

AGENDA



Recommendation for Council Action

Austin City Council Special Called

Item ID

30866

Agenda Number

2.

Meeting Date:

2/20/2014

Department:

Economic Development

Subject

Conduct a public hearing and consider an ordinance creating an economic development program with Dropbox, Inc. and authorizing the negotiation and execution of an Economic Development Agreement with Dropbox, 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/Economic Development, (512) 974-7802; David Colligan, Global Business Recruitment and Expansion Manager/Economic Development, (512) 974-6381

**Boards and
Commission
Action:**

MBE / WBE:

Related Items:

Additional Backup Information

The Economic Development Department recommends approval of the proposed ordinance which authorizes the negotiation and execution of an economic development agreement with Dropbox, Inc. Under the proposal, Dropbox, Inc. is considering an expansion of its sales and operations office. The Company currently employs 30 individuals in Austin. If Austin is chosen for this expansion, the company will locate within Austin's Desired Development Zone in the Central Business District. The expansion would result in at least \$1.5 million in personal property investments and \$4 million in leasehold improvements, and would create at least 170 new full-time jobs with an average annual wage of \$59,000. For each year the City and an independent third-party has verified that Dropbox has performed according to the terms of the agreement, the City will provide an economic development grant equal to \$150 per each new full-time job.

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 is projected to receive \$594,680 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 \$244,500 is factored.