

# Economic Development Policy Workshop

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CITY OF AUSTIN ECONOMIC DEVELOPMENT DEPARTMENT

MARCH 6, 2015



# What is Economic Development?

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*Skilled  
Workforce?*

*New  
Companies?*

**Well  
Rounded  
City?**

*Jobs  
Created?*

*Diverse  
Industry  
Sectors?*

*Low  
Unemployment?*

*More City  
Revenue?*

**INCREASED TAX  
BASE?**

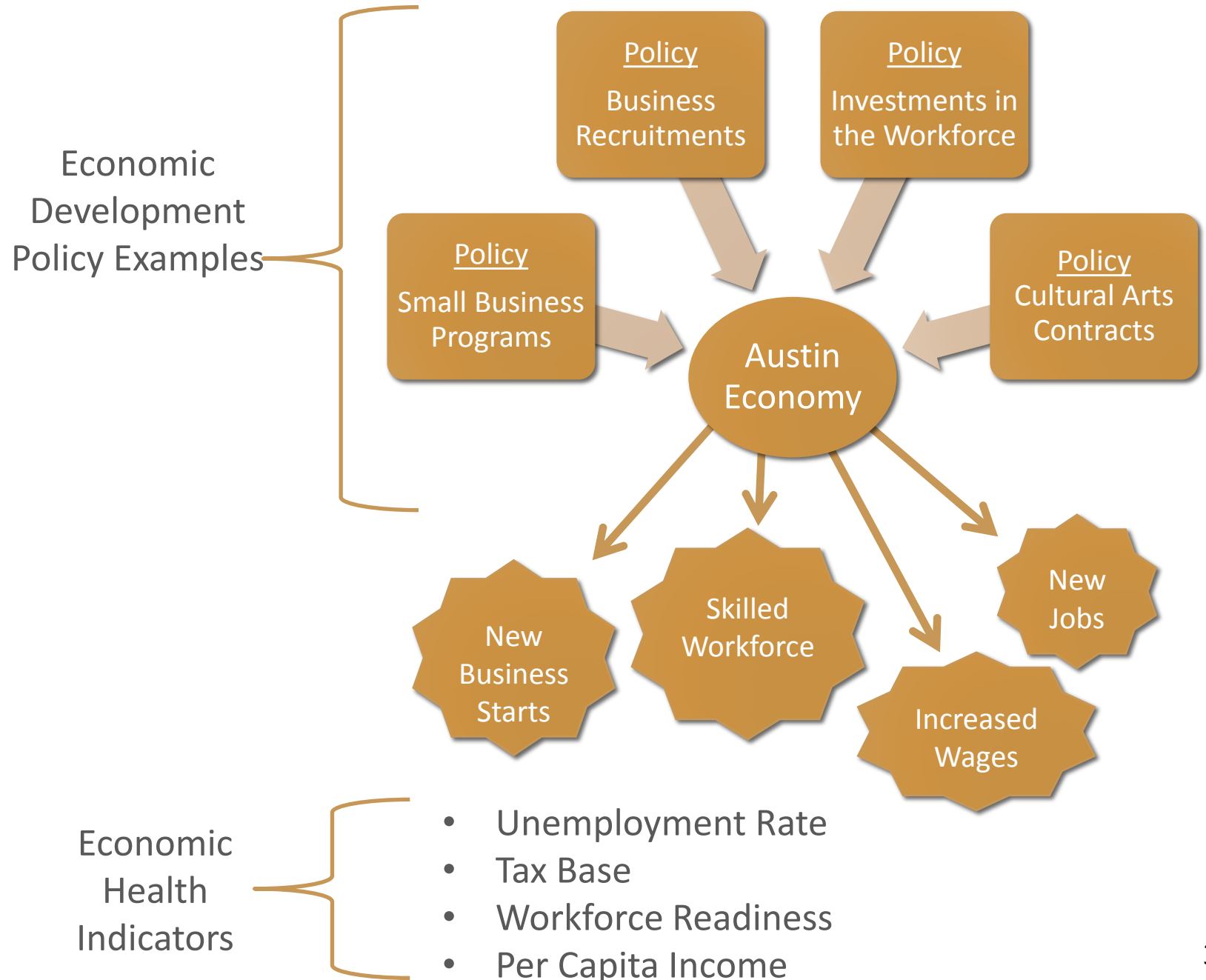
*Increased  
Personal  
Income?*

# 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

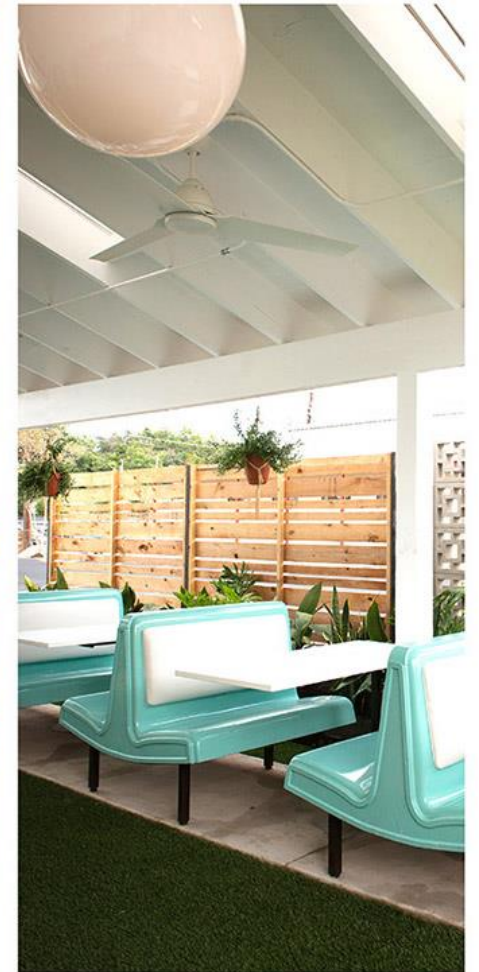
1.46% Interest rate

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



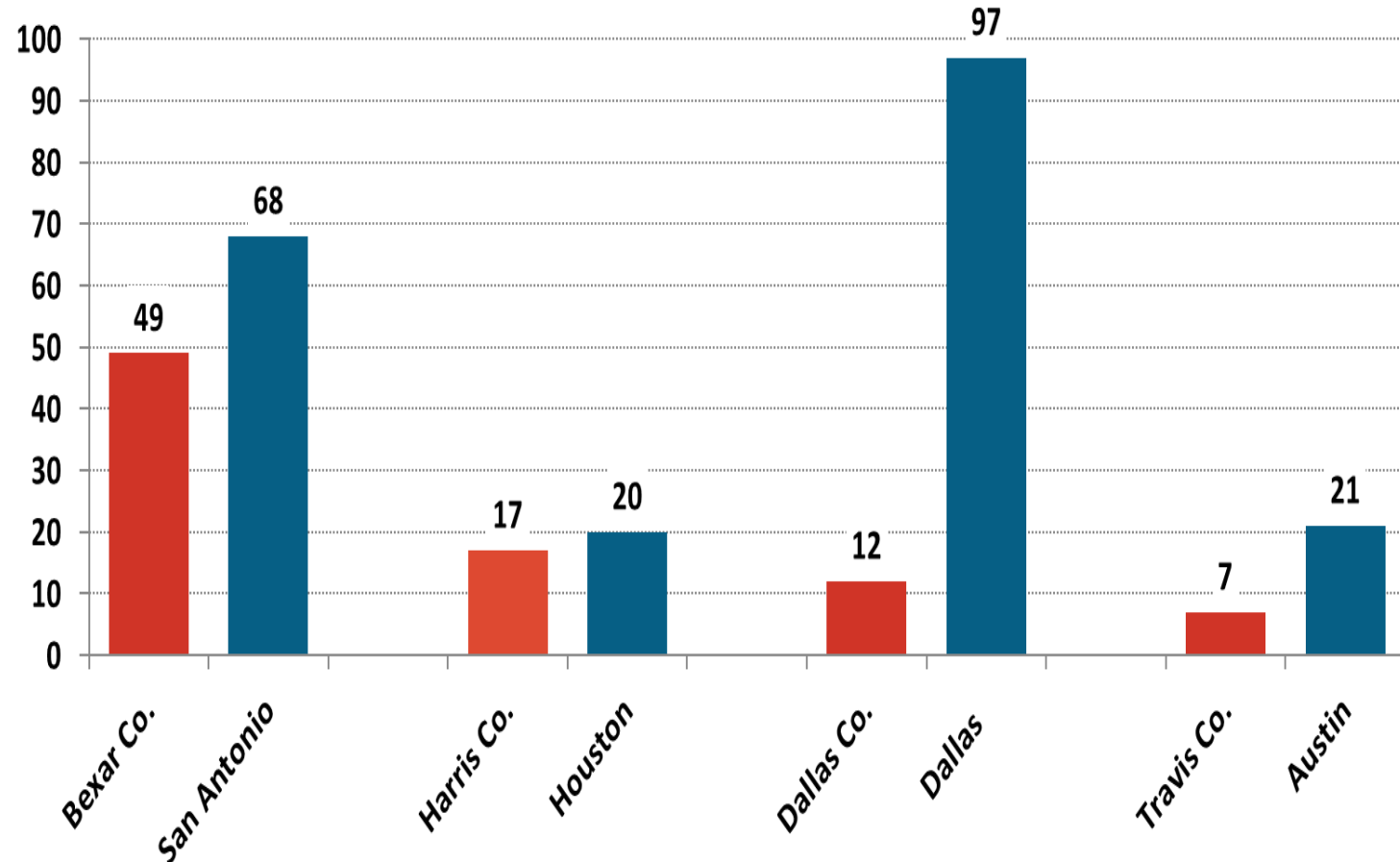
*Samsung Austin Semiconductor provided financial grants and volunteer hours*



*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  
City of Austin Economic Development Department  
VISIT OUR WEBSITE TO SEE OUR TRANSPARENCY AT [WWW.AUSTINTEXAS.GOV/EDD](http://WWW.AUSTINTEXAS.GOV/EDD)