

## RESOLUTION NO.

1           **WHEREAS**, the City of Austin has economic development incentives available,  
2 under the authority of Texas Local Government Code Chapter 380 and the Texas Tax  
3 Code Chapter 311; and  
4

5           **WHEREAS**, the City Council adopted Resolution No. 20030612-015, which  
6 directed the city manager to (1) implement certain economic development policies and  
7 initiatives administratively; (2) initiate certain economic development policies, initiatives,  
8 and code amendments and return to the city council for review and approval as  
9 necessary; and (3) further develop the process and criteria for evaluating proposed  
10 economic development projects and return to council for discussion at a council work  
11 session and subsequent approval. The resolution also approved in concept an evaluation  
12 process and criteria for the evaluation of projects and/or firms relocating to or expanding  
13 in Austin's Desired Development Zone; and  
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15           **WHEREAS**, the City Council adopted Resolution No. 20071206-049 which  
16 revised certain aspects of the City's economic development programs and eliminated the  
17 use of economic development incentives for large scale mixed use projects as an element  
18 of the City's economic development programs; and  
19

20           **WHEREAS**, the City Council adopted Resolution No. 20090226-022 which  
21 directed the city manager to recommend an enhanced process for review of economic  
22 incentive proposals for augmenting the assessment of direct and indirect costs, integrating  
23 a formal cost-benefit analysis into the City's evaluation process and increase time for  
24 citizen review and comment prior to Council taking action on firm-based economic  
25 incentive proposals; and

1  
2       **WHEREAS**, the City Council adopted Ordinance No. 20090312-005 which  
3 amended the City's economic development policy to eliminate economic development  
4 incentives for private, large scale mixed use projects that include a retail component and  
5 requires compliance review for future and existing economic development agreements be  
6 verified by an independent party and the results of that independent review be made  
7 available for public inspection; and  
8

9       **WHEREAS**, the City has enjoyed internationally recognized success in economic  
10 development by offering incentives to individual firms, which has attracted companies to  
11 locate or expand manufacturing and other facilities in Austin; and **NOW**,  
12 **THEREFORE**,

13  
14       **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**  
15

16       1.     The City Manager is directed to implement a formal cost-benefit analysis  
17 into the City's evaluation process for review of an economic incentive agreement  
18 proposal by using a local fiscal impact tool, such as WebLOCI™, to assess direct and  
19 indirect costs of future economic incentive proposals.

20       2.     The City Manager is directed to use the process timeline attached as Exhibit  
21 A to increase time for citizen review and comment prior to city council taking action on  
22 firm-based economic incentive proposals.  
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24       **ADOPTED:** \_\_\_\_\_, 2009

25       **ATTEST:** \_\_\_\_\_

26                               Shirley A. Gentry  
27                               City Clerk  
28

**EXHIBIT A**

**Council Action Timeline for City Manager-Recommended  
Firm-Based Economic Incentive Proposals**

1. City Manager places proposed economic development agreement on City Council Agenda for time-certain agenda item with staff presentation in a manner that citizens may sign-up to make public comment.
2. Proposed economic development agreement, back-up materials, and all unrestricted information relevant to proposal are made available to the public on the sixth day prior to the agenda item with staff presentation.
3. Proposed economic development agreement, back-up materials, and all unrestricted information relevant to proposal are also posted to EGRSO website for written public comment once the proposed agreement is placed on City Council Agenda for agenda item with staff presentation. Public comment will be reviewed by staff and given to City Council in a timely manner.
4. A public hearing and City Council action shall occur seven days after the agenda item with staff presentation.