



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 5
AGENDA DATE: Thu 09/02/2004
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SUBJECT: Approve an ordinance authorizing the City Manager to negotiate and execute an Economic Development Agreement and creating an economic development program for a proposed for-profit subsidiary of SEMATECH for an Advanced Technology Development Facility, providing for economic incentives for a period of 10-years, consisting of rebate of 100% of personal property tax on business equipment and offering Austin Energy incentives of up to \$1 million for energy infrastructure and efficiency improvements. (Estimated incentives over a 10-year period are \$7,331,250).

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Economic Growth and **DIRECTOR'S**
DEPARTMENT: Redevelopment Services **AUTHORIZATION:** Sue Edwards

FOR MORE INFORMATION CONTACT: Sue Edwards, Director / 974-7820

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

The Economic Growth & Redevelopment Services Office recommends approval of the proposed ordinance in order to facilitate the spin-off of the Advanced Technology Development Facility. This for-profit subsidiary will bring in companies for prototype development so that they can bring emerging technologies to market.

The project specifications indicate that Sematech will be investing \$100 million in capital equipment and providing 100 jobs over the next five years.