

Enterprise Zone Project Summary

Accruent, LLC

Company Overview

Founded in 1995, Austin-headquartered Accruent, LLC (“Accruent” or “the Company”) develops real estate and facilities management software solutions to Fortune 500 organizations in the United States and internationally. The Company serves corporate, higher education, manufacturing, public sector, retail, healthcare, and telecom industries. In 2019, Accruent recorded sales in excess of \$90 million. The Company is owned 100% by Fortive Corporation which has an address of 6920 Seaway Blvd, Everett, WA 98203.

Accruent currently employs over 800 people worldwide. The Austin facility employs approximately 346 people, and Accruent has an additional facility in Texas with approximately 13 employees located in Plano.

Project Description

Accruent proposes to renovate its existing office building at 11500 Alterra Parkway, Suite 110, in Austin, Texas, with the project beginning in January 2020 and lasting until June 2025. The project will consist of renovating its corporate office, creating additional office spaces in the building, purchasing new equipment for employees, purchasing new storage and shelving and moving equipment in the storage portion of the facility, plus testing costs. Total capital investment will be approximately \$16,700,000 from 2020 through 2025. The planned investment includes building expansion and renovation costs of approximately \$1,800,000; equipment of approximately \$4,400,000 and software of approximately \$10,500,000.

Accruent is continually looking to make the necessary capital investment, funded by money generated from its normal course of business operations, to ensure the Company possesses the most up-to-date equipment and facilities to support quality software development, customer service, and meet the growing consumer demand for Accruent products. Investments planned for the Austin facility during the next few years include renovation of existing corporate office space and creation of additional offices, and new software and equipment.

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 Expansion/Renovation Costs
- Machinery & Equipment
- Software
- Total

Project Capital Investment (Total Costs)

- \$1,800,000
- \$4,400,000
- \$10,500,000
- **\$16,700,000 M**

Project Construction Estimated Completion

- June 2, 2025

Project Qualified Business Site

- 11500 Alterra Parkway, Suite 110, Austin, TX 78758

Enterprise Zone Project Specific Estimation Period

- June 1, 2020 – June 2, 2025

Employee Wages

- Total Number of Full-Time Jobs at the site. 346
- Total Number of Full-Time Jobs to be Retained for Program Benefit 346
- Total Number of Full-Time Jobs to be Created for Program Benefit 10

Job Category	Number of Jobs (employed by company)	Number of Jobs (vendor or contract)	Average Annual Wages	Percent to be Locally Hired
General & Administration	87	0	\$87,263.00	N/A
Information Technology	8	0	\$51,857.00	N/A
Operations	122	0	\$72,211.00	N/A
Research & Development	72	0	\$96,586.00	N/A
Sales & Marketing	67	0	\$72,403.00	N/A
Total	356	0	\$80,397.00	N/A

Note:

1. This project is located **outside of the zone**, and therefore the company commits that at least **35%** of their new employees (new permanent jobs) will meet economically disadvantaged, enterprise zone residence or veteran requirements.
2. The wages seen in the diagram above are base wages only.
3. Employees benefits received are as follows: Health Insurance, Health Care and Dependent Care, Flexible Spending Accounts, Health Savings Account (HSA), Disability and Life Insurance, 401(k) Retirement Plan, Employee Share Purchase Plan (ESPP), Time Away Program, Wellness Programs and Work and Life Balance.

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

October 18, 2007, - Council approved Ordinance No. 20071018-008 electing to participate in the Texas Enterprise Zone Program.

November 14, 2019 – Council approved Ordinance No. 20191114-068 amending its program identifying additional local incentives for the Texas Enterprise Zone Program.

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 in creating primary jobs paying higher than average wages.
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 keeping this corporate benefit in Austin rather than allowing it to be refunded in another city in the State of Texas.
5. 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

- None

Project Location (Visual)

Accruent, LLC on Enterprise Zone Aerial Map

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

Applicant: Accruent, LLC

Address: 11500 Alterra Parkway, Suite 110

Austin, TX 78758

Poverty Level: 14.5%

Project Location: Census Tract 18.49, Block Group 1, Travis County, Texas

