

**ORDINANCE NO. 20160623-023**

**AN ORDINANCE NOMINATING THE REAL PROPERTY AT 7620 GUADALUPE STREET, AUSTIN, TEXAS 78752 AS A QUALIFIED MEDIA PRODUCTION LOCATION.**

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

**PART 1. FINDINGS.**

- a. Chapter 485A of the Texas Government Code (Act) allows for the nomination and creation of a media production development zone (Zone) and location;
- b. The City Council by Ordinance No. 201606023-022, approved the recognition of a media production zone for approval by the Music, Film, Television and Multimedia Office within the office of the governor;
- c. Certain Affinity has submitted an application to the City requesting nomination of a media production location for the property located at 7620 Guadalupe Street, Austin, TX 78752 (Location);
- d. The Location meets the requirements of the Act and Zone in which the Location is to be included has been recognized as a Zone by Ordinance No. 201606023-022;
- e. The Zone Act offers exemptions to the limited sales, excise, and use taxes to qualified persons who build, construct, renovate, improve, or expand a media production facility within the state;
- f. The Act was enacted to maintain and strengthen the media production industry in Texas in the face of strong competition from other states;
- g. Certain Affinity is qualified under the Act and its activities will enhance economic development in the City;
- h. Pursuant to section 485A.102 of the Act, the Location meets the criteria for media production location designation as it is land or other real property that is in a media production development zone and the real property is a building to be renovated and/or expanded solely for the purpose of being converted into one or more media production facilities; or
- i. Granting the tax exemption is in the best interest of the City and this state.

**PART 2.** All of the above findings are adopted as findings of City Council.

**PART 3. PROJECT DESCRIPTION.**

Certain Affinity is one of Austin's premiere video-game developers, best known for its work on the Halo and Call of Duty franchises. The company was founded in 2006. What began as a ten person team has now expanded to an operation of 121 seasoned industry veterans. To accommodate its rapid growth, Certain Affinity's founders have acquired a facility located at 7620 Guadalupe Street. The property was formerly home to the Texas Association of School Boards but has been empty since 2009. The anticipated completion of the project is late 2016. This project will bring a state-of-the-art game development studio to North Central Austin. The project will also bring new life to a dormant building, renewing 55,000 square feet of existing commercial office space with the potential to create 300+ new, and retain 100+ existing, high paying jobs in the Highland area.

**PART 4. FINANCIAL INCENTIVE.**

Construction and renovation could account for an immediate \$12,079,607 economic impact and, by 2020, the expansion of Certain Affinity may contribute \$101,268,080 in total economic impact, which includes \$49,462,965 in earnings, as noted in an Economic Impact Analysis provided by TXP. Additionally, \$807,017 in total new city tax revenue over the next five years may be generated by the expansion project. Incentivizing this expansion project will galvanize a tech-centric hub by providing a permanent home for Certain Affinity. Of note, The Company is seeking to participate in Career Expressway – A workforce development program backed by Capital IDEA and ACC.

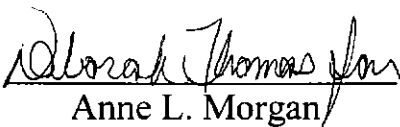
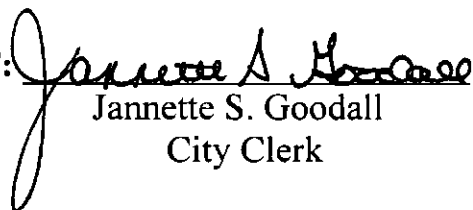
The total investment estimated for this project is \$6,926,400 and the total estimated sales tax waived for incentivizing this project is \$69,264, calculated at 1% of sales and use tax on applicable project expenses.

#### **PART 5. NOMINATION.**

The Council nominates the Location owned by Certain Affinity located at 7620 Guadalupe Street, Austin, Texas 78752, and further described in this Ordinance as a Media Production Development Location pursuant to chapter 485A of the Texas Government Code; further the City Manager is authorized to execute and submit an application for exemption pursuant to §485A.106 of the Texas Government Code to the Texas Film Commission, and any subsequent reporting required by state law.

**PART 6.** This ordinance takes effect on July 4, 2016.

#### **PASSED AND APPROVED**

<u>June 23</u> , 2016	§ § § _____ Steve Adler Mayor
<b>APPROVED:</b> <u></u> Anne L. Morgan City Attorney	<b>ATTEST:</b> <u></u> Jannette S. Goodall City Clerk