

Dropbox, Inc. Proposal Summary

City of Austin Economic Development Department
February 2014

Background

- A potential new economic development agreement between the City of Austin and Dropbox, Inc. is being considered.
- Dropbox, Inc. is one of 10 “grandfathered” projects which applied for incentives prior to October 24, 2013. The Economic Development Department received Dropbox’s Business Information Form application on September 4, 2013.
- The State of Texas will provide an incentive of \$1.5 million to Dropbox, Inc. for this expansion, contingent upon finalization of a local incentive offer.

Dropbox, Inc. – Company Overview

- The Company is a privately-owned software-as-a-service company that has been in operation for 6 years and employs 350 employees.
- In 2013, the Company announced an expansion to Austin with an office of 30 employees. This project would expand the office to 200 employees, adding 170 sales and operations positions in Austin.

Overall Benefits

- 170 new full-time jobs created in Austin over 10 years with an average annual wage of \$59,000.
- \$594,680 net benefit to the City of Austin (including the cost of the incentive).
- Dropbox would establish an Austin presence in 30-40,000 sq ft of Downtown office space and invest \$4 million in leasehold improvements and \$1.5 million in business personal property. The Company is considering locating in an existing office building at 501 Congress Ave.
- Employees are offered health insurance and same-sex partner benefits, job training, subsidized bus passes and other benefits.
- The Company gives back to the community by encouraging every employee to sponsor one non-profit of their choice for a free Dropbox account, by providing a directory of volunteer opportunities to employees, and by supporting school supply drives.
- The Company is focused on increasing the gender diversity of the tech workforce. It has an internal team dedicated to this issue and sponsors a conference focused on women in technology.

Economic Development Proposal

- Economic Development Matrix total score= 70.
- Total performance-based economic development grant over the 10 year period is estimated at \$244,500, which is calculated as \$150 per job.