



Recommendation for Action

File #: 21-3190, **Agenda Item #:** 3.

11/18/2021

Posting Language

Authorize negotiation and execution of a contract with RSM US, LLP to provide compliance review services of economic development agreements, for a 12-month term in the amount of \$120,000, with four 12-month extension options in the amount of \$120,000 per extension option, for a total contract amount not to exceed \$600,000.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of \$120,000 is available in the Fiscal Year 2021-2022 Economic Incentive Reserve Fund Operating Budget of the Economic Development Department.

Prior Council Action:

March 12, 2009 - Council approved Ordinance No. 20090312-005 requiring independent reviews for economic development agreements.

August 30, 2018 - Council approved Resolution No. 20180830-056 adopting the Chapter 380 Policy.

August 30, 2018 - Council approved Ordinance No. 20180830-057 establishing the Chapter 380 Business Expansion program.

For More Information:

Sylvia Holt-Rabb, Economic Development Department, 512-974-3131.

Additional Backup Information:

The contract will provide independent third-party compliance reviews of Chapter 380 incentive agreements prior to issuance of payments. In accordance with Ordinance No. 20090312-005, the City's economic development agreements must have compliance reviews that are verified by an independent third party, and the results are to be made available for public inspection. The Chapter 380 Policy and the Chapter 380 Business Expansion Program Guidelines, both adopted August 30, 2018, require independent, third-party reviews prior to any economic development incentive being paid.

The City currently has Chapter 380 agreements with eight companies. Chapter 380 agreement terms range from five-years to twenty years. Companies must meet the performance requirements during each year of the term in order to qualify for a Chapter 380 payment for that year. The contractor has conducted third party independent reviews of Chapter 380 incentive agreements since 2007. The City and the contractor have developed efficiencies in the review process which minimize disruption to the companies under review while ensuring that the agreed upon procedures demonstrate whether each company with an active Chapter 380 agreement has complied with the terms of their agreement. The firm has valuable experience and knowledge regarding Austin's economic development program and agreements as well as the reporting requirements of Ordinance No. 20090312-005. This contract will replace the existing contract that expires on March 6, 2022.

The authorization amounts were determined by allocating funding for the maximum number of Chapter 380 agreements which could take place in any given fiscal year. If the City is unable to secure this contract, the City's economic development agreements will not be reviewed by an experienced contractor which has developed efficient review process for the City and the company under review.

	# Months	Contract Amount
Original Term	12	\$120,000
Extension Option 1	12	\$120,000
Extension Option 2	12	\$120,000
Extension Option 3	12	\$120,000
Extension Option 4	12	\$120,000
Total	60	\$600,000

Strategic Outcome(s):

Economic Opportunity and Affordability.