

AGENDA



Thursday, March 11, 2010

**Public Hearings and Possible Actions
RECOMMENDATION FOR COUNCIL ACTION****Item No. 64**

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 YINGLI GREEN ENERGY AMERICAS, INC.

Fiscal Note: There is no unanticipated financial impact.

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The Economic Growth and Redevelopment Services Office recommends approval of the proposed ordinance, which authorizes negotiation and execution of an economic development agreement with Yingli Green Energy Americas, Inc. (Yingli). Under the proposal, Yingli will locate its North American headquarters in Austin, make \$1.25 million in leasehold improvements, make \$15.0 million in machinery and equipment purchases, make \$3.6 million in furniture and fixtures purchases, and create at least 303 jobs. For each year the City, and an independent third-party, has verified that Yingli has performed according to the terms of the agreement, the City will provide annual economic development grants to Yingli equal to 80% of the incremental property taxes generated by Yingli's investment. The total estimated amount of annual economic development grants during the agreement over a 10-year period is \$354,561.

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 the consideration over a 10-year period is \$903,407. The net benefits amount is calculated after the total estimated economic development grant of \$354,561 is factored.