



City of Austin

Recommendation for Action

File #: 25-2698, **Agenda Item #:** 58.

2/5/2026

Posting Language

Authorize negotiation and execution of a Business Expansion Program economic development agreement with Base Power Company for a performance-based award to create 500 jobs for an amount not to exceed 52% of property taxes paid or \$4,847,950 over a 10-year term, as well as a transfer of \$932,298 to the Childcare Assistance Reserve Fund. Funding: Contingent upon approval of the Operating Budget of the Austin Economic Department's Economic Incentive Reserve Fund Budget.

Lead Department

Austin Economic Development.

Fiscal Note

Maximum incentive payments to Base Power Company are estimated at \$4,847,950 in total over the course of a ten-year term, if all performance and compliance criteria are met. Funding for incentive payments is contingent upon the annual appropriation of funds to the Economic Incentive Reserve Fund by City Council. Eligible sources of funding for the Economic Incentive Reserve Fund may include, but are not limited to, sales taxes, property taxes, mixed beverage taxes, and grants and private donations.

For More Information:

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Additional Backup Information:

Project Summary

Base Power Company is an Austin-based energy company (founded in 2023) that combines Texas retail electricity service with installed home battery backup, positioning itself as both a power provider and a resilience solution in one. Led by founder and CEO Zach Dell, Base's model centers on deploying large residential batteries at customers' homes and using that distributed fleet to provide outage protection for households while also helping manage grid demand and reliability. The company is listed as a registered Retail Electric Provider in Texas and publicly markets its equipment as meeting common safety standards/certifications (including UL listings).

The company is proposing a 486,000 square feet manufacturing facility at 8001 Metropolis Drive with a capital investment of \$265M for the facility. The project would be at the Met Center Business Park development, and the scope of work includes site grading and completion of core/shell building and use of space for production and manufacturing.

Employment Impact

Base Power Company projects retention of 100 jobs and creation of 500 new full-time jobs for a total of 600 jobs by completion of the agreement with an average annual salary of \$50,000. Additionally, Base Power has committed to participate in local job fairs to hire Austin residents with an emphasis on hiring economically disadvantaged individuals and establishing pathways for growth and promotion within their organization.

The jobs within the company will also provide a range of benefits for employees including wages exceeding the living wage, health/dental insurance, 401(k), and childcare flexible spending accounts.

Fiscal Impact Analysis

Using the Impact Dashboard fiscal impact model, the City is projected to receive \$9.8M in benefits (property tax, sales tax, utility revenues) collected over the 10-year agreement term. Additionally, per the Business Expansion Program guidelines, 10% of City of Austin eligible property taxes during this time will go to the Childcare Reserve. The Childcare Reserve Fund transfer amount is estimated at \$932,298 over the 10-year agreement term.

The project received the necessary score for an incentive equal to 52% of actual property taxes paid to the City and is eligible for consideration under the Business Expansion Program guidelines and for the award up to the maximum amount of \$4,847,950 over the 10-year period. The City is expected to receive a total net benefit of \$4.9M from the project over the 10-year agreement term. Contract compliance and award payment eligibility will be determined annually by the City and an independent third-party to verify that Base Power Company has performed in accordance with the terms of the contract.

There is no fiscal impact in Fiscal Year 2025-26 budgets from this agreement. Incentive payments will be reimbursed once property taxes from FY 2027 - 2036 are paid, and compliance is confirmed. Funding for incentive payments occur in Fiscal Year 2028 - 2037 budgets.