

## Firm-Based Incentive Matrix

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**Company Name:** Dropbox, Inc.

#### SECTION 1. MINIMUM PROJECT REQUIREMENTS

The Firm is located in the Desired Development Zone.

The Firm conducts its business in compliance with environmental regulations.

#### SECTION 2. EVALUATION CRITERIA

Overall Economic and Fiscal Impact

##### AVAILABLE POINTS

TOTAL

*Small*

*Medium*

*Large*

10

20

30

10

*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?*

The net benefit based on the WebLOC analysis is \$839,180 over a ten year period, not including the cost of any incentive.

Linkages to the Local Economy

*Poor*

*Acceptable*

*Excellent*

0

15

25

15

*Is the firm a recognized targeted industry identified by City of Austin?*

Yes, the firm is a software as a service company.

*Is the firm a headquarters operation? Does it represent the "headquarters" of a new product line or service for the firm?*

No, the expansion will not be a headquarters operation.

*Is the firm growing? Is the firm in a growing industry? How stable is the firm?*

Yes, the company has grown rapidly since its founding 6 years ago. The firm has over 175 million users and has raised over \$250 million in investment capital. Private software as a service (SaaS) companies achieved a growth rate of 35.1% from 2011-2012, according to OPEXEngine. According to Siemer & Associates, the SaaS market will grow 16.8% from 2012-2015.

*Does the project make use of an especially underutilized asset such as certain segments of the labor force or current office space?*

Yes, the project plans to lease existing office space in Downtown Austin. The central location will enable employees to utilize existing transit infrastructure, such as MetroRail, which is concentrated in the Downtown area.

*Will the project create significant contracting opportunities for local firms including small and disadvantaged businesses?*

The firm is proposing to invest \$4 million in leasehold improvements which will provide contracting opportunities for local firms including small and disadvantaged businesses.

*Does the project fill a hole in the Austin economic base?*

The firm's expansion will strengthen the local software and IT sectors. In addition, location in Downtown Austin will help spur residential development in Downtown Austin and contribute to the City's goal of supporting a vibrant daytime and nighttime environment downtown.

*Does the project have the potential to either seed a new cluster or bring additional firms to Austin?*

The software industry is well-established in Austin, but the expansion of this high-profile, high-growth company could attract other firms in this industry to the area.

*Will the firm directly compete for resources with existing firms?*

No, the firm will not directly compete for resources with existing firms. Although the firm is in the software industry, its expansion in Austin will be for sales and operations staff, so the expansion would not contribute to the local shortage of software development talent.

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