

## AGENDA



Thursday, September 24, 2009

**Economic Growth & Redevelopment Services  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 33**

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**Subject:** Approve an ordinance authorizing the City Manager to negotiate and execute an amendment to the economic development agreement with NBC Universal Inc. for the Friday Night Lights television program to extend the agreement for two additional seasons and amend the performance criteria.

**Fiscal Note:** There is no unanticipated financial impact.

**For More Information:** Rodney Gonzales, Acting Director, EGRSO / 974-2313

**Prior Council Action:** Council approved ordinance creating an economic development program and authorizing an economic development agreement with NBC Universal, Inc. on March 22, 2007.

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On March 22, 2007, the City Council authorized an economic development agreement (the "Agreement") with NBC Universal, Inc. and its subsidiary Northern Entertainment Inc. (NEI), which produces the "Friday Night Lights" television series ("FNL"). The Agreement provides for economic development incentive payments contingent on NEI achieving performance requirements.

As indicated in the attached memorandum, the Economic Growth and Redevelopment Services Office (EGRSO) and an independent third-party confirmed that NEI did not achieve performance requirements for Seasons 1 and 2; therefore, economic development incentive payments will not be made for these two seasons.

However, the production and filming of FNL in Austin is extremely beneficial to Austin's film industry and to the local economy. The FNL production employs many Austin area residents, and NEI and its employees purchase goods and services in the Austin area. In addition, the production of FNL in Austin helps to promote the City as a location for commercial television and film production.

Production and filming of FNL Seasons 4 and 5 are underway with the goal of producing 12 episodes for each season, with a per episode local budget of approximately \$1.5 million. As such, NEI is in a better position to commit to a specific number of episodes. Therefore, EGRSO is requesting authorization to negotiate and execute an amendment to the Agreement that will maintain the existing performance requirements with the exception of a reduction in the number of required episodes from 21 to 12 for Season 3 and subsequent seasons.