

# CITY OF AUSTIN, TX INCENTIVE PROCESS

The City of Austin has a very selective incentive policy. However, it is very aggressive for its targeted industries. The City of Austin has an Economic Development Matrix based on the following:

- **The Firm must be located in the Desired Development Zone.**
- **The Firm must comply with current City of Austin water quality regulations on all current projects and during term of incentive agreement.**
- **Other Firm based factors include:**
  - **Overall Economic and Fiscal Impact**
  - **Local Linkages to the Austin Economy**
  - **Infrastructure Impact**
  - **Cultural/Quality of Life Considerations**
  - **Extraordinary Economic Impact**
  - **Green Building Initiatives**
  - **Minority Participation Process**

Under the Matrix scoring system, points are assigned to each of the major criteria described above. This scoring system is used to assess whether incentives will be offered to a firm and, based on the final score, the potential incentive amount for the firm. Firms with a score between 81-100 may qualify for up to 50% of the net present value of the estimated total tax liability over 10 years. Firms with a score between 61-80 may qualify for up to 30% of the net present value of the estimated total tax liability over 10 years. Firms that score 60 and below do not qualify for shared investments. As a standard practice, total investments in a firm will not exceed 50% of the present value of the estimated total tax liability over 10 years and will not exceed 80% of the total tax liability in any single year.

However, the City Council reserves the right to create a unique shared investment package in the case of extraordinary opportunities for economic development in Austin. These may include cases where:

- **The firm is in a targeted industry**
- **The firm is involved in leading edge technology**
- **State economic development funds are available for the firm**
- **The firm will generate 500 jobs or more**

For example over the past several years, the City of Austin has attracted the below firms.

<b>COMPANY</b>	<b>INVESTMENT</b>	<b>JOB</b>	<b>INCENTIVE</b>
<b>Home Depot Data Center</b>	<b>\$404 MM</b>	<b>500</b>	<b>\$ 6.7 Million</b>
<b>ATDF</b>	<b>\$100 MM</b>	<b>325</b>	<b>\$ 6.3 Million</b>
<b>Samsung Fabrication Plant</b>	<b>\$2.5 BB</b>	<b>700</b>	<b>\$ 47.6 Million</b>
<b>Hewlett-Packard Data Center</b>	<b>\$300 MM</b>	<b>140</b>	<b>\$ 3.2 Million</b>



# Austin Incentive Process

