

Enterprise Zone Project Summary

SHI International Corp.

Company Overview

SHI International Corp. (SHI) is a privately held technology products services company headquartered in Somerset, New Jersey with more than 35 offices around the world. Founded in 1889, we have expanded from strictly a software reseller to a \$10 billion global provider of information technology products and services. Driven by the industry's most experienced and stable sales force and backed by the software volume licensing experts, hardware procurement specialist, and certified IT services professionals SHI delivers custom IT solution to Corporate, Enterprise, Public Sector, and Academic customers. The company strives to offer excellent products ranging from software and hardware procurement to deployment planning, configuration, IT asset management, and cloud computing. With our commitment to exceptional value, SHI is the only North American Large Account Reseller to win the Microsoft Operational Excellence Award for 12 years. In addition, they are ranked 10th on CRN's 2019 Solutions Provider 500 list of the largest North American IT solutions providers.

Project Description

SHI constructing a new 250,000 square foot, four story divisional headquarters in Austin located at 3828 Pecana Trail, Austin, Texas. Over the next five years, SHI plans to invest \$25 million into the construction and build out of the new divisional headquarters facility. The project will include \$15 million for building construction and \$10 million for furniture, fixtures and equipment. The new divisional headquarters will position SHI with the ability to expand their operations and better support their growing customer base.

Enterprise Zone Definition

Any block group within the State of Texas that has a poverty rate of 20% or more, as determined by the U. S. Census Bureau during each decennial census is a state enterprise zone.

Requirements for Hiring Disadvantaged Workers

Projects may be physically located in or outside of the Enterprise Zone. If located within a zone, the company commits that at least 25% of their new employees will meet economically disadvantaged, enterprise zone residence or veteran requirements. If located outside of the zone, the company commits that at least 35% of their new employees will meet economically disadvantaged, enterprise zone residence or veteran requirements. See Employee Wages notes below.

Project Parameters

Project Characteristics

- Building of New Divisional Headquarters
- Purchase Furniture, Fixture & Equipment
- Total

Project Capital Investment (Total Costs)

- \$15.0 M
- \$10.0 M
- **\$25.0 M**

Project Construction Estimated Completion

- March 2020

Project Qualified Business Site

- 3828 Pecana Trail, Austin, Texas 78749

Enterprise Zone Project Specific Designation Period

- July 24, 2024 thru December 2, 2024

Employee Wages

- Total Number of Full-Time Jobs at the site. 977
- Total Number of Full-Time Jobs to be Retained for Program Benefit 500
- Total Number of Full-Time Jobs to be Created for Program Benefit 0

Job Category	Number of Jobs (employed by company)	Number of Jobs (vendor or contract)	Average Annual Wages	Percent to be Locally Hired
Executive	15	0	\$ 271,862.00	100%
Manager	280	0	\$ 131,009.00	100%
Supervisor	0	0	\$ -	100%
Staff	611	0	\$ 92,565.00	100%
Entry Level	71	0	\$ 27,364.00	100%
Total	977	0	\$ 522,800.00	100%

Note:

- This project is located **outside of the zone**, and therefore the company would be required to commit that at least **35%** of their new employees will meet economically disadvantaged, enterprise zone residence or veteran requirements.
- The wages seen in the diagram above are base wages only.
- Employees benefits received are as follows: Comprehensive medical, dental and vision plans, Life insurance with Accidental Death & Dismemberment, Long-term disability insurance, 401(k) (Roth & Traditional), Paid vacation (including major holidays), Employee personal purchase program, Reimbursement of job-related professional development, Reimbursement of job-related professional development, Employee referral bonus program, Flexible spending account, Group discounts on Wireless services, Auto insurance, Valet dry cleaning and Daycare and preschool, and being a part of a thriving, stable technology-based company that emphasizes work and play

Maximum Estimated State Sales & Use Tax Refund

- \$1,250,000
- The State of Texas computes its Maximum Potential Refund based upon a company's Capital Investment, Number of Jobs Created and/or Retained up to 500, and the Maximum Refund per Job Allocation (\$2,500 per job for a Single Enterprise Project Designation

Sales and Use Tax (State and Local)

The Texas state sales and use tax rate is 6.25%, but the local taxing jurisdictions (cities, counties and special purpose districts, and transit authorities) may also impose sales and use tax up to 2% for a total maximum combined rate of 8.25%. For purposes of this program, it is the 6.25% portion of the tax that is used to provide a refund to corporations that apply for the Enterprise Zone program. The 2.0 % local tax is not affected, therefore no fiscal impact on the city.

Tax Structure

- Overall Tax = 8.25%
- State Portion = 6.25%
- Local Portion = 2.0 %*

Enterprise Zone Designation Period

- 5 years from approval date

Prior Council Action

- No prior items

Enterprise Zone Qualified Business Site Location

- 3828 Pecana Trail, Austin, Texas 78749

The Public Good (if approved)

1. The City of Austin would join our corporate partners in battling poverty, and in this case, it would assist the disadvantaged in a zone suffering from **9.30%** poverty according to the state's data of the last decennial census.
2. The City of Austin would send a signal that we appreciate all corporate partners who take advantage of this program to help our citizens who meet economically disadvantaged, enterprise zone residence or veteran requirements.
3. The City of Austin would support a program that requires no fiscal impact to the city.
4. The City of Austin would support capital investment within the Desired Development Zone rather than the Drinking Water Protection Zone.
5. The City of Austin would support keeping this corporate benefit in Austin rather than allowing it to be refunded in another city in the State of Texas.

The City of Austin would maximize our local effort to return state sales and use tax to our city, rather than allow those dollars to be sent to other cities in support of their corporations and/or local economies.

Other Austin Locations

- 1301 South MoPac Expressway
- 1501 South MoPac Expressway

Project Location (Visual)

SHI International Corp. on Enterprise Zone Aerial Map

Project Location: Official U.S. Census Map Showing Location of the Project

Applicant: SHI International Corp.

Address: 3828 Pecana Trail

Austin, Texas 78749

Poverty Level: <20%

Project Location: Census Tract 17.5, Block Group 1, Travis County, Texas

