



Recommendation for Action

File #: 20-1963, **Agenda Item #:** 7.

5/21/2020

Posting Language

Approve a resolution to nominate Accruent for designation by the Governor's Office of Economic Development and Tourism as a single Texas Enterprise Project in accordance with Chapter 2303 of the Texas Government Code.

Lead Department

Economic Development.

Fiscal Note

There is no unanticipated fiscal impact.

Prior Council Action:

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

November 4, 2010 - Council approved Ordinance No. 20101104-046 amending its program identifying additional local incentives for 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.

For More Information:

Sylvia Holt-Rabb, Acting Director/Economic Development Dept. 512-974-3131, Dusty McCormick, Economic Development Liaison, 512-974-6390

Additional Backup Information:

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. Accruent's qualified business site is located at 11500 Alterra Parkway, Suite 110, in Austin, Texas, with the project beginning in January 2020 and lasting until June 2025. Specifically, the project consists 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 breakdown 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 requesting the benefit for the retention of 346 jobs and the creation of 10-plus jobs due to the proposed capital investment and subsequent renovation, equipment, and software purchases. Existing jobs at the qualified business site will be maintained. The Company believes that it meets criteria under TX Govt. Code § 2303.402 (Chapter 2303.406 (a)(4)(D)) to be approved for a Texas Enterprise Project for job creation and retention.

If designated as an Enterprise Zone Project, Accruent would be eligible for a refund of State sales and use tax based on the employment criteria and the amount of the capital spent at the qualified business site. The Texas Legislature currently authorizes 105 state designations each biennium. The City is eligible to receive up to nine Enterprise Project designations based on availability and competitiveness of the project every two years.

This location is in District 7, Council Member Leslie Pool

Strategic Outcome(s):

Economic Opportunity and Affordability.