

#9
6-24-04

ORDINANCE NO.

**AN ORDINANCE CREATING AN ECONOMIC DEVELOPMENT PROGRAM
AND AUTHORIZING AN ECONOMIC DEVELOPMENT AGREEMENT WITH
THE HOME DEPOT, INC.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Findings. The city council finds that:

- (A) The Home Depot, Inc. (Home Depot) is proposing to locate a Home Depot Data Center in a facility located at 1300 Park Center Drive, Austin, Texas.
- (B) The Home Depot Data Center will create at least 500 permanent jobs in Austin when the facility is fully operational.
- (C) The investment by Home Depot is estimated to be \$404 million over a ten year period, with a total annual economic impact to the Austin area estimated to be between \$100 and \$125 million.
- (D) The impact of the Home Depot Data Center will provide economic benefits to the City, be a catalyst for economic development benefiting the entire community, promote local economic development, and stimulate business and commercial activity in the City.
- (E) Chapter 380 of the Texas Local Government Code (*Miscellaneous Provisions Relating to Municipal Planning and Development*) authorizes the City to establish local economic development programs.

PART 2. An economic development program for Home Depot Data Center is created under Chapter 380 (*Miscellaneous Provisions Relating to Municipal Planning and Development*) of the Texas Local Government Code.

PART 3. As part of the City's economic development program, the city manager is directed and authorized to negotiate and execute a performance based economic development agreement with Home Depot that includes the terms and conditions attached as Exhibit A, and incorporated as part of this ordinance.

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2 **PART 4.** This ordinance takes effect on _____, 2004.

3 **PASSED AND APPROVED**

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7 _____, 2004

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8 _____
9 Will Wynn
10 Mayor

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12 **APPROVED:** _____
13 David Allan Smith
14 City Attorney

ATTEST: _____
Shirley A. Brown
City Clerk

EXHIBIT A

TERMS FOR ECONOMIC DEVELOPMENT AGREEMENT FOR HOME DEPOT DATA CENTER

1. For a period of ten years, commencing on January 1, 2006:
 - a. City will rebate 100% of city tax on eligible business personal property. Eligible business personal property means computers and computer equipment, servers and related equipment, telephones and related equipment.
 - b. City will rebate 100% of city tax on incremental increase in TCAD appraised value above 2003 TCAD appraised value, after purchase and renovation of real property at 1300 Park Center Drive, Austin, Texas.

The estimated amount of city tax to be rebated is \$6,742,535.

2. Austin Energy will provide up to \$445,000 in equipment and services to enhance power quality and reliability.
3. The Home Depot, Inc., will employ and maintain at least 500 new employees at the site by January 1, 2008.
4. The Home Depot, Inc., will invest at least \$404 million over a ten year period in real property improvements and business personal property at the site.
5. Other terms and conditions deemed necessary, advisable or required by the City Attorney.