ORDINANCE NO. 20170406-___

AN ORDINANCE AUTHORIZING THE CREATION OF AN ECONOMIC DEVELOPMENT PROGRAM AND THE NEGOTIATION AND EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH MERCK SHARP & DOHME CORPORATION

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

PART 1. The Council adopts the following findings:

(A) Chapter 380 of the Texas Local Government Code ("Act") authorizes the City to establish local economic development programs;

(B) Merck Sharp & Dohme Corporation ("Merck") has requested that the City Council consider establishing and administering an economic development program in the City as allowed under the Act, in exchange for expanding its business unit within the City's Desired Development Zone, making a total investment of $20,532,000 in real property and $8,190,000 in business personal property, and creating at least 600 jobs within the City;

(C) The City has reviewed and evaluated Merck's economic incentive proposal in accordance with Ordinance No. 20091001-011 relating to the review of economic incentive proposals;

(D) Merck qualifies for the proposed incentives under the standards set forth in Firm Based Incentive Matrix, which City Council approved by Resolution No. 20131024-056; and

(E) An economic development program with Merck is justified because it will promote local economic development and stimulate business and commercial activity in the municipality by creating jobs.

PART 2. An economic development program for Merck is created under Chapter 380 of the Texas Local Government Code. The economic development program provides for a grant amount equal to $200 per new job created for a period of up to ten years, up to a maximum of $856,000, subject to the terms of an economic development agreement to be negotiated and executed with the City.

PART 3. The City Manager is authorized to negotiate and execute an economic development agreement with Merck, consistent with the terms and conditions of the economic development program established in Part 2 of this Ordinance.

PART 4. This ordinance takes effect on _____, 2017.

PASSED AND APPROVED

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§
_____, 2017 § _____

Mayor

APPROVED: _____ **ATTEST:** _____

Anne L. Morgan
City Attorney

Jannette S. Goodall
City Clerk