

AGENDA



Recommendation for Council Action

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| Austin City Council | Item ID | 22525 | Agenda Number | 66. |
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| Meeting Date: | 3/7/2013 | Department: | Economic Growth and Redevelopment |
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Subject

Conduct a public hearing and consider an ordinance creating an economic development program with National Instruments Corporation and authorizing the negotiation and execution of an Economic Development Agreement with National Instruments Corporation.

Amount and Source of Funding

Fiscal Note

There is no unanticipated financial impact. A fiscal note is not required.

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| Purchasing Language: | |
| Prior Council Action: | |
| For More Information: | Kevin Johns, Director, EGRSO / 974-7802; Jacqueline Cullom, Attorney, Legal / 974-2918 |
| Boards and Commission Action: | |
| MBE / WBE: | |
| Related Items: | |

Additional Backup Information

The Economic Growth and Redevelopment Services Office recommends approval of the proposed ordinance which authorizes the negotiation and execution of an economic development agreement with National Instruments Corporation ("NI"). Under the proposal, NI will build a new research and development facility within Austin's Desired Development Zone. The new 300,000 sq. ft. research and development facility will result in at least \$80 million in real and personal property improvements and create at least 1,000 jobs. National Instruments commits to paying the higher of prevailing wages or \$11.00 per hour to all construction workers and full time employees at the facility. For each year the City, and an independent third-party has verified that NI has performed according to the terms of the agreement, the City will provide an economic development grant equal to 50% of the actual incremental real and personal property taxes generated by the project. The total estimated amount of annual economic development grants during the agreement's 10-year period is \$1,667,575.

The project received the necessary score to be eligible for an economic development grant. Using the Web LOCI

fiscal impact software, the City of Austin would receive \$7.6 million in total net benefits from the project over the 10-year agreement term. The net benefits amount is calculated after the total estimated economic development grant of \$1,667,575 is factored.