



MEMORANDUM

TO: Mayor and Council Members

FROM: Rodney Gonzales, Acting Director
Economic Growth & Redevelopment Services Office (EGRSO)

DATE: September 18, 2009

SUBJECT: EGRSO compliance review of the economic development agreement between the City of Austin and NBC Universal and Northern Entertainment Inc.

I wanted to update you on the status of EGRSO's compliance review of the City's economic development agreement with NBC Universal and its subsidiary Northern Entertainment Inc. (NEI), which produces the "Friday Night Lights" television series.

As with all Chapter 380 economic development agreements, compliance must be verified by both EGRSO and an independent third-party prior to any grant payments being released. EGRSO has completed its compliance review and has determined that NEI did not comply with the requirements for Seasons 1 and 2 as identified below. The EGRSO compliance review was confirmed by an independent third-party. As a result, grant payments for Seasons 1 and 2 will not be made.

- NEI did not submit sufficient residency information to support the requirement that 75% of its cast, crew, and extras were residents of the Austin metropolitan statistical area. NEI reached 72.3% for Season 1 and 70.2% for Season 2.
- NEI filmed 15 episodes for the second season. The agreement stipulates that a "season" is defined as 21 episodes. NEI was unable to complete 21 episodes for the second season due to the 2008 Writers Guild strike.
- NEI did not place the "Filmed on location in Austin, Texas, U.S.A." credit on the second season episodes as stipulated in the agreement.

The EGRSO compliance review and the independent third-party review are posted to the EGRSO website (www.ci.austin.tx.us/redevelopment/edagreements.htm).

Please do not hesitate to contact me should you have any questions.

Copy: Marc Ott, City Manager
Sue Edwards, Assistant City Manager