County Judge Sam Biscoe and Commissioners Gerald Daugherty, Margaret Gomez, Ron Davis, and Bruce Todd,

Please vote against the proposed $8.5 million in Travis County taxpayer incentives for the Charles Schwab Corporation at the Travis County Commissioners Court meeting on Tuesday, July 29, 2014.

The 10-year, $8.5 million incentive proposal doesn't provide information about the amount of investment or the number of jobs that will be created in Phase 1 and Phase II.  The proposal is structured so that the Charles Schwab Corporation will get millions of dollars in tax incentives before the proposed jobs are created.  There is no requirement for the Charles Schwab Corporation to repay any tax incentives if it fails to create the proposed number of jobs.

The Webloci economic analysis model should reflect the high probability that the Charles Schwab Corporation will follow the lead of many other large commercial property owners in Travis County and sue TCAD to reduce the appraised value of commercial buildings by 40% or more.  A 40% reduction in the proposed $196 million investment in a new office building would result in a net investment of $117.6 million. The economic analysis of this incentives package should be based on a net investment $117.6 million in an office building instead of $196 million.

At the annual corporate stockholders meeting on May 16, 2014, Charles Schwab's directors recommended against proposals that would require Schwab to issue reports on its policies for making political contributions and to disclose a breakdown of its workforce by race and gender.  What are they trying to hide? Are they concerned that their political contributions promote public policies that are contrary to the community values and best interests of low- and middle-income families?  Why would they oppose disclosure of information on the race and gender of its workforce?  After all, it is a public corporation.  If Travis County owns stock in the Charles Schwab Corporation, Travis County residents have a right to this information.

A July 2014 Washington Post report on economic development incentives found that:  "there is no evidence that those oft-used tax incentive programs have any positive effect on job creation. In fact, by cutting into public funds that could have been used for other programs that spur private investment or fund research, and by making it harder for employers who do not receive tax breaks to compete in the market, the programs may actually be having a detrimental effect."

The report indicated that:  "most of the programs do not have any clawback provisions or consequences for firms that relocate but later sputter, go out of business or relocate again."  It also indicated that:  "most of the nation’s net new jobs every year are generated by new and small companies, leading an increasing number of economists to place emphasis on entrepreneurial activity and new business formation."

The Charles Schwab Corporation is a highly profitable publicly traded corporation with about 13,600 employees worldwide.  It is among the largest and most profitable brokerage firms in the world.  According to the Chicago Tribune, it paid Chairman, Charles Schwab, $5.48 million in compensation in 2013, a 23.7% increase from 2012.  Forbes magazine reported that Mr. Schwab's net worth is about $6.1 billion.

The Charles Schwab Corporation does not need these incentives.  The incentives will probably go into the pockets of the Chairman and CEO of the Charles Schwab Corporation.  Tax incentives should only be considered for local small businesses that are based here in Travis County.  Investing in small local-based businesses helps our local economy much more that investing in large corporations.

If you are still determined to vote for this incentive package, please:

1. Restructure the proposal based on a "pay-as-you-create-jobs" model so that incentives are paid only when a new job is actually created.  The new job must filled for at least one year before it qualifies for an incentive.
2. Base the Webloci economic analysis on a 40% reduction in the proposed commercial property investment of $196 million based on the standard practice of equity appeals by commercial property owners in Travis County.
3. Require Charles Schwab to agree not to sue TCAD to reduce the appraised value of the proposed $196 million investment in the new office building for the duration of the incentive agreement.
4. Pay a living wage of at least $18 per hour to workers throughout the duration of the incentive agreement. *(This is the living wage for a family of two adults and two children in Austin.  Here's a link to the Poverty In America Living Wage Calculator:*[*http://livingwage.mit.edu/counties/48015*](http://livingwage.mit.edu/counties/48015)*)*
5. Require the Charles Schwab Corporation to support local job training programs for low- and middle-income families.
6. Require the Charles Schwab Corporation to support local affordable housing programs for low- and middle-income families.
7. Require the Charles Schwab Corporation to issue annual public reports on its policies for making political contributions.
8. Require the Charles Schwab Corporation to issue annual public reports on the breakdown of its workforce by race and gender.