



## Recommendation for Action

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**File #:** 23-2019, **Agenda Item #:** 6.

6/1/2023

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### **Posting Language**

Approve an ordinance designating the area within the Austin city limits as a Qualified Media Production Zone in accordance with Texas Government Code Chapter 485A.

### **Lead Department**

Economic Development Department.

### **Fiscal Note**

This item has no fiscal impact.

### **For More Information:**

Sylvia Holt-Rabb, Director, Economic Development Department, 512-974-3131, Arnie Jacob, Business Process Consultant, Economic Development Department, 512-974-7786.

### **Additional Backup Information:**

The State of Texas partners with local communities to support and strengthen the digital media and production industry. The State provides for a state and local sales and use tax exemption for eligible procurements at a qualified media production facility. To take advantage of this economic development tool, Council first designates an area as a media production development zone (MPDZ) for approval by the Texas Film Commission. The City of Austin currently does not have a designated MPDZ. This Ordinance will establish the area within the Austin Corporate City Limits (full and limited purpose) as an MDPZ.

If next approved by the State, the MPDZ remains active for five years. Once the MPDZ is created, City Council may certify up to three sites in the MPDZ as qualified media production locations (Locations). Locations are eligible for sales and use tax exemptions for a maximum of two years.

Purchases eligible for the exemption are construction, maintenance, expansion, improvement, and/or renovation of a media production facility. Media production facilities include but are not limited to: animation/CGI studios, postproduction facilities, sound stages, video game development studios, and production office space. The State requires applicants to undertake an independent economic impact analysis. The project will have a net positive economic impact on State and city revenues.