



## Recommendation for Action

**File #:** 23-2018, **Agenda Item #:** 5.

6/1/2023

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### **Posting Language**

Approve an ordinance nominating the real property at 12301 Research Boulevard, Austin, Texas 78759 as a Qualified Media Production Location in accordance with Texas Government Code Chapter 485A.

### **Lead Department**

Economic Development Department.

### **Fiscal Note**

This item has no fiscal impact.

### **For More Information:**

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### **Additional Backup Information:**

The State of Texas partners with local communities to support and strengthen the digital media and production industry. Through an ordinance on this agenda, City Council designates the area as a media production development zone (MPDZ) for approval by the Texas Film Commission. In conjunction with the creation of the MPDZ, Council may certify up to three sites in the MPDZ as qualified media production locations (Location). Locations are eligible for sales and use tax exemptions for a maximum of two years.

This Ordinance will establish Activision Publishing, Inc.'s location at 12301 Research Boulevard as a Location. Activision Publishing, Inc. (Activision) is a video game publisher based in Santa Monica, California founded in 1979. The Location is the site of Activision's wholly owned subsidiary Infinity Ward, Inc. (Infinity Ward), which is headquartered in Woodland Hills, California and founded in 2002.

Activision has applied for designation as a Location for a pending expansion of Infinity Ward's Austin operations. The company's project meets all eligibility criteria as a Location under the State's MPDZ program eligibility criteria. Over the next two years, Activision anticipates investing a total of approximately \$2.25 million in facility improvements and machinery and equipment for the Infinity Ward expansion. Acquisition of equipment along with the renovation and modernization of the lease space will allow the company to expand its Austin-based operation. The expansion aids in the creation of 74 new full-time jobs over five years, with an associated increase to annual payroll of approximately \$18.0 million annually at full production. The project's anticipated property improvements are expected to commence in June of this year and are expected to be completed in October 2023.

If awarded, Activision would be eligible for an exemption from City and State sales and use taxes on qualified purchases. An independent economic impact analysis is required by the State, which was performed by TXP. The analysis estimated the exemption of approximately \$22,500 in City sales tax and roughly \$140,600 exemption in State sales tax collection. Sales tax exemptions would be applicable to the renovation of a 15,022 square foot lease space and equipment acquisition.