



Wednesday, July 1, 2020 by Jessi Devenyns
TRAVIS COUNTY

County development incentive for Tesla sees more support

This Tuesday, the Travis County Commissioners Court once again opened the floor to public testimony regarding the [development incentive package](#) for Tesla's proposed "Gigafactory" in southeastern Travis County. The court took no action on the matter.

Over a dozen speakers expressed their opinions via the phone on the county's plan to offer an 80 percent rebate on Tesla's property taxes for the first 10 years of its residency, followed by a 65 percent rebate for the following 10 years in order to incentivize the California company to relocate its manufacturing operations in Central Texas. If approved, the county incentives could total \$14.6 million in property tax rebates for Tesla over 10 years. The county would keep \$7 million.

Unlike last week, the majority of the callers this week came to express their support for the project.

"We would be crazy if we did not take this opportunity," East Austin resident Deborah Morgan said. "We can't let Tulsa win this one." Tulsa, Oklahoma, is [also in the running](#) as a potential location for the Gigafactory, which is expected to produce Tesla's electric pickup, the Cybertruck.

Other speakers called the plan to relocate "tremendous," and "great news." At the same time, speakers cautioned the Commissioners Court to thoroughly parse the details of the incentive proposal and also weigh input from the community.

"There needs to be clarity," Rick Levy, the president of the Texas AFL-CIO union, said. "What are the jobs, how much are they going to pay, what is the career path?" As part of the potential agreement, the Tesla Gigafactory is estimating it will bring 5,000 jobs, 65 percent of which will be unskilled labor. The company has also committed to a \$15-per-hour or \$31,200-per-year wage floor for these positions, although the corporation estimates the average annual salary will be higher at \$47,147.

Rev. Michael Floyd with Central Texas Interfaith, who supported the project generally, pointed out that even at the average wage cited by Tesla, a family of three would still qualify for Travis County Rental Assistance. Currently, people earning 150 to 250 percent of the federal poverty income guidelines, or \$31,580 to \$54,300, [qualify](#) to receive rental assistance from the county due to an expansion in eligibility requirements resulting from Covid-19. Typically, a qualifying family of three can earn no more than 150 percent of the federal poverty income guidelines.

Levy also advocated for the county to weave strong enforcement mechanisms into the deal to ensure that Tesla abides by its promises. The electric car company has a track record of [violating the terms](#) of its subsidy agreements with other municipalities.

Laura Huffman, the president and CEO of the Austin Chamber of Commerce, supported incentivizing Tesla's relocation.

"Tesla selecting Austin happens at a time when our economy needs it most," she said. "These are real jobs for real people during a really, really difficult time for all of us." Additionally, she noted that the 5,000 jobs Tesla will bring do not account for the ancillary jobs that will be generated due to demand from the manufacturing plant. The county estimates that Tesla's presence in Travis County will create at least 4,000 jobs due to secondary effects.

After hearing public comment, the Commissioners Court recessed to discuss the deal in executive session. While there was no comment from the commissioners in open court, the item can be put on the agenda next week for further discussion. Next week's agenda will be posted Thursday afternoon.

<https://www.austinmonitor.com/stories/2020/07/county-development-incentive-for-tesla-sees-more-support/>