

Austin, Texas



Business Information Form

Office of Economic Development
"Investing in Austin's Future"

Date Received: _____

Project: _____



Instructions

The Business Information Form is intended for internal City of Austin economic development analysis and efforts will be made to restrict circulation of the information included on the form to appropriate members of the City of Austin Office of Economic Development. However, please note that the Texas Open Records Act provides that information collected, assembled, or maintained by the City under a law or ordinance or in connection with the transaction of official business is generally considered to be public information. However, the Texas Public Information Act does provide that information relating to economic development negotiations with a business prospect is withheld from disclosure unless and until an agreement is reached. If an agreement has been reached and is ready for City Council consideration, this document will be posted to the City of Austin's website for public disclosure.

Questions or Comments

Please contact

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Economic Development Manager

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Suite 2030

Austin, TX 78701

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Company Information

Company Name: Apple, Inc.

Headquarters Location: City: Cupertino State: CA

Contact Name: First Name: Dana Last Name: Pesce

Contact Title: Director Real Estate Development

Mailing Address: 1 Infinite Loop, MS 47-2RE

City: Cupertino State: CA Zip: 95014

Phone: 408.862.311 Fax: _____ Mobile: 408.930.6844 Other Phone: _____

Email Address: dpesce@apple.com Website: www.apple.com

Business Description:

Apple Inc. and its wholly-owned subsidiaries (collectively "Apple" or the "Company") designs, manufactures and markets mobile communication and media devices, personal computers, and portable digital music players, and sells a variety of related software, services, peripherals, networking solutions, and third-party digital content and applications. The Company's products and services include iPhone[®], iPad[®], Mac[®], iPod[®], Apple TV[®], a portfolio of consumer and professional software applications, the iOS and Mac OS[®] X operating systems, iCloud[®], and a variety of accessory, service and support offerings. The Company also sells and delivers digital content and applications through the iTunes Store[®], App StoreSM, iBookstoreSM, and Mac App Store. The Company sells its products worldwide through its retail stores, online stores, and direct sales force, as well as through third-party cellular network carriers, wholesalers, retailers, and value-added resellers. In addition, the Company sells a variety of third-party iPhone, iPad, Mac and iPod compatible products, including application software, printers, storage devices, speakers, headphones, and various other accessories and peripherals, through its online and retail stores.

NAICS: 334111 SIC: 357101

Company Age: 34 years

Business Structure: Private Public

Number of Austin Locations: 2 U.S. Locations:

Ticker Symbol AAPL

Global Locations: _____



Project Information

Is the company and the Project located in the Desired Development Zone: Yes No

Will the company comply with current City of Austin water quality regulations for the Project and during the term of an incentive agreement: Yes No

Please describe the Project:

Apple is planning for its Americas Operations Center, which would be the operational center of the company for the Americas region outside of the company's global offices in Cupertino. The company requires an operational center to centralize various functions such as accounting, human resources and finance. Apple anticipates a campus to house anywhere from 2,000 to 3,600 employees over the next 7 to 10 years. Apple has enjoyed a long, positive relationship with Austin and believes Austin can provide the appropriate level and supply of employees required for this requirement. In addition to Austin, Apple is also considering Phoenix as an alternative location given its supply and cost of labor as well as its proximity and ease of travel to and from Cupertino, CA.

Phase I of the project will include the new construction of a two-building campus off of Parmer at Riata Vista totaling approximately 200KSF. Phase II of project would be to construct up to an additional 800KSF of new office space, for a total campus size of approximately 1MSF.

Is the company considering other Texas Locations? Yes No

Is the company considering other U.S. Locations? Yes No

Is the company considering other Global Locations? Yes No

Market for Product of Activity: Local State U.S. Global

Location of Planned Investment:

The Property consists of approximately 38.81 acres of vacant land on West Parmer Lane and Delcour Drive in Austin.



Project Timeline

Expected Start Date: 6.1.2012

Expected Complete Date: 6.1.2013 (for Phase I only)

Project Capital Investment (U.S. Dollars)

Leasing Plans: Yes No

Land: Approximately 38 acres Total Acres: _____

Building: Approximately 200,000 sq.ft. for Phase I and up to additional 800,000 sq.ft for Phase II.

Investment Schedule

(Please provide a 10-year list of the following items.)

<u>Year</u>	<u>Land</u>	<u>Building</u>	<u>M&E</u>	<u>FF&E</u>	<u>Taxable Inventory</u>	<u>Labor</u>	<u>Total</u>
<u>2013</u>	<u>22,000,000</u>	<u>24,000,000</u>	<u>16,000,000</u>	<u>5,000,000</u>			<u>67,000,000</u>
<u>2014</u>	<u>0</u>	<u>6,000,000</u>	<u>4,000,000</u>	<u>618,982</u>			<u>10,618,982</u>
<u>2015</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>618,982</u>			<u>618,982</u>
<u>2016</u>	<u>0</u>	<u>72,000,000</u>	<u>48,000,000</u>	<u>12,103,164</u>			<u>132,103,164</u>
<u>2017</u>	<u>0</u>	<u>48,000,000</u>	<u>32,000,000</u>	<u>8,309,491</u>			<u>88,309,491</u>
<u>2018</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>722,146</u>			<u>722,146</u>
<u>2019</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>866,575</u>			<u>866,575</u>
<u>2020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>928,473</u>			<u>928,473</u>
<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>928,473</u>			<u>928,473</u>
<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,083,219</u>			<u>1,083,219</u>
<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,320,495</u>			<u>1,320,495</u>
TOTALS	<u>22,000,000</u>	<u>150,000,000</u>	<u>100,000,000</u>	<u>32,500,000</u>			<u>304,500,000</u>

PROJECT TOTAL 304,500,000



Depreciation Schedule

<u>Item</u>	<u>Years</u>	<u>Percent per Year</u>	<u>Item</u>	<u>Years</u>	<u>Percent per Year</u>
Machinery	<u>5</u>	<u>S/L</u>	Building	<u>30</u>	<u>S/L</u>
Equipment	<u>5</u>	<u>S/L</u>	Other	<u> </u>	<u> </u>

Job Categories and Wage Distributions (revised 2.08.12)

<u>Job Category</u>	<u>Number of Jobs (employed by company)</u>	<u>Number of Jobs (vendor or contract)</u>	<u>Average Annual Wages</u>	<u>Percent to be Locally Hired</u>
Executive	20	0	\$211,000	50%
Manager	250	0	\$114,000	75%
Supervisor	125	40	\$64,000	90%
Staff	650	200	\$83,000	85%
Entry Level	1500	850	\$40,000	99%

What is the expected average wage for the lowest paid 10% of local workers? \$35,000

Job Creation Schedule (revised 2.08.12)

(Please provide a 10-year list of new jobs created and wage information – EXCLUDE BENEFITS)

<u>Year</u>	<u>Existing Jobs</u>	<u>New Jobs</u>	<u>Total Jobs</u>	<u>Average Annual Wage</u>	<u>Median Annual Wage</u>
2014	3100	300	3400	\$54,000	\$44,000
2015	3400	300	3700	\$56,000	\$47,000
2016	3700	50	3750	\$58,000	\$48,000
2017	3750	150	3900	\$61,000	\$50,000
2018	3900	350	4250	\$63,000	\$51,000
2019	4250	420	4670	\$65,000	\$53,000
2020	4670	450	5120	\$67,000	\$54,000
2021	5120	450	5570	\$70,000	\$56,000
2022	5570	525	6095	\$72,000	\$57,000
2023	6095	640	6735	\$73,500	\$60,000



Service Requirements

Electric

Peak Monthly Demand in Kilowatts (KW): _____

Average Monthly Usage in Kilowatt Hours (kWh): _____

Average Monthly Load Factor: _____

Dual Feed Required: Yes No

Current Rate (cents per kWh): _____

Water

Average Monthly Usage: _____

Meter Size: _____

Waste Water

Average Monthly Discharge: _____

Miscellaneous

Building Size: 100,000 (for Phase I) Manufacturing Space: No

Office Space: Yes Ceiling Heights: 10 feet

Acres: 38 Acres Docks/Type: 1-2 on selected buildings

Parking Requirements: 5/1000

Rail: Yes No Interstate: Yes No

Commercial Airport: Yes No Fiber: Yes

Does the company intend to locate near transit developments or transportation hubs, such as bus stops, rail stations, or park & rides?

Yes No

If the company answered no to the question above, would the company be interested in learning more about transit developments and transportation hubs in and around the City of Austin?

Yes No



Economic Impact of Project

Will the Project Generate:

Property Tax:

Land: Yes No
Building: Yes No
M&E: Yes No
Inventory: Yes No

Local Sales Tax: Yes No

State Sales Tax: Yes No

Total annual company purchases subject to local sales tax: \$15M (food purchases for café, annual conferences or meetings, training sessions, include those costs travel/lodging)
(For example: office supply purchases, operating expenses, and taxable professional services)

Indirect Local Revenue: Yes No

Describe:

Third party suppliers (restaurants, retail) will experience higher traffic volume due to increased population in the area.

Other Local Revenue: Yes No

Describe:

Does the company have either of the following: (1) Historical data that demonstrates that the company has been successful in achieving diversity in vendor contracting through its existing programs or policies, or (2) A policy or plan for establishing goals for diversity in vendor contracting: Yes No

If so, please describe the historical data or policy/plan and attach the historical data or policy/plan:

Apple's Supplier Diversity Program was formally established in 1988; since that time the company has continued growing and supporting the long list of suppliers who participate. Apple actively participates in the program through the National Minority Supplier Development Council (NMSDC), the Women's Business Enterprise National Council (WBENC), and the National Veteran Owned Business Association (NaVOBA), as well as Supplier Diversity Business Opportunity Trade Fairs around the country.



Employee Benefits and Labor Force Practices

- | | |
|--|---|
| <input checked="" type="checkbox"/> Health Insurance | <input checked="" type="checkbox"/> Life Insurance |
| <input checked="" type="checkbox"/> Dental Insurance | <input checked="" type="checkbox"/> Prescription Drug Plan |
| <input type="checkbox"/> Retirement Plan | <input checked="" type="checkbox"/> Vision |
| <input checked="" type="checkbox"/> 401(k) | <input checked="" type="checkbox"/> Flexible Spending Accounts |
| <input checked="" type="checkbox"/> Paid Leave | <input checked="" type="checkbox"/> Tuition Reimbursements |
| <input type="checkbox"/> Pension | <input checked="" type="checkbox"/> Disability |
| <input checked="" type="checkbox"/> Counseling | <input type="checkbox"/> Other: Accident Insurance, Employee Stock Purchase, Fitness and Wellness Benefits, Product Discounts |

Please describe training provided to employees:

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.

Does the company provide opportunities for employee advancement: Yes No

Describe:

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.

Are there funds for additional employee education (tuition match, etc.): Yes No

Describe:

Apple's Educational Assistance Program reimburses employees for eligible, job-related courses taken from an accredited college, university, or vocational or technical school.

Does the company actively promote diversity in hiring and promotion: Yes No

Describe:

Equal Employment Opportunity (EEO) Policy

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.

Does the company provide non-discrimination policies that include both sexual orientation and gender identity: Yes No

If so, please describe and attach the company policy(ies):

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.

Does the company provide domestic partner benefits to their lesbian, gay, bisexual, and transgender employees and their families: Yes No

If so, please describe and attach the company policy(ies):

Yes, the company does provide domestic partner benefits. Apple's comprehensive benefits plans provide numerous benefits for an employee's spouse, domestic partner and/or children.

Does the company have either of the following: (1) Historical data that demonstrates that the company has been successful in achieving diversity in hiring through its existing programs or policies, or (2) A policy or plan for establishing goals for diversity in hiring: Yes No

If so, please describe the historical data or policy/plan and attach the historical data or policy/plan:

Apple's Affirmative Action Policy states:

As a federal contractor, Apple is required to develop, maintain and implement annual Affirmative Action Plans (AAPs). Affirmative action is also central to our commitment to the principle of diversity and our understanding that equal opportunity alone may not sufficiently achieve the diverse workforce that we desire. Without a diverse candidate pool, we cannot build a multicultural workforce that is reflective of the communities we serve and the customers we seek. It is central to our long-term corporate success. We recognize that some barriers are built into our society and therefore, require the more active response characteristic of affirmative action for locating and recruiting applicants. The best qualified person for a given position must always be hired; that is the essence of equal opportunity. Affirmative action simply helps us to cast our net more widely to open the door of opportunity to all, and develop innovative employment strategies



for groups that have historically been under-represented in math, science, technology and other roles within our society and industry. We fully understand that our business will be served best if the country's multicultural presence reflects itself in our workforce thereby tapping the full range and full capacity of this society. Apple is committed to developing affirmative action initiatives to enhance opportunities for women, racial minorities, people with disabilities, and for veterans.

Cultural/Quality of Life Considerations

Does the company have a cultural outreach program: Yes No

Describe:

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.

Does the company actively encourage volunteer/charitable efforts: Yes No

Describe:

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.

Green Building Initiatives

Does the Project meet Austin Energy Green Building Program 2-Star rating or USGBC LEED Certified rating: Yes No

Describe:

The proposed project will be LEED certified.




Signature

Please provide any additional thoughts or comments related to your project that could be pertinent to the evaluation process.

To the best of my knowledge, the information included in this City of Austin Business Information Form is true and correct, as evidenced by my signature below.

Signature:



(Company Representative)

Date:

Feb. 28, 2012
