

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	29913	Agenda Number	38.
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Meeting Date:	1/30/2014	Department:	Economic Development
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Subject

Conduct a public hearing and consider an ordinance creating an economic development program with athenahealth, Inc., and authorizing the negotiation and execution of an Economic Development Agreement with athenahealth, Inc.

Amount and Source of Funding

Funding is available in the Fiscal Year 2014-2015 Economic Incentive Reserve Fund.

Fiscal Note

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

Purchasing Language:	
Prior Council Action:	
For More Information:	Kevin Johns, Director / ED, 974-7802; David Colligan, Global Business Recruitment and Expansion Manager / ED, 974-6381
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

Economic Development recommends approval of the proposed ordinance which authorizes the negotiation and execution of an economic development agreement with athenahealth, Inc. Under the proposal, athenahealth, Inc. is considering an expansion of its R&D functions. The company currently employs 36 individuals in Austin. If Austin is chosen for this expansion, the company will locate within Austin's Desired Development Zone at the Seaholm District Redevelopment. The 115,000 sq. ft. facility would result in at least \$7.75 million personal property improvements and would create at least 607 new full-time jobs, with an average annual wage of \$132,085. For each year the City and an independent third-party has verified that athenahealth has performed according to the terms of the agreement, the City will provide an economic development grant equal to \$250 per each new full-time job.

The project received the necessary score to be eligible for an economic development grant. Using the LOCI fiscal impact software, the City of Austin is projected to receive \$1,665,899 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 \$679,500 is factored.