

Economic Development Proposal

Apple Inc

March 2012

+ Economic Development Proposal

- The purpose of today's briefing is to present the following:
 - An overview of Apple Inc
 - A review of the matrix criteria and score
 - A summary of the WebLOCI fiscal impact analysis
 - A compilation of the benefits from this economic development proposal
 - A review of the proposed agreement

+ Apple Inc.

Company overview

- Publicly traded company founded in 1976
- The company's global headquarters is in Cupertino, CA
- The Company is a leading designer, manufacturer and marketer of mobile communication and media devices, personal computers, portable digital music players, and sells a variety of software and third-party digital applications
- The Company employs approximately 60,000 employees worldwide, including more than 3,100 at its existing Austin locations

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What criteria and analysis were used?

- Economic Development Matrix
 - The matrix is a scoring tool that assesses firms using the following five categories of criteria:
 - Overall economic and fiscal impact
 - Linkages to the local economy
 - Infrastructure impact
 - Character of jobs and labor force practices
 - Quality of life and cultural vitality
- WebLOCI fiscal impact analysis

+ Economic Development Matrix

What is the score for this project?

- Apple scored 100 out of 100
- The score is reflective of the following:
 - Apple will expand its Austin presence by establishing its Americas Operations Center in Austin
 - Apple will create 3,635 new jobs in Austin over a 10 year period while retaining the Company's existing 3,100 Austin based employees
 - Apple offers a comprehensive benefits package including health insurance, domestic partner benefits, and tuition reimbursement for its employees

+ WebLOCI Fiscal Impact Analysis

The financial benefits and costs of this project

- The grant is \$8.6M over 10 years
- Total direct benefits are = \$89.8 million to the City
- Total costs are = \$75.2 million to the City
- Total net benefit ($\$89.8 - \75.2) = \$14.6 million (rounded) to the City

+ Economic Development Agreement

What are the contractual obligations?

Apple – Performance Obligations

- Establish the Company's Americas Operations Center in Austin
- Invest \$282.5 million to construct up to 1 million square feet of new office space
- Create and maintain up to 3,635 new full-time jobs in Austin with an average annual wage of \$63,950 while retaining the Company's existing 3,100 full-time employees in Austin
- Work with local organizations to expand pool of diverse candidates in employment recruitment efforts
- Abide by a supplier diversity policy
- Comply with the standards and principles of the City's ordinance for minority-owned and women-owned business enterprises ("M/WBE Program Ordinance") in the design and construction of its Americas Operations Center
- Comply with all City Code regulations, including applicable water quality regulations

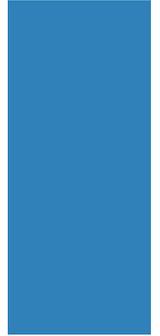
+ Economic Development Agreement

What are the contractual obligations?

City of Austin – Performance Obligations

- Provide a 10 year performance-based economic development grant equal to 100% of the new incremental real and personal property taxes generated from this project.
- The City is not obligated to make a grant payment for any year in which the City has determined that Apple has failed to fulfill an obligation or condition applicable to the company

+ Next Steps



- Today – Set the public hearing for the March 22nd City Council meeting so that the public can comment on the proposed Economic Development agreement between Apple and the City of Austin
- March 19th – Online public comments will be transmitted to City Council
- March 22nd – A public hearing will be conducted followed by a City Council action