

AGENDA



Thursday, November 29, 2007

**Economic Growth & Redevelopment Services
RECOMMENDATION FOR COUNCIL ACTION****Item No. 3**

Subject: Authorize execution of a 12-month Economic Development Agreement with ATI-BIOSCIENCE, a division of the Austin Technology Incubator, a project of the University of Texas-Austin, in an amount not to exceed \$125,000, to provide strategic business consulting services to local bio-technology startups to foster economic development and job creation.

Amount and Source of Funding: Funding is available in the Fiscal Year 2007-2008 Operating Budget of the Financial Services Office.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Sue Edwards, EGRSO Director / 974-7820; Jim Butler, EGRSO / 974-6318

Prior Council Action: City Council approved the first City of Austin funding for ATI in 1988. Since 1995, ATI has received a total of \$385,000 in funding from the City;

In 1988, the City of Austin funded the Austin Technology Incubator (ATI) for the first time in the amount of \$50,000. Since 1995, ATI has received a total of \$385,000 in funding from the City.

Since the initial funding in 1988, ATI has incubated at least 150 companies that have created over 3,000 direct and over 7,000 indirect jobs. Those companies have produced an estimated \$2.6 million in tax revenue to the City of Austin.

This year is the first year in which ATI is also requesting funding for a Biosciences startup program. Bioscience is recognized as a target market in the City's economic development policies. Under the recommended action, the City would provide \$125,000 during FY08 to assist ATI Bioscience in providing strategic business consulting services to high technology startup companies that specialize in the bioscience industry. These services include, but are not limited to, market strategy, market validation, product strategy, fundraising, customer acquisition, and hiring of key management.

ATI Bioscience also intends to help foment the growth of the bioscience industry in Austin by developing a marketing and education campaign that will highlight Austin as a center of entrepreneurial activity in the bioscience industry and that will promote local companies that are involved in the bioscience industry.

ATI Bioscience will also develop partnerships with key academic programs at the University of Texas at Austin that are producing bioscience innovation that can form the basis of new bioscience companies.

As requested by Council, staff incorporated ATI-BioScience reporting requirements to the City of Austin including the below:

- Each quarter ATI Bioscience will deliver a report to the City of Austin that highlights the progress made by ATI Bioscience in achieving each of the objectives set forth in this scope of work document.
- Report is due to the City of Austin within 60 days of end of reporting quarter.

- An annual report, which may contain the final quarterly report, is due on or before sixty (60) days following the end of the final quarter of this contract (September 30, 2008).

- In conjunction with this annual report, ATI-Bioscience shall make a summary presentation in person to the City Council.

ATI will make their 2006–2007 presentation at the November 29, 2007, Council meeting.