

**RESOLUTION NO.**

**WHEREAS**, a “worker cooperative” is a business that is cooperatively owned and self-managed by its workers; and

**WHEREAS**, the worker cooperative model has proven to be an effective tool for creating and maintaining sustainable, dignified jobs; generating wealth; improving the quality of life of workers; and promoting community and local economic development, particularly for people who lack access to conventional means of business ownership; and

**WHEREAS**, many worker cooperatives in the United States today were designed to improve low-wage jobs and build wealth in communities most directly affected by inequality; and

**WHEREAS**, the Imagine Austin Comprehensive Plan calls for “promoting the formation of worker-owned and community-owned businesses that sell local products”; and

**WHEREAS**, the City Council passed resolution 20140612-072 directing the City Manager to convene stakeholders to develop recommendations regarding ways the City could promote the development of new and existing cooperative businesses, and in response, the Small Business Program (SBP) in the Economic Development Department issued a Request for Proposals to conduct research on national best practices for governmental support of the creation and development of worker cooperatives; and

**WHEREAS**, a report titled “Supporting Cooperatively Owned Businesses” was presented to the City Council, which drew on emerging practices from around the nation for supporting worker cooperatives to make recommendations about how the City can support development and growth of cooperatively owned businesses;

**WHEREAS**, the Economic Prosperity Commission, in Recommendation Number 20170315-0036, encouraged the City to adopt many of the recommendations from the “Supporting Cooperatively Owned Businesses” report;

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Manager is directed to develop recommendations for using community development block grant funding and other appropriate sources of funding to support local worker cooperatives, considering: areas of Austin in need of services (such as food deserts); how to best solicit proposals from worker cooperatives to address the needs of low-income residents; and plans to provide funding for new worker cooperatives providing services to low-income customers or in underserved areas.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to ensure worker cooperatives can access SBP small business loans on the same basis as other comparable business entities by reviewing existing SBP loan program policies and making any necessary adjustments.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to include worker cooperative educational materials in SBP resources about how to start a business, and to incorporate into SBP online resources information about sources of funding that workers cooperatives can access.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to develop recommendations for conducting outreach to existing small businesses in Austin to educate them on options for transitioning an existing business into a worker cooperative model (e.g. by selling the business to their employees) as a means of succession.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to review City of Austin purchasing policies and identify any barriers for worker cooperatives to receive City contracts; take necessary steps to remove those barriers; and advertise City of Austin procurement opportunities to worker cooperatives.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to provide the City Council with a progress report within 120 calendar days.

**BE IT FURTHER RESOLVED:**

The Council directs the Economic Prosperity Commission to provide input to the City Manager concerning implementation of this resolution, and further, directs the City Manager to take cognizance of Recommendation Number 20170315-0036 while developing recommendations for Council, and to provide that the Commission a draft of the recommendations developed for Council no later than the Commission's last regularly scheduled meeting before the progress report is submitted to Council.

**ADOPTED:** \_\_\_\_\_, 2017

**ATTEST:** \_\_\_\_\_  
Jannette S. Goodall  
City Clerk