

AGENDA



Thursday, August 26, 2010

**Economic Growth & Redevelopment Services
RECOMMENDATION FOR COUNCIL ACTION****Item No. 16**

Subject: Approve a resolution nominating Samsung Austin Semiconductor, LLC for designation by the Governor's Office of Economic Development and Tourism as a "Triple Jumbo" Enterprise Project in accordance with Texas Government Code Chapter 2303 (Texas Enterprise Zone Act). The qualifying project consists of an expansion at the business site located at 12100 Samsung Boulevard, Austin, Texas.

Amount and Source of Funding: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Kevin Johns, Director/ 974-7802; Dusty McCormick, Economic & Business Development Liaison / 974-6390

This resolution would nominate Samsung Austin Semiconductor, LLC, as a Triple Jumbo Enterprise project under the Texas Enterprise Zone Act. The company qualifies for designation because of a planned expansion project at the business site located at 12100 Samsung Boulevard, Austin, Texas. If so designated, an enterprise project is eligible for a refund of State sales and use tax based upon employment criteria and the amount of capital spent at the qualified business site. City staff, along with Ryan, Inc., an international tax consulting firm, is working with Samsung Austin Semiconductor, LLC on this project. The application is slated to be submitted to the Governor's Office by the September 1, 2010 deadline. Program rules require a level of capital investment of \$250,000,000 or more to be designated as a Triple Jumbo project. Samsung is investing 3.6 billion, which will bring the total Samsung investment for Austin to more than \$9 billion. This project has committed to retain 1000 jobs, and grow to 1500, by 2011.

Texas legislation currently authorizes 105 State designations each biennium. By program statute the City of Austin is granted nine (9) Enterprise Project designations every two years. September 2009 was the beginning of the current biennium. This is one of three nominations that have been made within this biennium.