



## HID Global September 2012

### Summary

#### Background

- An economic development proposal is being submitted to City Council that includes a proposed economic development agreement between the City of Austin and HID Global.

#### HID Global – Company Overview

- Private company, 21 years in business, headquartered in Irvine, CA.
- HID Global is a leader in solutions for the delivery of secure identity solutions for millions of customers around the world and is committed to enhancing customer value by delivering the most trusted, advanced and dependable secure identity solutions in the market.
- HID Global currently has 10 U.S. locations and 56 global locations.

#### Economic Development Proposal

- EGRSO used the City Council approved Economic Development Matrix and WebLOCI Fiscal Impact Analysis to assess the economic development proposal.
- Economic Development Matrix total actual score = 65.
- The Economic Development Matrix score reflects the following:
  - HID Global is proposing to build 200,000 square feet of new office space within the Desired Development Zone.
  - HID Global will create between 276 new full-time jobs as a result of establishing its Manufacturing and Distribution Center in Austin. These jobs will be created at the new location over the next 3 years with an average annual wage of \$51,398. This will provide a broad range of job opportunities for Austin residents with an estimated 90% of the jobs hired locally.
- WebLOCI Fiscal Impact Analysis
  - Total Direct Benefits over a 10-year period = \$7.7 million
  - Total Direct Costs over a 10-year period = \$5.46 million which includes a proposed estimated economic development grant of approximately \$920,576 (based on 60% of new incremental real and personal property City taxes generated by the project after certificate of occupancy is received)
  - Total Net Benefit (\$7.7 million - \$5.46 million) = \$2.3 million

#### Overall Benefits

- Positive financial benefit to the City according to WebLOCI
- 276 jobs created in Austin
- \$36 million investment in real and personal property
- Employees are offered health insurance benefits, job training, career paths, and other benefits

**Proposed Economic Development Agreement – HID Global**

- Locate its Manufacturing and Distribution Center in Austin
  - \$36 million investment in real and personal property by 12/31/18
  - Create and maintain 276 new full-time jobs with an average annual wage of \$51,398
- Locate within the Desired Development Zone
- Work with local organizations to expand pool of diverse candidates in recruitment efforts
- Abide by a supplier diversity policy
- Comply with the standards and principles of the City's M/WBE Program Ordinance in the design and construction of leasehold improvements
- Comply with all City Code regulation, including applicable water quality regulations

**Contractual Obligations if approved by Council**

- Provide performance-based economic grant equal to 60% of the new incremental real and personal property City taxes generated by the project for the tax years 2013 – 2022.
- The proposed economic development agreement is performance-based, meaning the City is not obligated to make a grant payment for any year in which the City has determined that HID Global has failed to fulfill an obligation or condition of the contract applicable to HID Global.