

A G E N D A



RCA	Austin City Council Special Called	Item ID	5697
Meeting Date:	4/12/2011	Department:	Economic Growth and Redevelopment

Subject

Conduct a public hearing and consider an ordinance creating an economic development program for and authorizing the negotiation and execution of an economic development agreement with eBay, INC.

Amount and Source of Funding

Fiscal Note

There is no unanticipated financial impact.

Purchasing Language:

Prior Council Action:

For More Information: Kevin Johns, Director, EGRSO / 974-7802; Brian Gildea, Economic Development Manager, EGRSO / 974-6381

Boards and Commission Action:

MBE / WBE:

Related Items:

Additional Backup Information

The Economic Growth and Redevelopment Services Office recommends approval of the proposed ordinance, which authorizes negotiation and execution of an economic development agreement with eBay, Inc. (eBay). Under the proposal, eBay will expand its business unit within Austin's Desired Development Zone, make \$430,000 in leasehold improvements, make \$4.5 million in machinery and equipment purchases, and create at least 1,000 jobs. For each year the City, and an independent third-party, has verified that eBay has performed according to the terms of the agreement, the City will provide annual economic development grants based on new jobs created. The total estimated amount of annual economic development grants during the agreement over a 10-year period is not to exceed \$1,206,250.

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 \$3.1 million. The net benefits amount is calculated after the total estimated not-to-exceed economic development grant of \$1,206,250 is factored.