




MEMORANDUM

TO: Mayor and Council

FROM: Sylnovia Holt-Rabb, Director 
Economic Development Department

DATE: July 7, 2022

SUBJECT: July 28, 2022 Council Agenda Item 15: Creative Content Incentive Agreement with Eye Productions, Inc.

The July 28, 2022 City Council agenda includes Item 15 seeking authorization to negotiate and execute a creative content incentive agreement with Eye Productions, Inc. (Eye Productions) to produce Season 3 of “Walker”. Council previously approved incentive agreements for Seasons 1 & 2 of Walker on October 15, 2020 and September 2, 2021 respectively. “Walker” is a reimagining of the long-running action/crime series “Walker, Texas Ranger.” “Walker” is set in Austin, Texas, and is the story of Austinite Cordell Walker and his family. The series features Austin and its executive producer, Jared Padalecki, is an Austin native who continues to champion the production in Austin. The project will spend almost \$30 million in wages to 5-County MSA residents, with an additional induced spending estimated to be over \$10 million. Additionally, the project will utilize several local commodities and services, generating significant opportunities for MBE/WBE small businesses. If not for the incentives from the City and the State of Texas, Eye Productions would have to produce Season 3 in another location. Season 3 is expected to commence production in August 2022 upon receipt of incentive awards.

Background

In May 2014, Council passed [Ordinance No. 20140515-008](#) establishing the [Creative Content Incentive Program \(“CCIP”\)](#) for Film, Television, and Digital Media Production (“Program”) and authorized the City Manager to implement the [Program Guidelines](#) (“Guidelines”), specifying the criteria under which qualifying projects can seek consideration for financial incentives.

From May 2014 through May 2022, the Economic Development Department (EDD) received eight (8) inquiries from projects seeking financial assistance to produce content in Austin under the Guidelines. Six (6) projects were awarded incentives (refer to data.austintexas.gov for detailed information on these agreements). Three (3) companies qualified to receive a total incentive of 0.75% of its payroll to Austin MSA residents. The remaining projects were eligible for an incentive equal to 0.50% of wages paid to Austin MSA residents. Two projects declined to move forward with an application, one withdrawing due to the inability to meet Program eligibility criteria and the other was prohibited from participating due to an aggressive production schedule.

On September 2, 2021 when Council approved the incentive agreement with Eye Productions for Season 2, Council noted that the Program and Guidelines appeared outdated and requested staff to update accordingly. While staff estimated proposed updates to the Guidelines by the end of calendar year 2021, staffing changes and the department's focus on administering Covid-19 economic recovery programs limited staff's ability to complete this task by the desired timeline.

To date, staff has initiated a review of the Program Guidelines including:

- Researching best practices of peer city creative industry incentives
- Planning focus group engagement to review potential Program updates
- Evaluating various improvements to the fiscal model utilized in evaluating individual projects

In the fall of 2022, staff plans to provide Council a summary of the Program update process including the rationale for updating Guidelines, stakeholder engagement feedback, an updated Creative Sector economic impact analysis, and recommendations for Guideline updates.

If you have comments or questions, please contact Susana Carbajal, Deputy Director, at Susana.Carbajal@austintexas.gov.