

Economic Development Policy Workshop

CITY OF AUSTIN ECONOMIC DEVELOPMENT DEPARTMENT

MARCH 6, 2015



What is Economic Development?

Skilled
Workforce?

New
Companies?

Well
Rounded
City?

Jobs
Created?

Diverse
Industry
Sectors?

Low
Unemployment?

More City
Revenue?

INCREASED TAX
BASE?

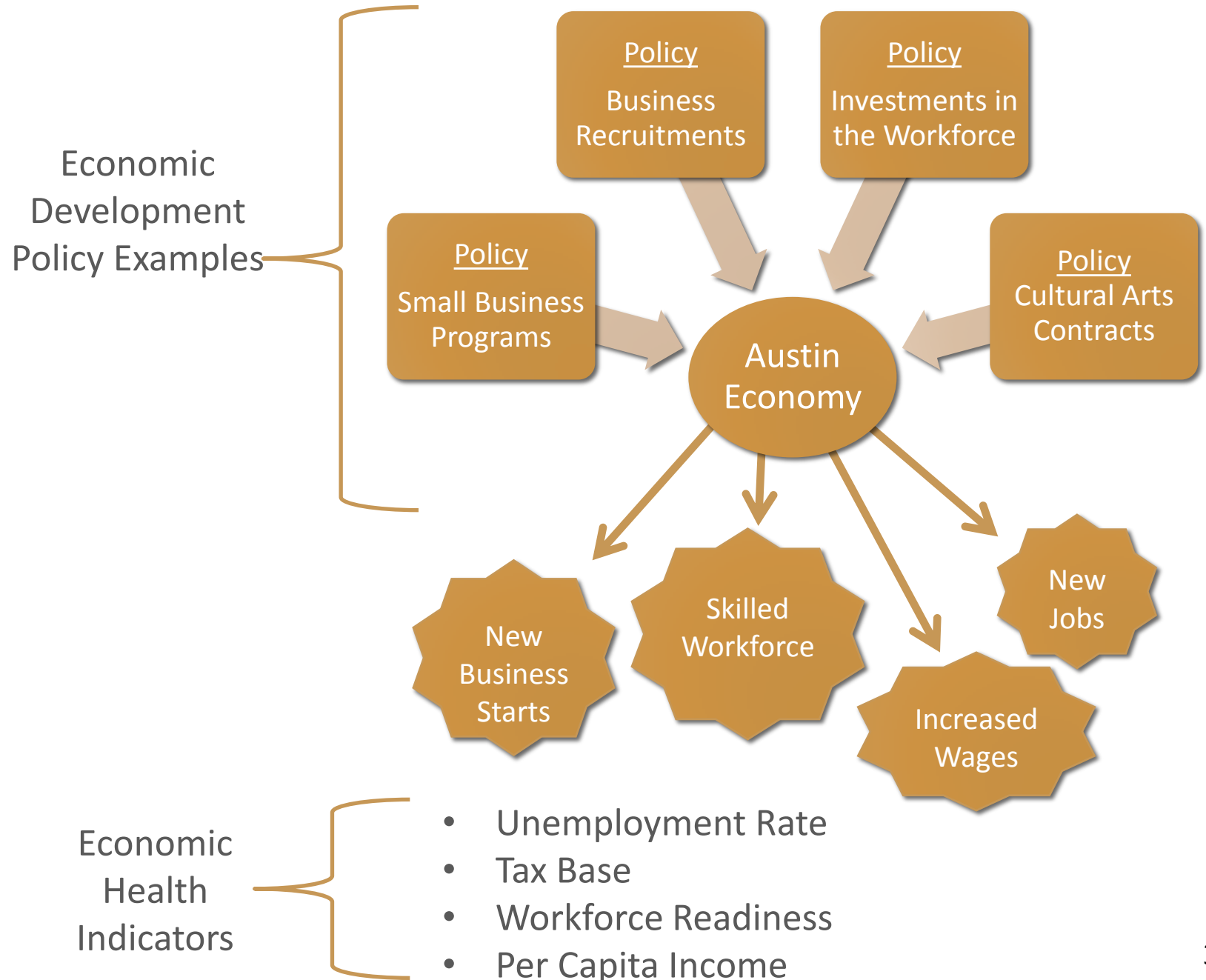
Increased
Personal
Income?

Economic Development is About Using Policies to:

- Increase the standard of living for residents
- Increase individual's skills and education
- Help businesses grow
- Support diversity of industry sectors

Result

- Better overall economic health of the City and its residents



Examples of How We Implement Economic Development Policies:

- Provide training and low-interest loans for small businesses
- Contract for skills training and career development
- Create jobs through performance-based agreements
- Issue citywide contracts to artists and arts organizations

A Few Program Samples:

Small Business Assistance

- Family Business Loan Program
- Getting Connected

Skills Training and Career Development

- Capital IDEA
- Skillpoint Alliance



Family Business Loan Program (FBLP)

A low-interest loan
program for small
businesses

Sawyer & Co.

4827 E. Cesar Chavez Street
New Orleans inspired
restaurant renovation

FBLP loan: \$519,000

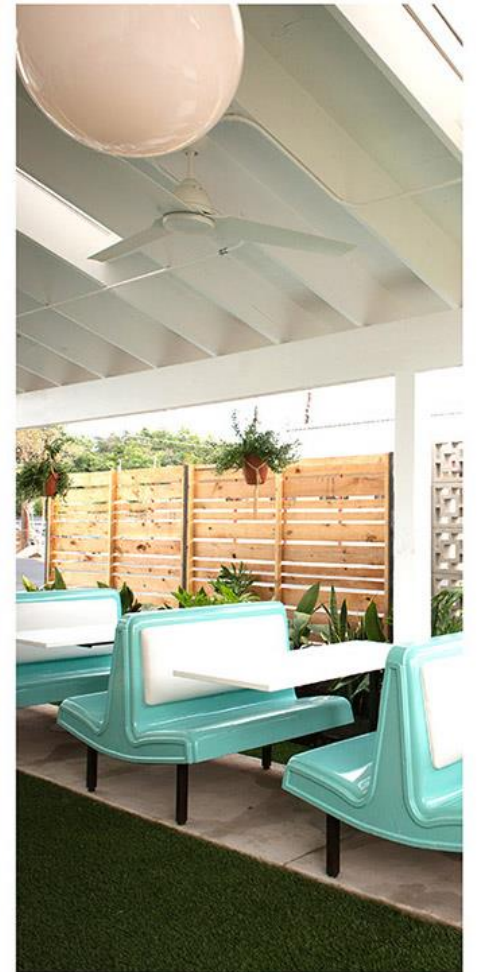
1.46% Interest rate

Bank loan: \$635,161

Jobs created:

19 Full-time jobs

....**AFTER**....
Sawyer & Co.
EST. 2014



Capital IDEA

A career development program

Helps low-income adults get college degrees so they can get higher paying jobs.

Contract amount: \$1.5M

Enrolls approximately 800 adults per year, and graduates approximately 80 adults per year.



Economic Development

Problems Being Tackled

Traditional Approach

- Achieve overall economic growth
- Stimulate private investment in Downtown Austin
- Assist the small business sector
- Support the cultural economy
- Implement public-private redevelopment projects
- Diversify the local economy

Equity-Based Approach

- Access to jobs
- Skills and education
- Living wages
- Small business access to capital
- Barriers to employment
- Working poor

Economic Development

Problem Solving

Traditional Approach

- Large-scale redevelopment projects
- Small business solutions center, education programs, and technical assistance
- Cultural contracts
- Chapter 380 program for direct job creation
- Technology incubator programs
- Film, television, and digital media productions
- Music programs

Equity-Based Approach

- Family Business Loan Program
- Chapter 380 agreements to hire the hard-to-employ and to educate kids in school
- Affordable housing units and funding created through redevelopment projects
- Changes to the Chapter 380 Policy to address living wages, prevailing wages, and other equity issues
- Changes to workforce development contracts with a focus on economic development

Economic Development

New Tools and Solutions

Commercial Stabilization Program

- Preserve existing businesses and support commercial districts that provide access to goods and services to neighborhoods

Einstein Project

- Focus on science, technology, engineering, and math (STEM) education for kids in school, particularly kids in poverty

ThinkEAST

- 25-acre mixed-use project to create 576 affordable work/live spaces and 492 jobs

Eco-Industrial Park

- Develop an unused 107-acre city-owned tract as a hub for recycling manufacturing to create 1,250 jobs

Internship Program

- In partnership with Capital IDEA and private industry, secure internships for local residents

Science, Technology, Engineering, and Math (STEM) Careers

- 9,000 tech jobs will be created in the Austin area by 2017
- Half of Austin's job openings in 2014 required STEM skills
- Minorities and women are under-represented in STEM careers

Medical School and Teaching Hospital

- 15,400 jobs to be created
- Will bring opportunities for small businesses
- Dell Medical School and Huston-Tillotson University partnership

Innovation Zone

- Will generate outside investment into Austin businesses
- Will lead to more jobs created in Austin

Economic Development

Chapter 380 Agreements

Texas Local Government Code – Chapter 380

- Authorizes a city to establish a program to promote economic development
- Authorizes grants to be used for economic development

City of Austin Chapter 380 Performance-Based Agreement Program and Policy

- Establishes the city's program for economic development
- Inserts community values into the decision-making and analysis process



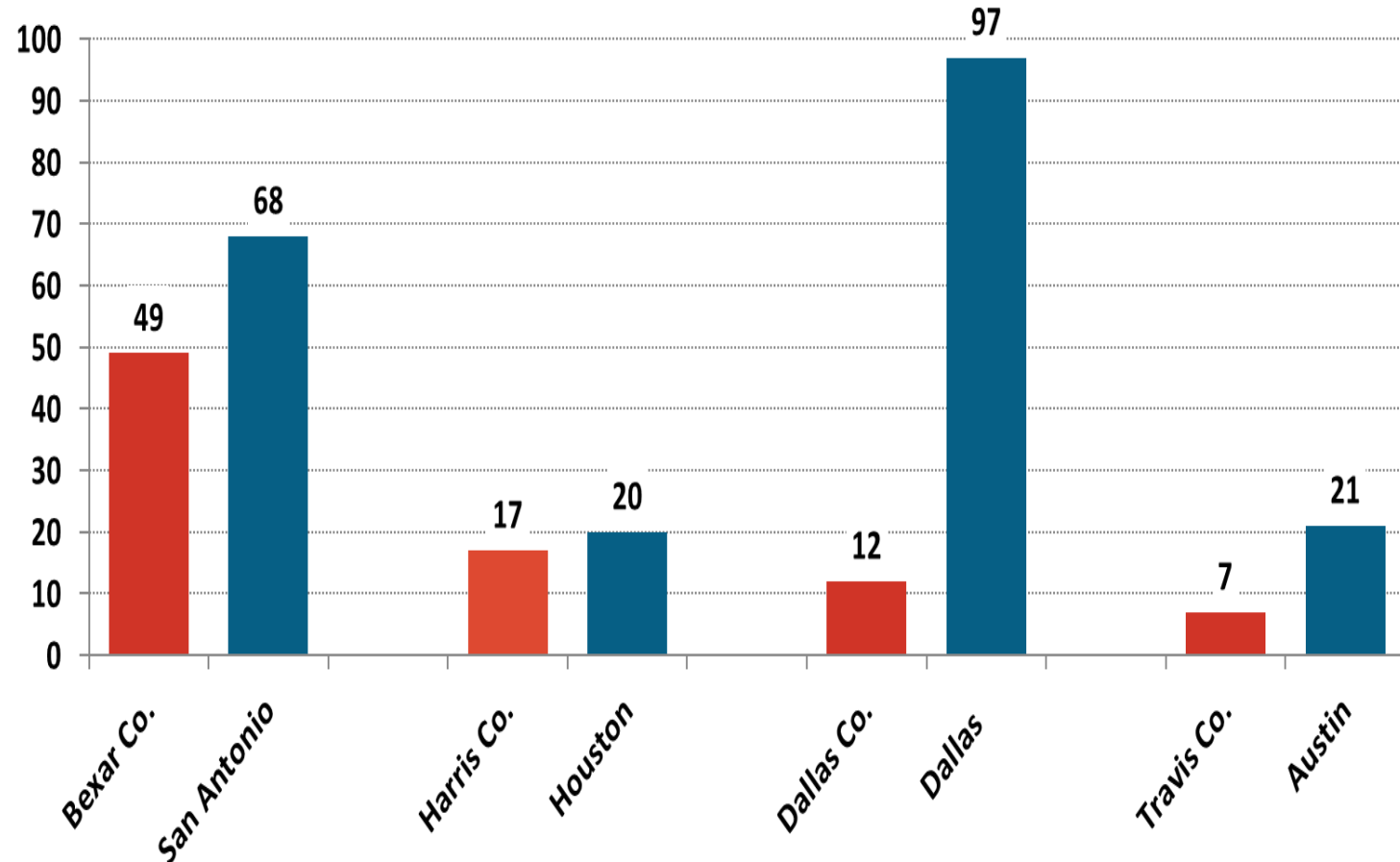
Samsung Austin Semiconductor provided financial grants and volunteer hours



Advisory Board provided 5,000 volunteer hours to the community over one year

City of Austin Chapter 380 Performance-Based Agreements Adopted Since 2004 as Compared to Other Texas Cities Incentives

2013 Transparency Scores by Good Jobs First	
Austin	100
Dallas County	60
Houston	60
Bexar County	No online reporting
San Antonio	No online reporting
Harris County	No online reporting
Dallas	No online reporting
Travis County	Not scored



Source: Greater Austin Chamber of Commerce. As of March 2014. Counts do not include agreements for exclusively residential projects.

Upcoming Items for Council Consideration

Next Six (6) Months

Action Items

- Accept \$8 million grant to fund the Family Business Loan Program
- Approve two (2) Family Business Loans
- Approve public art project for the Women and Children's Shelter Expansion Project
- Consider code amendments related to busking

Reports to Council

- Creating a safe and vibrant environment in downtown entertainment districts
- Developing business cooperatives
- Economic impact of the fashion industry



Thank you
Rodney Gonzales, Deputy Director
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VISIT OUR WEBSITE TO SEE OUR TRANSPARENCY AT WWW.AUSTINTEXAS.GOV/EDD