to use alternative transportation modes through Transportation Demand Management strategies such as carpooling, flextime work schedules, and subsidizing transit costs for employees.(If met, firm eligible for up to 3% additional incentive.)				
	5. The firm will commit to obtaining LEED certification silver or above for the project.				
	6. The project has a WebLOCI-estimated net benefit of \$5 million or more.				
	7. The firm will ensure that employees and/or construction workers are provided workforce development services through nonprofits that contract with the City of Austin or apprenticeship/training programs registered with the Department of Labor, or will make a monetary donation (the amount to be included in the Agreement) to a workforce training program approved by the City of Austin.				
	8. The firm will provide an on-site day care facility for employees that may be open to the public, and/or provide subsidized daycare for employees.				
	9. The firm meets two or more of the thresholds in Section 3, Subsection A.				
	10. New value of eligible property shows a minimum investment of more than \$200 million.				
	<b>TOTAL POSSIBLE POINTS</b>				<b>100</b>
<b>TOTAL SCORE</b>					
<b>SECTION 4. PROPERTY TAX REBATES AND JOBS-BASED GRANTS</b>					
	A firm can receive either a property tax rebate OR a jobs-based grant. The point range below describes the maximum level to be provided. All incentives are performance-based and are not paid up front.				

	<p><b>General Fund Impact:</b> Property tax rebates will not be provided which result in a Web-LOCI computed net loss for the General Fund. Property tax rebates are for property taxes generated by the Project and will not exceed 100% in any year.</p>				
	<p><b>Total Points Scored:</b></p>	<p><b>Property Tax Rebate</b></p>		<p><b>Jobs-Based Grant</b></p>	
	<p>Less than 60 points</p>	<p>No Consideration</p>		<p>No Consideration</p>	
	<p>60 to 79 points</p>	<p>Up to 30%</p>		<p>Up to \$100/job</p>	
	<p>80 points or more</p>	<p>Up to 50%</p>		<p>Up to \$150/job</p>	
	<p><b>EXTRAORDINARY ECONOMIC IMPACT:</b> A firm that scores at least 60 points AND meets at least one threshold from Section #3A will be eligible to be considered for additional incentives. The firm will be eligible for up to an additional 10% incentive for each criteria met in Section #3B. The percent for each criteria will be recommended by City Staff and then evaluated and approved by Council.</p>	<p>Up to 100%</p>		<p>Up to an Additional \$50/job</p>	
<p><b>SECTION 5. THRESHOLD FOR EXCEPTION PROCESS FOR SECTION #1E, #1F, #1G, or #1H</b></p>					
	<p>Section #1A, #1B, #1C, and #1D are Minimum Requirements that cannot be waived. An exception application form must be submitted by the applicant and approved with a 2/3 majority vote of Council in order to waive Minimum Requirements Section #1E, #1F, #1G, or #1H.</p>				