

**Agenda Questions/Responses  
March 02, 2006**

8. **Please provide a report on what other Texas and peer cities to Austin have offered as incentive packages over the last 24 month. Include types of deals, specific deals and terms. (Council Member Lee Leffingwell)**

The following information is attached:

- 1) Incentive Memo
- 2) Peer City Incentive Report
- 3) Peer City Incentive Graphic

59. **(Council Member Raul Alvarez and Council Member Kim combined questions)**

**What are the signage requirements under the smoking ordinance?**

The operator of a public place shall conspicuously post a "No Smoking" sign, the international "No Smoking" symbol, or other sign containing words or pictures that reasonably prohibit smoking.

**Does the proposed ordinance include any signage requirements?**

No.

**Are there any penalties for any violations of the requirements outlined in the ordinance?**

The proposed ordinance does not itself provide a specific penalty. Under City Code Section 1-1-99, a violation of an ordinance may carry a fine of up to \$2,000. Council may choose to set specific fines or limits for selected offenses. For penalties regarding Food Rule violations, see #6 below.

**What violations of the requirements constitute violations of the health code?**

"If there are specific kinds of violations of the health code that have a corresponding penalty (fine), could a violation of the proposed ordinance be classified under an existing category of violations?"

- No provision of the Food and Food Handler's Ordinance currently establishes a specific violation with a corresponding penalty. For offenses that are prosecuted with regularity at Municipal Court, a fine schedule may establish a standard amount.

"If the proposed ordinance does not create a violation under an existing category, what changes would be required to establish penalties for violation of the proposed ordinance?"

- Should Council wish to set a fine for violations concerning dogs in food establishments, it may specify the amount or limit.

**Does the proposed ordinance specify that participating restaurants must have an outdoor entrance to the patio?**

The ordinance requires that "access [to] the outdoor dining area [be] directly from the exterior of the food service establishment"....

**If a restaurant does not follow the rules (dogs on tables, not on leash, etc.) what will happen to them? Will they lose a point on their health inspection? Are there any fines for repeat violations?**

It is a critical violation on the inspection score and points will be deducted. If an establishment violates the City Code, charges may also be filed in Municipal Court and may result in fines and fees up to \$2,000.

For an ordinance specific to allowing dogs on patios, we would follow-up for all required corrections and if the operator refuses, Municipal Court charges may be filed.

- 65. The back-up states that the current site plan is for a commercial use and that the applicant changed the use to residential. The applicant has stated that this has always been a residential project. What is the basis for staff's position that the current site plan is for a commercial project? (Council Member Raul Alvarez)**

A subdivision application was filed in 1995 and approved in 1996 which specified commercial development on this property. Because the property was outside the city limits at the time, the applicant was required to place a note on the plat restricting the use to non-residential development to avoid paying parkland fees. The note did leave the door open for residential development by stating that no residential use would be allowed unless parkland fees were paid. When the site plan for condominium development was filed in 2001, the applicant did pay parkland fees. However, in staff's opinion the original project proposed was commercial, and there was a change in the project when the site plan application for the condos was filed. Therefore, if the site plan expires, the applicant cannot grandfather the project back to the date of the plat and will have to comply with current regulations.



**TO:** COUNCIL MEMBER LEE LEFFINGWELL  
**FROM:** JUBAL SMITH, MANAGER OF ECONOMIC DEVELOPMENT  
**SUBJECT:** PEER CITY ECONOMIC DEVELOPMENT PACKAGES  
**DATE:** FEBRUARY 28, 2006  
**CC:** SUE EDWARDS, DIRECTOR EGRSO

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Please find information your office requested regarding incentive packages in other cities around Texas in this response. This information represents incentive packages crafted in the listed cities and details the type of packages, investments, companies, and terms common in Texas. The list represents 24 months of data beginning in February of 2004.

As you can see, Austin does far fewer packages than other cities but the packages Austin has facilitated tend to be larger in dollars. This is due in part to our high tech economy and the cost of doing business in this economy. And, Samsung is by far the largest deal in the history of Austin incentive packages and one of the largest projects in the country. I've also attached a chart depicting the number of incentive packages crafted by these cities since 1991 and compared that to the number of incentive packages crafted by the City of Austin during the same time period for your review.

Please let me know if you have questions or comments regarding this material.

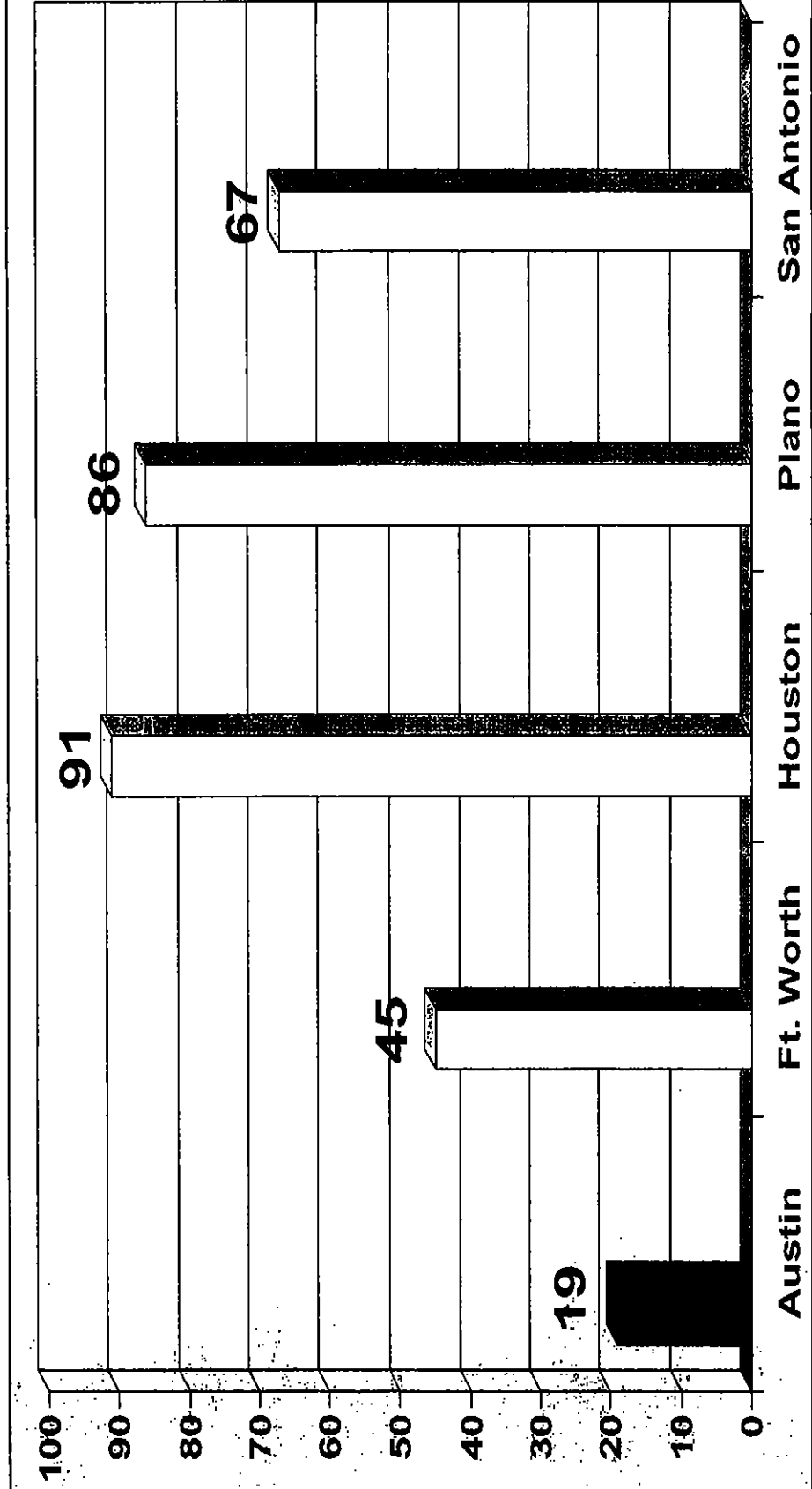
Thanks,

Jubal Smith  
Manager of Economic Development  
City Hall, 2<sup>nd</sup> Floor  
974-6381

## Number of Economic Development Agreements Since 1991.

*Note: Includes both single company and mixed use utilizing abatement and chapter 380.*

Source: Data derived from primary sources within each community: Data up to December, 31, 2005



# Peer City Incentive Report

1/28/2006

City	Date	Company	Investment	Jobs	Incentive Type	Years	Percentage
Fort Worth	Feb-04	Stockyards Station Hotel	\$7,200,000	35	Abatement	6	100%
Fort Worth	Jul-04	Target	\$8,750,000	100	Abatement	1	100%
Fort Worth	Jul-04	Kimco Montgomery Plaza	\$42,500,000	265	Abatement	1	100%
Fort Worth	Aug-04	Trinity Bluff Development	\$25,000,000	NA	Abatement	1	100%
Fort Worth	Oct-04	Cott Beverages	\$10,000,000	200	Abatement	10	75% - 100%**
Fort Worth	Oct-04	Phoenix Property	\$47,000,000	6	Abatement	10	100%
Fort Worth	Jan-05	Obim Holding Company	\$3,100,000	150	Abatement	10	100%
Fort Worth	Nov-05	Allied Electronics	\$18,000,000	300	Abatement	10	50%-100%
			<b>\$161,550,000</b>	<b>656</b>			
Houston	Feb-04	Memorial Hermann Medical Plaza	\$162,000,000	268	Abatement	10	77%
Houston	Mar-04	Chevron USA	\$64,000,000	500	Abatement	10	40%-100%
Houston	May-04	Third Coast Produce	\$4,000,000	118	Abatement	10	20%-100%
			<b>\$230,000,000</b>	<b>886</b>			
Plano	May-04	McDowell Packaging & Advertising	\$2,250,000	44	Abatement	5	50
Plano	Sep-04	UGS Corporation	\$655,000	70	Abatement	5	50
Plano	Oct-04	Plano Data & Record Mgt.	\$900,000	45	Abatement	5	50%
Plano	Nov-04	Software Spectrum	\$5,500,000	380	Abatement	10	50%
Plano	Dec-04	FedEx/Kinco	\$5,800,000	150	Abatement	10	50%
Plano	Feb-05	Data Flow Systems	\$1,538,000	80	Abatement	10	50%
Plano	Apr-05	Creation Technology	\$600,000	100	Abatement	10	50%
Plano	May-05	Helind Electronics	\$2,350,000	42	Abatement	10	50%
Plano	Sep-05	Nationwide Rigging & Crating	\$1,700,000	30	Abatement	10	50%
Plano	Oct-05	Rent-A-Center	\$17,500,000	400	Abatement	10	50%
Plano	Dec-05	Underwriter Labs	\$1,313,000	29	Abatement	10	50%
Plano	Dec-05	Texatronics	\$1,625,000	150	Abatement	8	25%-75%
			<b>\$41,931,000</b>	<b>1,520</b>			
San Antonio	Jul-04	First Health Group Corp.	\$9,500,000	365	Abatement	6	100%
San Antonio	Sep-04	Texas Machining Enterprises/Royal Oaks	\$51,500,000	85	Abatement	10	100%
San Antonio	Sep-04	Dermatological Products of TX	\$22,600,000	205	Abatement	10	100%
San Antonio	Dec-04	United Health Today	\$4,000,000	249	Abatement	3	100%
San Antonio	Dec-04	Maxim Integrated Products	\$50,000,000	500	Abatement	10	100%
San Antonio	Apr-05	Karla Technologies	\$2,000,000	150	Abatement	6	100%
San Antonio	May-05	Washington Mutual	\$20,300,000	3,000	Abatement	10	100%
San Antonio	May-05	CEDRA Clinical Research	\$4,900,000	100	Abatement	6	100%
San Antonio	Jun-05	Ark, Inc.*	\$2,200,000	13	Abatement	10	80%
San Antonio	Jun-05	Avanzar Interior Technologies America, Inc.*	\$42,200,000	500	Abatement	10	100%
San Antonio	Jun-05	Curtis-Maruyasu America, Inc.*	\$1,500,000	14	Abatement	10	100%
San Antonio	Jun-05	Futaba Industrial Texas Corporation*	\$40,000,000	170	Abatement	10	80%
San Antonio	Jun-05	Green Metals, Inc.*	\$5,400,000	8	Abatement	10	80%
San Antonio	Jun-05	HERO Assemblers, LP*	\$19,000,000	46	Abatement	10	100%
San Antonio	Jun-05	HERO Logistics, LP*	\$1,500,000	104	Abatement	10	80%
San Antonio	Jun-05	Metalsa Light Truck, Inc.*	\$5,000,000	15	Abatement	10	80%
San Antonio	Jun-05	Millennium Steel*	\$37,200,000	46	Abatement	10	80%
San Antonio	Jun-05	Reyes Automotive Group, LLC*	\$20,300,000	63	Abatement	10	80%
San Antonio	Jun-05	Reyes-Amteq Automotive, LLC*	\$1,600,000	30	Abatement	10	80%
San Antonio	Jun-05	Takumi Stamping Texas, Inc.*	\$19,000,000	140	Abatement	10	80%
San Antonio	Jun-05	Tenneco Automotive Services Texas, Inc.*	\$5,800,000	30	Abatement	10	80%
San Antonio	Jun-05	Toyotsu Texas Inc.*	\$32,500,000	160	Abatement	10	80%
San Antonio	Jun-05	Vutech, Inc.*	\$9,000,000	525	Abatement	10	80%
			<b>\$407,000,000</b>	<b>6,524</b>			
Austin	Aug-05	Samsung	\$3,500,000,000	900	Chapter 380	20	75%-100%
Austin	Apr-05	Freescale	\$600,000,000	500	Chapter 380	10	100%
Austin	Sep-04	ATDF (Sematech)	\$100,000,000	100	Chapter 380	10	100%
Austin	Jun-04	Home Depot Data Center	\$400,000,000	500	Chapter 380	10	100%
			<b>\$4,600,000,000</b>	<b>2,000</b>			

\* Toyota Auto Supplier

\*\* Incentive is graduated, e.g. years 1-5: 100%, years 6-10: 50%