

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	12933	Agenda Number	7.
Meeting Date:	3/1/2012		Department:	Economic Growth and Redevelopment
Subject				
Approve a resolution to nominate US Farathane Corporation for designation by the Governor's Office of Economic Development and Tourism as a single Texas Enterprise Project in accordance with Texas Government Code Chapter 2303 ("Texas Enterprise Zone Act").				
Amount and Source of Funding				
There is no amount and source of funding required by this action.				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:	October 18, 2007: Council approved Ordinance No. 20071018-008 electing to participate in the Texas Enterprise Zone Program. November 4, 2010: Council approved Ordinance No. 20101104-046 amending its program identifying additional local incentives for the Texas Enterprise Zone Program. December 15, 2011: Council approved Ordinance No. 20111215-090 authorizing the creation of an economic development program and the negotiation and execution of an economic development agreement with US Farathane Corporation.			
For More Information:	Kevin Johns, Director, EGRSO / 974-7802; Dusty McCormick, Economic and Business Development Liaison, EGRSO / 974-6390			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				

This resolution would nominate US Farathane Corporation as a single Enterprise Zone Project under the Texas Enterprise Zone Act. US Farathane Corporation provides a wide range of full service support from highly engineered composites to extrusion and compression technologies. They have a projected \$2.4 million investment in leasehold improvements, and \$24.5 million investment in machinery and equipment. US Farathane is committed to create 228 new full-time jobs, as a result of establishing its new state-of-the-art manufacturing facility in Austin. The company qualifies for designation because of a planned investment in leasehold improvements, machinery and equipment at a business site located within the City of Austin. If so designated, an enterprise project would be eligible for a refund of State Sales and Use tax based on employment criteria and the amount of the capital spent at the qualified business site.

Texas legislation currently authorizes 105 state designations each biennium. The City of Austin is eligible to receive up to nine (9) Enterprise Project designations based upon availability and competitiveness of the project every two years. If the designation is granted, it will be counted by the State as an Enterprise Project designation for the current biennium.