

AGENDA



Thursday, December 9, 2010

**Public Hearings and Possible Actions
RECOMMENDATION FOR COUNCIL ACTION****Item No. 74**

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 SUNPOWER, INC.

Fiscal Note: There is no unanticipated financial impact.

For More Information: Kevin Johns, Director, EGRSO / 974-7802; Cathie Childs, Attorney, Legal / 974-6463

The Economic Growth and Redevelopment Services Office recommends approval of the proposed ordinance, which creates an economic development program and authorizes the negotiation and execution of an economic development agreement with SunPower, Inc. (SunPower). Under the proposal, SunPower will locate a corporate operations office in Austin, make \$7.5 million in leasehold improvements, make \$2.5 million in machinery and equipment purchases, and create at least 450 jobs. For each year the City, and an independent third-party, has verified that SunPower 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 \$901,710.

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 consideration over a 10-year period is \$807,326. The net benefits amount is calculated after the total estimated not-to-exceed economic development grant of \$901,710 is factored.