

AGENDA



Thursday, March 12, 2009

**Economic Growth & Redevelopment Services
RECOMMENDATION FOR COUNCIL ACTION****Item No. 5**

Subject: Approve an ordinance amending the City's Economic Development Policy related to economic development incentives for private, large scale mixed use projects that include a retail component.

For More Information: Rodney Gonzales, Acting Director, EGRSO / 974-2313; David Lloyd, Attorney, Legal / 974-2918; Susan Groce, Attorney, Legal / 322-6423

Prior Council Action: Approved resolution #20071206-049 on December 6, 2007; Approved resolution #20081218-074 on December 18, 2008

On June 12, 2003, council approved Resolution No. 20030612-015 which directed the city manager to implement certain economic development policies and initiatives administratively, it further directed the city manager to initiate certain economic development policies, initiatives, and code amendments and return to the city council for review and approval as necessary, and it approved in concept an evaluation process and criteria for the evaluation of projects and/or firms relocating to or expanding in Austin's Desired Development Zone, and it directed the city manager to further develop the process and criteria and return to council for discussion at a council work session and subsequent approval.

On December 6, 2007, council approved Resolution No. 20071206-049 to: (1) require that compliance review for future economic development agreements be verified by an independent party and the results of that independent review be available for public inspection; (2) honor the City's current economic development agreements; (3) eliminate project-based incentives for large scale mixed used projects from the City's economic development programs; and (4) continue to develop publicly owned property in ways that promote community values, including historic preservation, revitalization of downtown, affordable housing, transit oriented development, and protection and enhancement of the tax base.

On December 18, 2008, council approved Resolution No. 20081218-074 directing the city manager to prepare an ordinance for council action to: (1) require that compliance review for future existing economic development agreements be verified by an independent party and the results of that independent review be made available for public inspection; and (2) remove the use of project-based incentives for large scale mixed use projects that include a retail component from the City's economic development programs; and (3) not prohibit the City from developing publicly owned property in ways that promote community values, including historic preservation, or incentive programs for revitalization of downtown, affordable housing, transit oriented development, and that promote protection and enhancement of the tax base, notwithstanding that such programs may include a retail component.

As directed, the attached ordinance has been prepared for council consideration. The ordinance would codify the amendment to the City of Austin's Economic Development Policy to eliminate economic development incentives for private large scale mixed use projects that include a retail component.