



e.g.r.s.o.
economic growth
& redevelopment
services office

Visa
November 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 Visa.

Visa – Company Overview

- Public, 36 years in business, headquartered in Foster City, CA.
- Visa is a global payments technology company that connects consumers, businesses, banks and governments in more than 200 countries and territories, enabling them to use digital currency instead of cash and checks. Visa has built one of the world's most advanced processing networks. It is capable of handling more than 20,000 transactions per second, with reliability, convenience and security, including fraud protection for consumers and guaranteed payment for merchants.
- Visa currently has 18 U.S. locations and 70 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 = 90.
- The Economic Development Matrix score reflects the following:
 - Visa is proposing to renovate 175,000 square feet of new office space within an existing facility in the Desired Development Zone.
 - Visa will create 794 new full-time jobs as a result of establishing its Global IT Center in Austin. These jobs will be created at the new location over the next 5 years with an average annual wage of \$113,351. This will provide a broad range of job opportunities for Austin residents with an estimated 70% of the jobs hired locally.
- WebLOCI Fiscal Impact Analysis
 - Total Direct Benefits over a 10-year period = \$21.8 million
 - Total Direct Costs over a 10-year period = \$15 million which includes a proposed estimated economic development grant of approximately \$1,560,000 million (based on \$250 per new full-time job created and retained at the Austin Global IT Center)
 - Total Net Benefit (\$21.8 million - \$15 million) = \$6.8 million

Overall Benefits

- Positive financial benefit to the City according to WebLOCI
- 794 jobs created in Austin

- Employees are offered health insurance benefits, job training, career paths, and other benefits
- \$27.2 million investment in real and personal property
- Employees are offered health insurance benefits, domestic partner benefits, job training, career paths, and other benefits

Proposed Economic Development Agreement – Visa

- Locate its Global IT Center in Austin
 - \$27.2 million investment in real and personal property by 12/31/15
 - Create and maintain 794 new full-time jobs and retain 47 existing jobs, with an average annual wage of \$113,351
- 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 \$250 per new full-time job created and retained at the Global IT Center in Austin 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 Visa has failed to fulfill an obligation or condition of the contract applicable to Visa.