



MEMORANDUM

TO: Mayor and City Council

FROM: Kevin Johns, Director
Economic Development Department

DATE: October 12, 2016

SUBJECT: Update on the development of an Economic Development Corporation

City Council Resolution No. 20141211-122, directed the City Manager to deliver a feasibility study for initiating and administering a corporation, such as an economic development corporation (EDC) or other corporate structure, to assist with the development of workforce housing. The Resolution also called for the review of prior city plans that recommended the formation of EDCs, the analysis of community needs that could be served through the use of an EDC, and requested a recommendation for other focus areas based on needs and potential sources of funding.

Economic Development Department staff continues to research the previous plans associated with the establishment of EDCs, and have also coordinated with Travis County and the Downtown Austin Alliance to better understand the existing entities that are available through each agency to prevent duplications and potentially connecting future work. Staff also identified best practices through the recent opportunity to work with an executive from the New York City Economic Development Corporation on the development of ThinkEast. Finally, we also coordinated with the Law Department and outside legal counsel to research the appropriate authorities and privileges provided through various existing legal structures available in the State of Texas.

In response to this research and current economic conditions, the Economic Development Department has concluded that an EDC could assist in addressing affordability and equity issues currently impacting our residents and neighborhoods, small businesses, and cultural, creative and music venues. In addition, one of the specific functions of an EDC could be the development of increased workforce housing, a critical economic development factor that currently lacks investment and resources. During the following six months, we plan to conclude our research and develop recommendations for the potential formation, functions, and funding of an EDC.

Please feel free to contact me at 512-974-7802 or David Colligan, Manager of Global Business Expansion at 512-974-6381 if we can provide any additional information.

xc: Elaine Hart, Interim City Manager
Sue Edwards, Assistant City Manager