

Firm-Based Evaluation Criteria

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Project Name:	Apple, Inc.				
MINIMUM PROJECT REQUIREMENT					
	The Firm is located in the Desired Development Zone.				
	The Firm conducts its business in compliance with environmental regulations.				
EVALUATION CRITERIA		AVAILABLE POINTS			TOTAL
Overall Economic and Fiscal Impact		<i>Small</i>	<i>Medium</i>	<i>Large</i>	
		10	20	30	30
	<i>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?</i>				
	Based on the WebLOCI fiscal analysis, the estimated net benefit to the City over a 14-year period is \$23.2 million.				
Linkages to the Local Economy		<i>Poor</i>	<i>Acceptable</i>	<i>Excellent</i>	
		0	15	25	25
	<i>Is the Firm a recognized targeted industry identified by City of Austin?</i>				
	Yes, the firm is a leader in software design and convergence technology, both of which are targeted industries.				
	<i>Is the firm a headquarters operation? Does it represent the "headquarters" of a new product line or service for the firm?</i>				
	Yes, the project represents the establishment of the Company's Americas Operations Center.				
	<i>Is the firm growing? Is the firm in a growing industry? How stable is the firm?</i>				
	The firm is experiencing tremendous growth. The company is publicly traded and reported earnings of \$27.68 per share for 2011 and estimates earnings of \$35.41 per share for 2012 and \$39.66 per share for 2013, representing an annualized growth rate of 22% and 11% respectively. The firm is stable as it was founded 34 years ago and is one of the largest, if not the largest, firm in the world based on market capitalization.				
	<i>Does the project make use of an especially underutilized asset such as certain segments of the labor force or current office space?</i>				
	The project will not make use of additional current office space on the market as the company plans to construct a new facility consisting of 200,000 square feet for phase I and another 800,000 square feet for phase II. The company anticipates hiring an additional 3,635 FTE's which will create broad based opportunities for the local labor force.				
	<i>Will the project create significant contracting opportunities for local firms including small and disadvantaged businesses?</i>				
	Yes, the company anticipates investing \$282.5 million in real and personal property to construct 1 million square feet of new office space which will create significant contracting opportunities for local firms, including small and disadvantaged businesses.				

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	<i>Does the project fill a hole in the Austin economic base?</i>				
	Yes, the project will result in the establishment of the company's Americas Operations Center				
	<i>Does the project have the potential to either seed a new cluster or bring additional firms to Austin?</i>				
	Yes, the project has the potential to both seed a new cluster and bring additional firms to Austin based on the broad base of products produced by the company, and the numerous related industries that would want to be close to a firm of this size and scope.				
	<i>Will the firm directly compete for resources with existing firms?</i>				
	The firm would likely compete directly with existing firms in the attraction of human capital. However, the firm currently has a significant Austin presence with 3,100 existing FTE's.				
Infrastructure Impact		<i>Disproportionate</i>	<i>Proportionate</i>	<i>Low Impact</i>	
		<i>0</i>	<i>5</i>	<i>10</i>	<i>10</i>
	<i>Will the firm make a disproportionate demand on the community's infrastructure?</i>				
	The firm will not make a disproportionate demand on the community's infrastructure as they would construct a new facility within an area currently served by existing infrastructure.				
Character of Jobs/Labor Force Practices		<i>Unacceptable</i>	<i>Acceptable</i>	<i>Excellent</i>	
		<i>0</i>	<i>15</i>	<i>25</i>	<i>25</i>
	<i>Will the bulk of new hires be local or imported?</i>				
	Of the estimated 3,635 new FTE's, the company anticipates that 93% of the hires will be local.				
	<i>What is the average wage paid? How does it compare to the local or national industry average?</i>				
	The average wage paid across all positions is \$63,950, well above the Travis County average annual wage of \$52,100.				
	<i>What is the median wage paid? How are job categories and wages distributed within the overall structure?</i>				
	The median wage paid across all positions is \$52,000 annually and is distributed as follows: 20 executive positions at \$211,000, 250 manager positions at \$114,000, 165 supervisor positions at \$64,000, 850 staff positions at \$83,000 and 2,350 entry Level positions at \$40,000.				
	<i>What training is provided? Opportunities for advancement? Are there funds for additional education?</i>				
	Apple offers divisional training that applies to the employee's line of business, as well as an Educational Assistance program and classes or custom development opportunities through Apple University. At Apple, employees manage their careers, and managers support and guide them through the process. Various tools are used for this process, such as individual development plans, career development discussions, mentoring programs and rotation programs. Apple's Educational Assistance Program reimburses employees for eligible, job-related courses taken from an accredited college, university, or vocational or technical school.				

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	<p><i>Does the firm actively promote diversity in hiring and promotion?</i></p> <p>Apple is an equal opportunity employer, and does not discriminate on the basis of race, color, creed, religion, sex, national origin, marital status, age, sexual orientation, gender identity characteristics or expression, physical or mental disability, pregnancy, medical condition, genetic information, or U.S. military or veteran status in recruiting, hiring, training and promoting. It is the responsibility of every employee to conform with this policy. Any employee who, after an investigation, is found to have violated this policy will be subject to disciplinary action up to and including termination of employment. All other aspects of employment such as compensation, benefits, transfers, terminations, training, social and recreational programs, etc., shall continue to be administered so as to reflect the above policy. Certain states may cover additional groups and, in those states, Apple extends its EEO policy of non-discrimination to those groups.</p>				
Quality of Life/Cultural Vitality		Unacceptable	Acceptable	Excellent	
		0	5	10	10
	<p><i>Does the firm have a proactive cultural outreach program?</i></p> <p>Apple's Diversity Network Associations provide a support structure for Apple employees who share common backgrounds and experiences, as well as allow participants to network and engage in career and professional development activities and community outreach.</p>				
	<p><i>Does the firm actively encourage employee volunteer/charitable efforts?</i></p> <p>Apple has a Community Affairs organization that organizes and offers a number of volunteer activities in the local community. Additionally, the Apple Matching Gifts Program matches employee's donations to qualifying nonprofit organizations.</p>				
Threshold for Extraordinary Economic Impact (only one required)		Yes		No	
	* The firm is in a targeted industry.	Yes			
	* The firm is involved in leading edge technology.	Yes			
	* State economic development funds are available for the firm.	Yes			
	* The firm will generate 500 jobs or more.	Yes			
TOTAL POSSIBLE POINTS					100
TOTAL SCORE					100

Investment Threshold Levels
 Total combined investments shall not exceed 50% of the present value of the total estimated tax liability over 10 years and investments shall not exceed 80% of the total estimated tax liability in any single year.

Less than 60 points = No additional consideration.
 60 to 79 points = Eligible for up to 30% of the present value of sales and property tax for 10 years.
 80 points or more = Eligible for up to 50% of the present value of sales and property tax for 10 years.

A firm that meets the threshold for extraordinary economic impact may qualify for an investment of 100% of the present value of the total estimated tax liability over 10 years.