

## **Kitchen MOTION SHEET**

### **Amend the Business Expansion Program Guidelines, Exceptions/Waivers Section:**

An exception or waiver to the requirement for health insurance benefits may only be granted after approval of City Council. The city shall first work with private entities requesting a health insurance exception or waiver to identify and facilitate access to affordable coverage options for their employees.

## CASAR MOTION SHEET FOR ITEM 14 – BUSINESS ENHANCEMENT PROGRAM REQUIREMENTS:

I move that the Minimum Requirements for Business Expansion be amended to add a non-waivable requirement that:

- The City living wage must be paid to the Austin-based employees of the business receiving incentives, and there will be no waiver or exception process for this wage requirement.
- For economic incentives provided to higher-wage firms, economic incentives shall only be granted to those firms for providing other community benefits other than high wage jobs. Such community benefits could include, but would not be limited to, achieving the goal of the Workforce Master Plan: bringing Austinites up from below 200% of the federal poverty line into jobs that lift them above that standard.

I further move that the Bonus Qualifiers for categories one and three, and Return on Investment (ROI) Including Community Benefits for category two in the Business Expansion Program requirements be amended to give bonus points as follows:

- Incentives should be targeted, and additional incentives should be considered, for businesses and employers in lower-wage sectors who choose to pay their employees above the City living wage.
- Incentives should be targeted, and extra incentives should be considered, for businesses and employers that are cooperatively owned or managed, or who have democratic forms of representation for their workforce, or who build their projects using workers that have democratic forms of representation in the workplace.

I further move to replace “hard-to-employ” with “targeted hiring” under Category 2: Opportunity for Employment.

**Motion:** To insert the language below into -

- The Chapter 380 Policy framework document, p. 6, section titled "Approval Process" replacing the third bullet item beginning with "Incentive agreement applicants are considered..."; and
- The Business Expansion Program document, p. 5, section titled "Minimum Requirements for Business Expansion Program Portfolio Qualification," replacing the second bullet item beginning with "Project complies with current water quality regulations..."

**Language:**

"Incentive agreement applicants will comply with all City Code regulations, including environmental regulations in effect at the time an application is approved, absent a negotiated agreement with the city, and the Applicant shall not petition for potential vested rights under any provision of Chapter 25 of the municipal code or Chapter 245 of the Texas Local Government Code. Incentive recipients agree to comply with City environmental regulations on all future developments, failure results in termination of incentive agreement;"



1. **Environmental Regulation Conformity Requirement:** Replace all references to City of Austin "water quality" regulations conformity requirements with City of Austin "environmental" regulations in the Chapter 380 Policy document (p. 6) and in the Business Expansion Program document (p.5).
2. **The 5-Year Reassessment of 380 Programs:** Insert language in the Chapter 380 Policy document (p. 13) and the Business Expansion Program document (p. 23) that staff will provide a briefing to Council following the 5-year reassessment, and that Council must approve continuation of any program.
3. **Termination Clause Needed:**  
For transparency and clarity, reference our existing termination policies in both the Chapter 380 Policy document and the Business Expansion Program document.
  - Chapter 380 Policy document, p. 13, "Terms of Agreements" paragraph
  - Business Expansion Program document, p.24, "Terms of Agreements & Grandfathering" paragraph.
4. **Public Hearings for Medium Financial Tier Projects:**
  - In the Chapter 380 Policy document, on p. 11, under "Step 6: Proposal Execution" in paragraph 2, the heading should read: "City Council and Public Hearing Approval" as it does in the next paragraph for large financial projects valued above \$5 million.
  - In the Business Expansion Program document, on page 22 under "Step 6: Proposal Execution" in paragraph 2, the heading should read: "City Council and Public Hearing Approval" as it does in the next paragraph for large financial projects valued above \$5 million.
  - The process described in the large financial packages for placing it on the Council agenda and notifying for the public hearing, should all be mirrored for the medium packages in both documents.

**Item #13 - Amendment to Chapter 380 Policy: Public-Private Partnerships Framework  
& Program Creation Guidelines [Revised Exhibit B]**

**Page 5: Application/Evaluation Process:**

- All economic development grant and loan programs will ~~encourage~~ require compliance with a non-discrimination policy and practice.

**Item #14 - Amendments to Business Expansion Program Guidelines [Revised Exhibit A]**

**Page 5: Minimum Requirements for Business Expansion Program Portfolio Qualification**

- Company adheres to all local, state, and federal policies, such as earned sick leave and FMLA, and provides written policies to the City.

**Page 7: Category 1: Existing Local Expansions - General Eligibility**

Medium Projects: 25-74 Jobs Created: Projects creating 25 to 74 full-time jobs ~~that employ City of Austin residents (defined as any individual having a permanent address within the City of Austin before starting date of employment).~~

**Page 8: Category 1: Existing Local Expansions - General Eligibility**

Large Projects: 75 and Above Jobs Created: Projects creating more than 75 full-time jobs ~~that employ City of Austin residents (defined as any individual having a permanent address within the City of Austin before starting date of employment).~~

**Page 10: Category 1: Existing Local Expansions - Bonus Qualifiers**

The company will provide an on-site day care facility for employees ~~that may be open to the public,~~ and/or provide subsidized daycare for employees. The company will garner extra bonus qualifiers if the on-site day care facility is made open to the public.

**Page 19: Category 3: External Relocations – Bonus Qualifiers**

The company will provide an on-site day care facility for employees ~~that may be open to the public,~~ and/or provide subsidized daycare for employees. The company will garner extra bonus qualifiers if the on-site day care facility is made open to the public.

RESOLUTION NO.

Late Backup

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3       **WHEREAS**, Texas Local Government Code Chapter 380 allows the City Council to  
4 establish and provide for the administration of one or more economic development  
5 programs; and

6       **WHEREAS**, beginning in 2004, the City Council has established and provided for  
7 the administration of various economic development programs for the purpose of  
8 promoting economic development and stimulating business and commercial activity in  
9 City of Austin; and

10       **WHEREAS**, the city council has passed a number of resolutions over the past 15  
11 years that have established, modified, or removed various components of the City's  
12 economic development activities; and

13       **WHEREAS**, pursuant to Resolution No. 20170302-034, the City Council directed  
14 the City Manager to initiate a stakeholder consultation process and develop  
15 recommendations for implementing comprehensive revisions to the City's economic  
16 development incentives policies and programs; and

17       **WHEREAS**, since that time, the Economic Development Department has conducted  
18 a thorough examination of the full range of incentive agreement options and tools available  
19 to the City in order to create a comprehensive and unified set of economic development  
20 policies and promote more equitable and inclusive economic opportunities and improved,  
21 positive health outcomes for all Austinites; and



**ITEM NO. 013**  
**CHANGES MADE BY DEPARTMENT**

22       **WHEREAS**, the Economic Development Department has developed a set of  
23 Economic Development Guiding Principles that reflect the community values expressed  
24 throughout the community stakeholder process; and

25       **WHEREAS**, the Economic Development Department has also developed a Chapter  
26 380 Program Policy Framework that aligns with the Imagine Austin Comprehensive plan,  
27 pursuant to which the City will develop multiple economic development programs; **NOW**,

28 **THEREFORE:**

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

30       The following Resolutions are repealed to the extent they establish or otherwise  
31 impact economic development policies, procedures, or programs after the date of this  
32 Resolution:

- 33       • Resolution No. 20030612-015
- 34       • Resolution No. 20041028-003
- 35       • Resolution No. 20050113-052
- 36       • ~~Resolution No. 20071108-127~~
- 37       • Resolution No. 20071206-049
- 38       • Resolution No. 20080605-047
- 39       • Resolution No. 20090226-022
- 40       • Resolution No. 20090806-037
- 41       • ~~Resolution No. 20100204-003~~
- 42       • Resolution No. 20100311-036
- 43       • Resolution No. 20101118-058
- 44       • ~~Resolution No. 20120112-058~~
- 45       • Resolution No. 20120524-092
- 46       • Resolution No. 20120607-040
- 47       • ~~Resolution No. 20130822-016~~
- 48       • Resolution No. 20131024-056
- 49       • Resolution No. 20141211-221

- Resolution No. 20170302-034

**BE IT FURTHER RESOLVED:**

The City Council adopts the Economic Development Guiding Principles attached as Exhibit A.

**BE IT FURTHER RESOLVED:**

The City Council further adopts the Chapter 380 Policy attached as Exhibit B. The City Manager is directed to develop any and all Chapter 380 programs in accordance with the policies and principles set out in the Chapter 380 Policy.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to conduct a comprehensive review of both the Economic Development Guiding Principles and the Chapter 380 Policy no later than five years after their adoption, and to return to City Council with any recommended updates or modifications to those documents.

**ADOPTED:** \_\_\_\_\_, 2018    **ATTEST:** \_\_\_\_\_  
Jannette S. Goodall  
City Clerk



**ORDINANCE NO.**

**AN ORDINANCE ENACTING A BUSINESS EXPANSION PROGRAM  
PURSUANT TO TEXAS LOCAL GOVERNMENT CODE CHAPTER 380.**

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

**PART 1:**    The council finds that:

(A)    Texas Local Government Code Chapter 380 allows the city council to establish and provide for the administration of one or more economic development programs.

(B)    Beginning in 2004, the city council has established and provided for the administration of various economic development programs for the purpose of promoting economic development and stimulating business and commercial activity in City of Austin.

(C)    Pursuant to Resolution 20170302-034, the city council directed the City Manager to initiate a stakeholder consultation process and develop recommendations for implementing comprehensive revisions to the City's economic development incentives policies and programs.

(D)    Since that time, the City Manager has conducted a thorough examination of the full range of incentive agreement options and tools available to the City in order to create a comprehensive and unified set of economic development policies and promote more equitable and inclusive economic opportunities and improved, positive health outcomes for all Austinites.

(E)    The City Manager has developed a Chapter 380 Program Policy Framework that aligns with the Imagine Austin Comprehensive plan, pursuant to which the City will develop multiple economic development programs.

(F)    The City Manager has developed a Business Expansion Program in line with the Chapter 380 Program Policy Framework, which will provide certain economic development incentives for the expansion of existing business operations and the creation of additional jobs for Austinites.

## CHANGES MADE BY DEPARTMENT

**PART 2:** The Business Expansion Program is created as an economic development program of the City. The Business Expansion Program Guidelines as Exhibit A are approved. The City Manager is authorized to promulgate rules implementing the Business Expansion Program pursuant to City Code Chapter 1-2 (*Adoption of Rules*).

**PART 3.** Resolution No. 20120112-058 regarding application of the Minority-Women Owned Business Enterprises (M/WBE) Program is waived solely for categories 1 and 2 described in Exhibit A.

**PART 4.** This ordinance takes effect on \_\_\_\_\_, 2018.

**PASSED AND APPROVED**

\_\_\_\_\_, 2018

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Steve Adler  
Mayor

**APPROVED:** \_\_\_\_\_  
Anne L. Morgan  
City Attorney

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