

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	11612	Agenda Number	90.
Meeting Date:	12/15/2011	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 US Farathane Corporation.				
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; Deborah Thomas, Assistant City Attorney, Law Department / 974-2172			
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 US Farathane Corporation. Under the proposal, US Farathane Corporation will expand its business unit within Austin's Desired Development Zone, make \$2.4 million in leasehold improvements, invest \$24.5 million in new machinery and equipment, and create at least 228 jobs. For each year the City, and an independent third-party, has verified that US Farathane Corporation has performed according to the terms of the agreement, the City will provide annual economic development grants equal to 40% of the incremental real and personal property taxes paid at US Farathane's Austin-based manufacturing facility. The total estimated amount of annual economic development grants during the agreement over a 10-year period is \$212,695.

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 \$487,305. The net benefits amount is calculated after the total estimated economic development grant of \$212,695 is factored.