

AGENDA



Thursday, February 18, 2010

**Public Hearings and Possible Actions
RECOMMENDATION FOR COUNCIL ACTION****Item No. 1**

Subject: Conduct a public hearing and consider an ordinance creating an economic development program and authorizing the negotiation and execution of an economic development agreement with LegalZoom.com, Inc.

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

For More Information: Kevin Johns, Director, EGRSO / 974-7802; Gregory Miller, Attorney, Law Department / 974-6032

The Economic Growth and Redevelopment Services Office recommends approval of the proposed ordinance, which authorizes negotiation and execution of an economic development agreement with LegalZoom.com, Inc. (LegalZoom). Under the proposal, LegalZoom will locate its regional headquarters in Austin, make \$1.0 million in leasehold improvements, make \$750,000 in machinery and equipment purchases, and create at least 600 jobs within five years. For each year the City, and an independent third-party, has verified that LegalZoom has performed according to the terms of the agreement, the City will provide annual economic development grants to LegalZoom of \$20,000 per year for a period of 10 years. The total estimated amount of annual economic development grants during the agreement over a 10-year period is \$200,000.

The project received the necessary score to be eligible for an economic development grant. Using the WebLOCI fiscal impact software, the net benefits the City of Austin would receive from the project under consideration over a 10-year period is \$563,100. The calculated net benefits amount is after the total estimated economic development grant of \$200,000 is factored.