

AGENDA



Thursday, March 11, 2010

**Public Hearings and Possible Actions
RECOMMENDATION FOR COUNCIL ACTION****Item No. 63**

Subject: Conduct a public hearing and consider an ordinance creating an economic development program and authorizing the negotiation and execution of an economic development agreement with FACEBOOK, INC.

Fiscal Note: There is no unanticipated financial impact.

For More Information: Kevin Johns, Director, EGRSO / 974-7802
Gregory Miller, Attorney, Legal / 974-6032

The Economic Growth and Redevelopment Services Office recommends approval of the proposed ordinance, which authorizes negotiation and execution of an economic development agreement with Facebook, Inc. (Facebook). Under the proposal, Facebook will locate a sales and operations office in Austin, make \$2.25 million in leasehold improvements, make \$900,000 in machinery and equipment purchases, and create at least 200 jobs. For each year the City, and an independent third-party, has verified that Facebook has performed according to the terms of the agreement, the City will provide annual economic development grants based on new jobs created. The total estimated amount of annual economic development grants during the agreement over a 10-year period is not to exceed \$200,000.

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 would receive from the project under the consideration over a 10-year period is \$312,731. The net benefits amount is calculated after the total estimated not-to-exceed economic development grant of \$200,000 is factored.