

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	13702	Agenda Number	89.
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Meeting Date:	3/22/2012	Department:	Economic Growth and Redevelopment
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Subject

Conduct a public hearing and consider an ordinance creating an economic development program with APPLE INC. and authorizing the negotiation and execution of an Economic Development Agreement with APPLE INC.

Amount and Source of Funding

Fiscal Note

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

Purchasing Language:	
Prior Council Action:	March 15, 2012: Council set a public hearing for March 22, 2012.
For More Information:	Kevin Johns, Director, EGRSO / 974-7802; Jacqueline Cullom, Attorney, Legal / 974-2918
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 the negotiation and execution of an economic development agreement with Apple Inc. ("Apple"). Under the proposal, Apple will establish its Americas Operations Center within Austin's Desired Development Zone, invest \$282,500,000 in real and personal property improvements to construct approximately 1 million square feet of new office space and create at least 3,635 jobs. For each year the City, and an independent third-party, verifies that Apple has performed according to the terms of the agreement, the City will provide annual economic development grants up to 100% of the incremental real and personal property taxes paid at Apple's Austin-based Americas Operations Center. The total estimated amount of annual economic development grants during the agreement over a 10-year period is \$8.6 million.

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 will receive from the project over the agreement term is \$14.5 million. The net benefits amount is calculated after the total estimated economic development grant of \$8.6 million is factored.