

ORDINANCE NO.

**AN ORDINANCE CREATING AN ECONOMIC DEVELOPMENT PROGRAM
AND AUTHORIZING AN ECONOMIC DEVELOPMENT AGREEMENT WITH
HELIOVOLT CORPORATION.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The city council finds that:

- (A) HelioVolt Corporation ("HelioVolt"), a corporation engaged in high technology solar power research and production, is considering the location of a new research and manufacturing facility in Austin, Texas.
- (B) HelioVolt has represented to the City that if the manufacturing facility is constructed, it will add at least 168 new permanent jobs in Austin within five (5) years.
- (C) HelioVolt will purchase new equipment, and has requested economic development grants calculated based on the property tax which will be owed on its real and business personal property related to the manufacturing facility. The City proposes to provide annual economic development grants to HelioVolt equivalent to 60 percent of the City property tax paid, for a period of ten years, on the increase in value of HelioVolt's real and business personal property.
- (D) HelioVolt will invest a minimum of \$72.4 million in new machinery and equipment, and \$8 million in real property improvements for the facility, to be located in the desired development zone.
- (E) The City anticipates that HelioVolt will provide many benefits to the City and its citizens and businesses, and the City welcomes HelioVolt's presence in the City. The HelioVolt facility and related jobs will (1) provide additional economic benefits to the City, (2) be a catalyst for economic development benefiting the entire community, (3) promote local economic development, and (4) stimulate business and commercial activity in the City.
- (F) Texas Local Government Code Chapter 380 (*Miscellaneous Provisions Relating to Municipal Planning and Development*) authorizes the City to establish local economic development programs.

1 **PART 2.** An economic development program for HelioVolt is created under Texas
2 Local Government Code Chapter 380 (*Miscellaneous Provisions Relating to Municipal*
3 *Planning and Development*).

4 **PART 3.** As part of the City's economic development program, the city manager is
5 directed and authorized to negotiate and execute a performance based economic
6 development agreement with HelioVolt that includes terms and conditions substantially
7 similar to those in the attached Exhibit A, including economic development grants based
8 on a portion of taxes paid, and other terms and conditions deemed necessary, advisable or
9 required by the city manager or city attorney.

10 **PART 4.** This ordinance takes effect on October 29, 2007.

11 **PASSED AND APPROVED**

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15 _____, 2007

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16 Will Wynn
17 Mayor

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20 **APPROVED:** _____
21 David Allan Smith
22 City Attorney

23 **ATTEST:** _____
24 Shirley A. Gentry
25 City Clerk