

## Economic Development Incentive Project Examples

Category 1:  
Small  
Business  
Expansion  
Project  
Example  
(5-24 Jobs)

| Requirements                             |          |
|--|----------|
|  | Mandated |
| Quality Water Regulations                | Yes      |
| MBE/WBE Ordinance*                       | No       |
| Health Insurance for New FTEs***         | Yes      |
| Benefits to Domestic Partners/Dependents | Yes      |
| Workers Comp and OSHA 10                 | Yes      |
| Construction Living Wage                 | Yes      |
| Program Wage Requirement**               | Yes      |
| Property Tax Protest                     | Yes      |
| Anti-Harrasment/Discrimination           | Yes      |

Must answer But For and score 51+

\*MWBE participation encouraged

\*\* Wage must be above median occupational hourly wage for Austin MSA

\*\*\*Either company-sponsored or faciliating access

A small local company, ABC Inc., is looking to expand by adding 20 employees over the next 5 years (4 jobs per year). The company currently leases office/flex space and has adjacent sublet space they can make available for the expansion. ABC Inc. pays their employees an average wage of ~\$26/hour, or ~\$40,000 per year, and provides a stipend to purchase insurance on the healthcare exchange for employees and their dependents/domestic partners. The company scores an 90 out of 100 by meeting the minimum requirements, provides the "But For", and achieving several bonus items such as operating sustainable business practices and has a policy that encourages alternative transportation methods/flexible work schedules for employees.

| Per Job Incentive Model           |          |
|-----------------------------------|----------|
| Annual Incentive                  | \$4,000  |
| Incentive Amount Per Job Per Year | \$1,000  |
| Total Incentive Over Term         | \$20,000 |

  

| Project Profile                  |           |
|----------------------------------|-----------|
| Total Jobs Added Over Term       | 20        |
| Term of Agreement                | 5         |
| Annual Salary Per Job (Avg)      | \$40,000  |
| Project Score (Max 100)          | 90        |
| Per Job % Wage Incentive Max     | 2.50%     |
| Square Footage Added Over Term** | 3500      |
| Annual Square Footage Added      | 700       |
| Annual Jobs Added                | 4         |
| Hourly Wage*                     | \$25.64   |
| Total Wage Cost Over Term        | \$800,000 |

\*Hourly Wage calculation assumes 52 Weeks Per Year @ 30 hrs/week (IRS Definition of full time employment for Affordable Care Act Purposes)

\*\*Square Footage calculation assumes 175 square feet per job

Category 1:  
Medium  
Business  
Expansion  
Project  
Example  
(25-74 Jobs)

| Requirements                             |          |
|--|----------|
|  | Mandated |
| Quality Water Regulations                | Yes      |
| MBE/WBE Ordinance*                       | No       |
| Health Insurance for New FTEs***         | Yes      |
| Benefits to Domestic Partners/Dependents | Yes      |
| Workers Comp and OSHA 10                 | Yes      |
| Construction Living Wage                 | Yes      |
| Program Wage Requirement**               | Yes      |
| Property Tax Protest Allowed             | Yes      |
| Anti-Harrasment/Discrimination           | Yes      |

Must answer "But For" and score 51+

\*MWBE participation encouraged

\*\* Wage must be above median occupational hourly wage for Austin MSA

\*\*\*Either company-sponsored or faciliating access

An established local company, LMN Inc., is looking to expand, by adding 60 employees over the next 5 years (12 jobs per year). The company currently owns their space and will be looking to invest \$2M the expansion of their new facility including new equipment. LMN Inc. pays their employees an industry average wage of ~\$33/hour, or ~\$51,900 per year and sponsors health insurance benefits for full-time employees and their dependents/domestic partners. The company scores an 80 out of 100 by meeting the minimum requirements, proving the "But For", and achieving several bonus items (such as operating with sustainable business practices, offering subsidy for transit costs for employees, and offering housing stipend program for employees.)

| Per Job Incentive Model           |          |
|-----------------------------------|----------|
| Annual Incentive                  | \$12,518 |
| Incentive Amount Per Job Per Year | \$1,043  |
| Total Incentive Over Term         | \$62,591 |

  

| Project Profile                  |             |
|----------------------------------|-------------|
| Total Jobs Added Over Term       | 60          |
| Term of Agreement                | 5           |
| Annual Salary Per Job (Avg) ***  | \$51,900    |
| Project Score (Max 100)          | 80          |
| Per Job % Wage Incentive Max     | 2.01%       |
| Square Footage Added Over Term** | 10500       |
| Annual Square Footage Added      | 2100        |
| Annual Jobs Added                | 12          |
| Hourly Wage*                     | \$33.27     |
| Total Wage Cost Over Term        | \$3,114,000 |

\*Hourly Wage calculation assumes 52 Weeks Per Year @ 30 hrs/week (IRS Definition of full time employment for Affordable Care Act Purposes)

\*\*Square Footage calculation assumes 175 square feet per job

\*\*\*Average Wage of all Middle Skill Jobs (associated SOC codes) listed in Master Community Workforce Plan Appendix A (using 2016 data). "Middle-skill" is defined as more than high school, less than 4 year degree.)

Category 1:  
Large  
Business  
Expansion  
Project  
Example  
(75+ Jobs)

| Requirements                             |          |
|--|----------|
|  | Mandated |
| Quality Water Regulations                | Yes      |
| MBE/WBE Ordinance                        | Yes      |
| Health Insurance for New FTEs*           | Yes      |
| Benefits to Domestic Partners/Dependents | Yes      |
| Workers Comp and OSHA 10                 | Yes      |
| Construction Living Wage                 | Yes      |
| Program Wage Requirement**               | Yes      |
| Property Tax Protest Allowed             | Yes      |
| Anti-Harrasment/Discrimination           | Yes      |

Must answer "But For" and score 51+

\*Either company-sponsored or faciliating access

\*\* Wage must be above median occupational hourly wage for Austin MSA

FunView Inc., is a local graphic design and development company looking to add 300 jobs in 5 years (60 jobs per year). 75% of the jobs created through this expansion will require less than a college degree and will be full-time positions. The total average annual salary per job is \$62,000. (Current average annual wage of existing employees are approximately \$100,000.) The company will construct 52,500 square feet of new space and procure new equipment during the 5 year expansion, at an estimated \$7M capital investment. This expansion will allow this company to stay within Austin and retain its current 125+ jobs. The company scores an 80 out of 100 by meeting the minimum requirements, proving the "But For", and achieving several bonus items (such as operating sustainable business practices, achieving a score of 9 out of 12 on the City of Austin's Carbon Impact Statement, procuring local art and installations, achieving LEED certification silver for the facility.)

| Per Job Incentive Model           |           |
|-----------------------------------|-----------|
| Annual Incentive                  | \$74,772  |
| Incentive Amount Per Job Per Year | \$1,246   |
| Total Incentive Over Term         | \$373,860 |

  

| Project Profile                  |              |
|----------------------------------|--------------|
| Total Jobs Added Over Term       | 300          |
| Term of Agreement                | 5            |
| Annual Salary Per Job (Avg) ***  | \$62,000     |
| Project Score (Max 100)          | 80           |
| Per Job % Wage Incentive Max     | 2.01%        |
| Square Footage Added Over Term** | 52500        |
| Annual Square Footage Added      | 10500        |
| Annual Jobs Added                | 60           |
| Hourly Wage*                     | \$39.74      |
| Total Wage Cost Over Term        | \$18,600,000 |

\*Hourly Wage calculation assumes 52 Weeks Per Year @ 30 hrs/week (IRS Definition of full time employment for Affordable Care Act Purposes)

\*\*Square Footage calculation assumes 175 square feet per job

\*\*\*Average Wage of all Middle Skill Jobs (associated SOC codes) listed in Master Community Workforce Plan Appendix A (using 2016 data). Middle-skill" is defined as more than high school, less than 4 year degree.)

## Economic Development Incentive Project Examples

Category 2:

Opportunity for Employment Project Example

| Requirements                             |          |
|--|----------|
|  | Mandated |
| Quality Water Regulations                | Yes      |
| MBE/WBE Ordinance*                       | No       |
| Health Insurance for New FTEs***         | Yes      |
| Benefits to Domestic Partners/Dependents | Yes      |
| Workers Comp and OSHA 10                 | N/A      |
| Construction Living Wage                 | N/A      |
| Program Wage Requirement**               | Yes      |
| Property Tax Protest Allowed             | N/A      |
| Anti-Harrassment/Discrimination          | Yes      |

This is purely a JOB-BASED incentive, NOT a Property Tax Reimbursement incentive program, therefore construction-related jobs and related requirements are not applicable to this program.

*Must answer "But For" and score 51+*

*Only available for jobs filled by target population*

*\*MWBE participation encouraged*

*\*\* Wage must at least match edion occupational hourly wage for Austin MSA*

*\*\*\*Either company-sponsored or facilliting access*

| Project Synopsis  |
|---|
| A local company GreenCo is looking to add 30 employees over 5 years (6 jobs per year). 50% of the total new employees will be recruited from the economically disadvantaged population (15 employees, or 3 jobs per year). The company currently owns additional property that will be developed for the expansion, but has unexpected utility needs that have caused a financing gap. The average wage is ~\$51,900 and provides a stipend to purchase insurance on the healthcare exchange for employees and their dependents/domestic partners. The company meets minimum requirements, proving the "But For", engages with a 3rd party to facilitate the successful placement and retention of "hard-to-employ" individuals, and offers a housing stipend to employees to alliviate rising cost of living burdens for those joining the workforce. The company will also apply for Category 1 "Small Project" to be considered for an additional incentive for adding the remaining 15 non-Hard-to-Employ jobs. |

| Per Job Incentive Model                         |          |
|---|----------|
| Annual Incentive                                | \$9,000  |
| Incentive Amount Per Job Per Year (Y1)*         | \$3,000  |
| Total Incentive Over Term (Hard to Employ Only) | \$45,000 |

*\*Decreases each year by \$100.*

| Project Profile                                 |            |
|---|------------|
| Total Jobs Added Over Term                      | 30         |
| Term of Agreement                               | 5          |
| Annual Salary Per Job (Avg) ***                 | \$51,929   |
| Project Score (Acceptable/Unacceptable)         | Acceptable |
| Incentive Allocation @ "Acceptable"             | \$3,000    |
| % of Jobs added "Hard-To-Employ"                | 50%        |
| Square Footage Added Over Term**                | 5250       |
| Annual Square Footage Added                     | 1050       |
| Annual Jobs Added (Hard to Employ Only)         | 3          |
| Hourly Wage*                                    | \$33.29    |
| Total Wage Cost Over Term (Hard to Employ Only) | \$778,935  |

*\*Hourly Wage calculation assumes 52 Weeks Per Year @ 30 hrs/week (IRS Definition of full time employment for Affordable Care Act Purposes)*

*\*\*Square Footage calculation assumes 175 square feet per job*

*\*\*\*Average Wage of all Middle Skill Jobs (associated SOC codes) listed in Master Community Workforce Plan Appendix A (using 2016 data). Middle-skill" is defined as more than high school, less than 4 year degree.)*

Category 3:

External Relocation Project Example

| Requirements                             |          |
|--|----------|
|  | Mandated |
| Quality Water Regulations                | Yes      |
| MBE/WBE Ordinance                        | Yes      |
| Health Insurance for New FTEs*           | Yes      |
| Benefits to Domestic Partners/Dependents | Yes      |
| Workers Comp and OSHA 10                 | Yes      |
| Construction Living Wage                 | Yes      |
| Program Wage Requirement**               | Yes      |
| Property Tax Protest Allowed             | Yes      |
| Anti-Harrassment/Discrimination          | Yes      |

*Must answer "But For" and score 51+*

*\*Either company-sponsored or facilliting access*

*\*\* Wage must be above median occupational hourly wage for Austin MSA*

| Project Synopsis  |
|---|
| Quick Inc., a global company, is interested in establishing a new Innovation Hub and Austin is on the short list. Over the next 10 years, the company anticipates adding 700 jobs with an average annual wage of \$85,000 and sponsors health insurance benefits for employees and their dependents/domestic partners. The company plans to establish a 100,000 square foot facility. The total project capital investment is over \$25M. The company achieves a high project score by meeting minimum requirements, provides the "But For", produces a net benefit for City revenue, and qualifies for several bonus items (such as generating more than 500 jobs, developing a leading edge technology, qualifying for state economic development funds, filling at least 75% new full-time jobs with City of Austin residents, locating in a high-frequency transit corridor, committing to a LEED certification silver for facility development, etc.) The company could also be considered for a property tax reimbursement. |

| Per Job Incentive Model             |             |
|-------------------------------------|-------------|
| Annual Incentive                    | \$126,000   |
| Incentive Amount Per Job Per Year * | \$1,800     |
| Total Incentive Over Term           | \$1,260,000 |

*\* Incentive/job/year = \$2,352 (exceeds incentive cap of \$1,800/job/year). The company qualifies for \$2,352 per job per year, however, while the company scores favorably, the maximum incentive amount per job per year is capped at \$1,800.*

| Project Profile                  |              |
|----------------------------------|--------------|
| Total Jobs Added Over Term       | 700          |
| Term of Agreement                | 10           |
| Annual Salary Per Job (Avg)      | \$85,000     |
| Project Score (Max 100)          | 95           |
| Per Job % Wage Incentive Max     | 2.80%        |
| Square Footage Added Over Term** | 100000       |
| Annual Square Footage Added      | 10000        |
| Annual Jobs Added                | 70           |
| Hourly Wage*                     | \$54.49      |
| Total Wage Cost Over Term        | \$59,500,000 |

*\*Hourly Wage calculation assumes 52 Weeks Per Year @ 30 hrs/week (IRS Definition of full time employment for Affordable Care Act Purposes)*

*\*\*Square Footage calculation assumes 175 square feet per job*