



Economic Development Department - City of Austin

The Austin Economic Development Department (EDD) develops and leads the innovative programs that increase the prosperity of Austin's citizens, our businesses and neighborhoods.

Numerous programs of the City's Economic Development Department work to provide equal opportunities to all. Within these programs there are a myriad of ways EDD supports, encourages, and invests in local creatives, entrepreneurs and job creation. Included but not limited to Black Cultural District, funding to the Black Chamber of Commerce, Artist Funding Opportunities to Black Artists. Below is a list of *some* of the most pertinent EDD programs and projects, and where possible, artists of color are identified:



Cultural Funding

Highest Cultural Art investment of EDD funds are used to directly invest in Black Heritage District in the amount of \$237,000. Utilizing the arts portion of the Hotel Occupancy Tax, EDD contracts for services to over 200 nonprofit arts organizations and sponsored individual artists. In this current fiscal year (October 1, 2014-September 30, 2015) the Cultural Funding Program is managing 240 nonprofit

contractors. Of these, 28, or 16.05%, self-identified as minority. The total allocation to all contractors was \$7,944,327. A total of 41 cultural organizations within District One received funding from the Cultural Contracts funding totaling \$1,377,209. The majority of ethnic contractors funded are Latino, but 6 Black Creative Organizations received 8 cultural funding contracts. Some groups may identify as “multi-ethnic” or “no majority” - which are not included in the summary list below:

- **Austin Community Steelband** - Committed to sharing the joys of steelpan with the Citizens of Austin of all ages, incomes and cultural backgrounds with a special emphasis on reaching at-risk youth. Received 2 funding contracts through the Core and Cultural Expansion Program.
- **Austin Creative Alliance/Cosmic Intuition Productions** - The mission of the Austin Creative Alliance is to advance, connect and advocate for Austin’s arts, cultural, and creative communities in order to strengthen and protect the character, quality of life, and economic prosperity of our region.
- **Austin Visual Arts Association** - A nonprofit service organization for 36 years - the Austin Visual Arts Association is one of the oldest visual arts organizations in Austin.
- **Ballet East/UpRise! Productions** - UpRise! transcends the confines of difference through a multidisciplinary performing arts group that aims to affect social change through performance and empowerment education.
- **Lannaya West African Drum and Dance Ensemble** - dedicated to performing, teaching and celebrating drum and dance of the African diaspora. Received 2 funding contracts through the Core and Cultural Expansion Program.
- **Women in Jazz** - provides Women in Jazz Concert Series and Vocal Performance Workshops for performance opportunities and experiences of professional and amateur jazz vocalists in the Austin metropolitan area.

Visual Arts Programming

Art in Public Places Program whereby 2% of individual City of Austin Capital Improvement Projects budget for artist-architectural enhancement projects. Currently, approximately 11 African-American artists were commissioned for AIPP artwork projects, and 6 were selected for design teams/planning work in conjunction with AIPP projects.

Music Programming

ATX Music Industry Census & Needs Assessment Survey is a comprehensive economic development study of Austin’s music industry and its workers

Dub Academy offers 500 deserving teens from the greater Austin area free music classes

HOPE FM Live! First Sundays a broad range of live music programming at Plaza Saltillo

ListentoAIR launched as an online music streaming service to benefit Austin independent artists and listeners worldwide. ListentoAir.com generates distribution channels for independent artists to sell their digital and recorded music. The mobile app spawned from the success of the AIR web site, which currently has launched over 750,000 streams in over 45 countries.

Austin Music Memorial Annual Induction - The Music Memorial builds a living legacy that threads the past to the present in Austin's musical heritage, and serves as an annual event that unites Austin's citizens in a celebration of our unique culture and the people who have created it. EDD facilitates the musician selection and produces the annual induction ceremony that honors deceased local music legends that had a unique and significant impact on Austin's music community.

Special Events & Projects

Creative Sector Needs Assessment - Comprehensive study looking at the support structures needed for Austin's Nonprofit Arts and Cultural Organizations and Individual Creatives to perform at their optimum level and to build their capacity. Assessment study will identify support structure needs; identify service gaps between the support structures services needed and those provided by Austin nonprofit service providers; and develop a report of findings and set of recommendations for implementing support and capacity building services and structures, and professional development opportunities, to be developed and delivered by the City over time. A similar needs assessment study for small businesses (including the for profit creative industries) is being completed.

Mapping Austin's Cultural Resources - With support from the National Endowment for the Arts, EDD will be embarking on a mapping project to identify Austin's cultural assets across the City using GIS mapping and community vetting to identify hyperlocal neighborhood assets. The GIS information will be added to the City's online data system and viewing tool in order to make informed decisions regarding planning, analyses, and investments. The project will produce a set of maps, a Findings Report and short list of Cultural Economic Development Strategies keyed to the individual newly formed Council Districts.

Black Cultural District - Highest Cultural Art investment of EDD funds are used to directly invest in the Black Heritage District in the amount of \$237,000 which is located near the African American Cultural and Heritage Facility. A 2006 bond (Proposition Four) authorized \$31.5 million in funding for community and cultural facilities, the African American Cultural and Heritage Facility was 34% of the bond appropriation at \$1.5 million. The project was completed August 2014.

Black Urban Music Festival - At the direction of the City Manager's Office, the City (which includes multiple departments) contractually serves as a sponsor of the Black Urban Music Festival valued at over \$30,000.

Urban Artist Development - We partnered with Capitol View Arts to facilitate the Urban Artist Development Initiative for \$30,000. It was funded using the Music Assistance Loan fund. The initiative aims to support Austin's urban music community with mentoring, networking and professional development opportunities.

Workforce Development

Black and Hispanic Workforce Skilling is a priority for EDD training contractors. In the realm of workforce development, the Economic Development Department invests \$1,480,650 annually into

Capital Idea and another \$437,833 annually into Skillpoint Alliance. Both organizations focus on providing the skills and education to move the Austin workforce from low-paying jobs to higher paying jobs. Investments in both organizations provide the local talent needed by existing and incoming companies so that external recruitment of talent becomes a second choice.

Workforce development investments by the Economic Development Department include the following:

Capital IDEA - Funded through EDD through a Workforce Development Contract, Capital IDEA helps low-income adults gain college degrees. In their 15 years of operation, over 1,000 adults have earned degrees in areas such as Registered Nursing, Network Administration, Respiratory Therapist, Medical Lab Technologist, Pharmacy Technician, and more. On average, 800 low-income students are enrolled in college courses; with approximately 80 graduates per year. Average starting salary of graduates is \$40,000 per year.

SkillPoint Alliance - Funded through EDD through a Workforce Development Contract, SkillPoint Alliance helps low-income and out-of-work adults get technical training or gain computer proficiency skills to increase competitiveness in today's job market. Approximately 260 participants per year participate in their 6-week technical *Gateway* training program. For the *Gateway* program, in addition to poverty considerations; former offenders, veterans, homeless, and currently incarcerated youth are also served. The majority of *Gateway* students are under 30, unemployed, former offenders, in poverty, and suffering from low self-esteem. Working to launch Gateway, Empower and Velocity Prep programs within the Reagan High School vertical pattern; Skillpoint will look to specifically target 78752 and 78723 zip codes.

Take it to the Next Level Program - Ongoing initiative of workshops, speaker series, and webinars to provide capacity building and professional development to the creative sector.

Urban Artist Development - partnership with Capitol View Arts to offer vocational training, seminars, and networking opportunities specifically targeted to the needs of urban artists to help them monetize their careers and reduce underemployment.

Artist Inc. - Up to 25 local artists, chosen by a selection panel, participated in an 8-week training program that will enhance their business and entrepreneurial skills

Ongoing work with the Asian, Hispanic, and **Black Ethnic Chambers of Commerce** and the Austin communities and countries they represent. EDD currently funds the Black Chamber of Commerce \$171,000.

BONUS - Austin / Mexico Creative Sector Development - EDD staff is working with the organizers of BONUS Creative Week in Mexico, representatives of Mexico's regional and federal governments, and representatives of various educational and industry trade associations in Mexico, to find ways to enhance creative sector business and cultural opportunities between Austin and Mexico

Texas Enterprise Zone Program - an economic development tool for municipalities to partner with the State of Texas to promote job creation and capital investment by providing designated projects eligibility for state sales and use tax refunds on qualified expenditures. In exchange for State incentives, companies must agree to hire either 25% or 35% of its new jobs or replaced jobs with economically-disadvantaged workers or workers who reside in the enterprise zone itself. The complete list of [Texas Enterprise Zone Program](#) projects can be found on the City's Data Portal.

Financing Opportunities

Business Retention and Enhancement Program - Supports the re-establishment of Congress Avenue and East 6th Street as retail and urban entertainment destinations by providing low-interest loans.

Creative Content Incentive Program - Program will increase Austin's competitive advantage for bringing film, television and digital media projects to Austin. Production projects will be eligible for an incentive equal to 0.5%-0.75% of the wages paid to local workers.

Family Business Loan Program - Created in 2012 with a \$3 million Department of Housing and Urban Development Grant as a public-private partnership between the City of Austin Economic Development, the U.S. Department of Housing and Urban Development, and local banks. The program created a low-interest loan pool and requires borrowers to create one job for every \$35,000 borrowed' 51% of individuals hired must be deemed low to moderate income as defined by federal levels. Since May 2012, EDD has loaned over \$2.7 million. The Family Business Loan Program has resulted in the following eight (8) loan agreements:

- 63% 5 of the 8 loans represent Minority-Owned Business participation
- 38% 3 of the 8 loans represent Women-Owned Businesses participation
- 75% 6 of the 8 participating business are located in East Austin

Micro Loan Program - An alternative financing option for qualified borrowers characterized by smaller dollar amounts in order to meet the relatively modest needs of business in the early stages of growth.

Music Venue Assistance Program - Created to support our valuable music industry, and to reduce sound complaints. This program offers low interest micro loans to qualifying establishments for the purpose of enhancing the sound quality of indoor and outdoor venues, while reducing sound impact to neighboring uses.

Industrial Revenue Bonds - Through the Austin Industrial Development Corporation, this program is used to issue bonds to finance all or part of the cost of commercial, industrial, or manufacturing projects to promote and develop commercial, industrial, and manufacturing enterprises in support of employment.

Small Business & Community Economic Opportunity

Getting small businesses to grow, especially minority-owned firms, is and EDD priority. The Small Business Program provides free and inexpensive business skills training to local entrepreneurs and also assists with funding. The Economic Development Department invests \$617,500 annually into three of the four Austin Technology Incubators (ATI), a program of The University of Texas at Austin (UT) IC2 Institute. Funding for the Clean Energy, Bio/Health Sciences, and IT/Wireless incubators is critical for developing industry clusters in each of these areas. ATI provides strategic counsel, operational guidance, and infrastructure support to its member companies to help them transition into successful, high growth technology businesses. A March 2014 report by UT's Bureau of Business Research concluded

that between 2003 and 2012, ATI graduate companies created more than 6,520 direct and indirect jobs, and produced more than \$20 million in local revenue.

The Economic Development Department invests \$679,750 annually into the Greater Austin Asian Chamber of Commerce, the Greater Austin Black Chamber of Commerce, the Greater Austin Hispanic Chamber of Commerce, and the Austin Gay and Lesbian Chamber of Commerce. The chambers of commerce help to develop local businesses by providing them access to skills and business opportunities for growing and expanding.

The Economic Development Department invests \$350,000 annually into the Opportunity Austin program. This regional economic development program is aimed at fostering job-creating investment in the Austin region. Opportunity Austin markets Austin as a desired business location and provides access to data, site information, and talent information for companies interested in locating or expanding in Austin.

Other small business investments and community investments include the following:

Business Education - Classroom training for local, small businesses on a variety of business topics through a partnership with UT. Classes are taught by UT Adjunct Professors.

Business Solutions Center - A technology center located on the 1st floor of One Texas Center that provides small business owners with access to online business research tools. The Business Solutions Center also provides “How To” and “Where To Go” information, and serves as a portal to City services for small businesses.

BizOpen - Helps small business owners navigate the City’s complex development and permitting processes. BizOpen offers one-on-one assistance and an overview class on the City’s development process.

Business District Incubator - This new program is being rolled out to provide support and enhancement to Austin’s commercial corridors in challenged areas to enhance the viability of commercial clusters, promote local job creation, and provide neighborhoods greater access to retail and services.

Getting Connected - This free annual event provided nearly 700 entrepreneurs with access to classes, panel session, one-on-one assistance. Guidance on topics such as business planning, funding, networking, accounting and business law are covered.

LocallyAustin.org - This online map allows residents and visitors the tool to discover the many locally-owned, small businesses that give Austin its treasured and unique character. This resource will assist Black, Hispanic, Asian businesses with marketing. LocallyAustin.org gives locally-owned, small businesses a greater presence online, increasing their chances of attracting customers.

Technical Assistance - This service provides one-on-one coaching and technical assistance with starting a business, writing a business plan, developing a marketing plan, basic financial management and preparing to apply for a business loan.

BONUS - Austin / Mexico Creative Sector Development - The Economic Development Department is working with the organizers of BONUS Creative Week in Mexico, representatives of Mexico’s regional and federal governments, and representatives of various educational and industry trade associations in

Mexico to find ways to enhance creative sector business and cultural opportunities between Austin and Mexico.

Areas of Opportunity

Advanced Manufacturing, Distribution and Logistics - Austin sits on the I-35 NAFTA Corridor and this creates an opportunity to grow and recruit companies. The Economic Development Department (EDD) is stepping forward with a plan that has a strong focus on creating opportunities for a growing economically disadvantaged population - including the Advanced Manufacturing, Distribution & Logistics target industries. These are three inter-laced industries that support an industrial cluster with good wages and basic educational requirements that fit well with traditionally hard-to-employ segments of the labor force. Austin has had great success in developing the Advanced Manufacturing industry as evidenced by Samsung, Spansion, Applied Materials, and a list of other design centers and manufacturers. And although the Distribution & Logistics does not currently have strong infrastructure in place, the relatively longer time-horizon with which the Economic Development Department operates identified it as a critical underpinning for a modern economy and future and seeks to develop the industry. Opportunity Austin 3.0 now recognizes tech manufacturing as a desired objective.

Industrial and Logistics Expansions offer the good jobs that people without college degrees need. Manufacturing and distribution companies also are more likely to hire the formerly incarcerated. We target expansions of technology manufacturing, recycling manufacturing, general manufacturing, logistics and distribution companies in order to diversify our economy and to increase home ownership among people in poverty. HID Global, Apple, Samsung are companies that have been offered performance-based contracts to expand in Austin as a result of this strategy. Our current portfolio of incentives includes 380 Agreements with matching State dollars, the Texas Enterprise Zone Program which refunds sales taxes to companies (requires 25% - 35% hiring of disadvantaged workers), and the Triple Freeport Tax Exemption which applies to products that leave the state in 175 days in the Del Valle, Leander, Pflugerville, or Manor School Districts. To this portfolio we are adding Industrial Revenue Bonds as a financial incentive to companies expanding their operations in Austin. December 11, 2014 City Council activated the Austin Industrial Development Corporation to allow the Department to begin offering companies industrial revenue bonds. The authorization had been inactive for 30 years. This State of Texas program provides tax-exempt financing to manufacturing companies. These industrial revenue bonds will also be used to recruit companies to the Austin [Re]Manufacturing Hub (developed in partnership with Austin Resource Recovery). Also underway is the Eco Industrial Park. These 100 acres at the former city landfill is projected to create up to 1,250 jobs in the recycling and reuse sector. See complete list of [Texas Enterprise Zone Program](#) projects. Also see our complete list of [Chapter 380 performance-based agreements](#).

The new **Dell Medical School, Seton Teaching Hospital and Innovation Zone** offer an estimated 15,000 job opportunity. In the emerging cluster industry of care giving and the creation of the medical school we see opportunities for the rapidly growing Hispanic business community and traditionally black college, Huston Tillotson University to grow the medical curriculum with the ultimate goal of a stand-alone black medical school associated with the University of Texas medical school. This is modeled on the Emory University School of Medicine in Atlanta, Georgia. The benefit to using cultural

diversity is the strength it generates as an alloy binding old and new ideas and perspectives into a stronger and broader Austin marketplace. 2015 research indicates that the top category of 2014 available jobs (36,000) are those in the nursing and care giving careers.

Soul-y Austin City-wide Commercial Regeneration Program - Merchants Challenge - Several Black or formerly Black Commercial areas are in the pipeline for the Merchants Challenge initiative. The City of Austin recognizes the significance and role that vibrant local commercial districts and corridors with a range of retail, restaurants and community responsive services have in creating socially and economically healthy neighborhoods. These commercial areas offer many benefits to our community including job creation, generation of sales tax and sales revenue, provide convenient access to healthy food, goods and services, support small business prosperity and importantly foster the sense of place that of our Austin neighborhoods have. Importantly Soul-y Austin presents opportunity to increase minority business success and further the Imagine Austin's goal of becoming a compact and connected city. One element is increasing and promoting pedestrian, bicycle and transit friendly places that foster a sense of place and increase access to opportunity for residents and businesses. Soul-y Austin supports and provides a flexible set of tools to assist in the formation of Merchants Association who can serve as the anchors and leaders for beautification efforts, marketing and promotions, and business retention and development.

The program is positioned to develop a set of tools that may assist in infrastructure repairs, streetscape improvements, and on-going maintenance of these commercial areas that contribute to the local economy. The Merchants Challenge will be voluntary and competitive and is modeled on successful programs in Oklahoma City, Seattle and New York City.

Commercial areas seeking to participate will be analyzed by considering area commercial and residential demographics, retail market analysis and consideration of areas with higher concentrations of poverty or unemployment. Commercial areas will be supported with Family Business, Music Venue and Micro Loans as well as assistance with permitting or zoning items through the Small Business BizAid Program. The Commercial Regeneration Program will also support the efforts by the Cultural Arts Division and the mapping of art and cultural assets citywide through a \$265,000 American Art grant. Creative space development and programming in merchant areas throughout the city will bind neighborhoods and business hubs into civic urban villages - walkable homes for living and working. Business areas seeking to participate will be evaluated by the "Envision Tomorrow" ROI software and, the number of merchants agreeing to participate. Consideration will be given to business areas with higher poverty and unemployment, those scoring high in job creation, local expansions, and net new taxes generated. The latter being relevant should the Merchants Associations desire to form self-funded public improvement districts. Selection will be performance based with the goal of having Merchants Associations in every Council District within 3 - 5 years.

Einstein Project (City of Austin Economic Development): In cooperation with the UT Ray Marshall Center, IC², AISD, other school districts, and other non-profit organizations focused on STEM, we will explore a program focused on ramping up STEM education for kids in school, particularly kids in poverty. We will be investigating the top 20 technology professions of the future, and we will identify curriculum strategies that can influence the paths to these careers. The goal will be to develop the next generation of Einstein's right here from Austin that can compete for high-paying tech jobs with the influx of talent being attracted to Austin today. The desired outcome is to break the cycle of poverty using a targeted education program.

