



MEMORANDUM

TO: Council Member Ora Houston, District 1
FROM: Sylnovia Holt-Rabb, Assistant Director
DATE: May 11, 2015
SUBJECT: District One Town Hall Questions

The purpose of this memo is to provide updates on the request for information from the April 18, 2015 District One Town Hall meeting.

Q: What can city and business leaders do to create new living wage jobs in East Austin? (Most new jobs created in Austin do not target low and middle-income families.)

RESPONSE:

The City of Austin's Economic Development Department is working to create quality, diverse jobs through a number of initiatives, including:

- Matching target markets with potential locations for expanding companies.
- Located directly on Interstate-35, the "NAFTA Highway," the primary north-south roadway in the central United States makes the creation of inland port a viable option for enhancing trade between Austin-based companies and Asia, Mexico, and Latin American businesses

Q: Maintaining enthusiasm for bold ideas – dreaming – skill building – success seems to be wane by time children reach middle school. How to turn this around?

RESPONSE: Community partner efforts (including business, workforce development, chambers and school districts) will continue to provide opportunities for young people by increasing access to high-quality skills, internships, job training (plus college entry) to increase youth interest and participation. Some community partner efforts include:

- **Einstein Project (City of Austin Economic Development):** In cooperation with the UT Ray Marshall Center, IC², AISD, other school districts, and other non-profit organizations focused on STEM, we will explore a program focused on ramping up STEM education for kids in school, particularly kids in poverty We will be investigating the top 20 technology professions of the future, and we will identify curriculum strategies that can

influence the paths to these careers. The goal will be to develop the next generation of Einstein's right here from Austin that can compete for high-paying tech jobs with the influx of talent being attracted to Austin today. The desired outcome is to break the cycle of poverty using a targeted education program

- **Skillpoint Alliance STEM Workforce Council:** The STEM Workforce Council is committed to providing the citizens of Central Texas with tools and resources needed to succeed in today's competitive job market. Through Skillpoint Alliance's STEM Workforce Programs, students are introduced to skills and training sessions that increase computer competency, critical thinking skills, and intermediate job training.
- **Capital IDEA Internship (City of Austin Economic Development):** We will partner with Capital IDEA on an internship program – the goal of which is to place our students into technology careers through an intern program so they can compete with the influx of talent coming to Austin
- **Student Incentives for FAFSA Completion (Austin Chamber):** The Chamber worked to improve its social media push to encourage students and families to apply for financial aid, because the odds for a student to go to college increases if they have applied for FAFSA. Students who file have an 80% chance of moving onto post-secondary education.

Q: What is the beginning age for young artist? (Mind POP)

RESPONSE

The John F. Kennedy Center for the Performing Arts selected Austin for its Any Given Child program, which creates a long-range arts education plan for students in kindergarten through eighth grade, drawing from local and community resources. [MindPOP](#), a local nonprofit that builds communities where every student achieves through creative learning, played a big role in facilitating this partnership between the Kennedy Center, AISD, MindPOP and the City of Austin for these endeavors.

Q: What is the beginning age for the Skill Point Dev. Program for young people?

RESPONSE

Funding by the City's Economic Development Department, Skillpoint Alliance, a local nonprofit that recently won the Blackbaud & Entrepreneurs Foundation Non-Profit Award by the Austin Chamber of Commerce, builds partnerships among industry, education, and the community, leading to college and career success for Central Texans, while meeting employers' needs for a qualified workforce. They assist youth ages: six (through a Robotics programs and summer camps offered) or youth at a minimum of 16 years of age for Workforce Development training and skill building.

Q: I thought there was an agreement with the city regarding a percentage of minority businesses that have to be employed when large building projects are begun?

RESPONSE by City of Austin's Small & Minority Business Resources Department

The Minority- and Women-Owned Business Enterprise (MBE/WBE) Procurement program includes an evaluation for goals on all projects approved by Austin City Council (which would include anything valued at or above \$58,000). Most, if not all new buildings have goals set on the projects. Additionally, the City of Austin's Third Party Resolution applies this same evaluation to third parties who receive incentives from the City of Austin. More about the MBE/WBE Program can be located at: <http://www.austintexas.gov/department/small-and-minority-business/about>.

Q: Colony Park – Any chance of creating an Economic Development Zone? TIF? PID? 380 Agreement?

RESPONSE by City of Austin's Neighborhood Housing and Community Development:

These are financing strategies that Council could consider to make the development of the Master Plan viable. An economic analysis is currently being conducted by Economic & Planning Systems, a consulting firm working with the City of Austin Neighborhood Housing and Community Development Office. This analysis will provide additional information that can inform the financing strategies for the implementation of the Master Plan. Economic & Planning Systems, Inc. (EPS) is a land economics consulting firm experienced in the full spectrum of services related to real estate development market analysis, public/private partnerships, and the financing of government services and public infrastructure.

Q: What are the programs discussed today going to do to assist the development of the Colony Park Master Plan?

RESPONSE by City of Austin's Neighborhood Housing and Community Development:

The programs discussed by the City's Economic Development Department and the Small and Minority Business Resources will provide existing and/or startup businesses that are located, plan to relocate or start a small business adjacent to or within the new development resources and opportunities for success. These programs will also support the development of cultural arts and music within the Colony Park area.

Q: What is the ethnic breakdown for businesses served? What is the ethnic breakdown for people who were hired under Small Business loans?

RESPONSE

The Family Business Loan Program (FBLP) was created as a citywide program in May 2012 with a Department of Housing and Urban Development (HUD) grant to create low-interest loans in exchange for a commitment to hire low- to moderate- income employees for qualified small businesses that are expanding.

FBLP is a public-private partnership between the City of Austin, HUD, and participating private lenders offering low interest loans to small businesses at no cost to the City of Austin. The mission of the program is to enable existing local businesses to expand and create jobs, regenerate communities, increase the tax base of the City of Austin, and enhance the overall quality of life for Austin residents.

The Family Business Loan Program has resulted in the following eight (8) loan agreements:

63% 5 of the 8 loans represent Minority-Owned Business participation

38% 3 of the 8 loans represent Women-Owned Businesses participation

75% 6 of the 8 participating business are located in East Austin

The HUD requirements that we utilize for the program, do not require that we monitor the ethnicities of the individuals hired by the business, but instead that they are low to moderate income individuals. See the [Family Business Loan Program information sheet](#) for information on the types of projects that are eligible.

In the last year, the Small Business Program conducted BizAid Business Orientation, classes that provide a general overview to opening a small business or evaluate an established business for productive growth in Austin. The Orientation includes a detailed overview of the small business services provided by the Small Business Program. Our primary objective is to help entrepreneurs identify local no-cost or low-cost technical assistance in addition to basic business planning concepts.

Small Business Events in District One include:

April 15, 2015: BizAid Business Orientation at University Hills Public Library - 19 attendees

October 15, 2014: BizAid Business Orientation at Carver Public Library - 22 attendees

Q: What percentage of these available services and options are in this immediate neighborhood or people have taken advantage?

RESPONSE

The EDD Small Business Program analyzed customer usage of its services during Fiscal Years 2012 and 2013, and mapped the results by Council District. The results show that 9% of customers using SBP's services during that period registered using addresses located within District 1. It should be noted that these registrations may represent either the customers' business location or their place of residence. This means that the customers may live in District

1, or have a business location in District 1 but live in another district. See attached SBDP Count map.

Q: Policy – We already say all building projects have to put out a percentage (%) of cost for art, why not a percentage (%) of cost for employment of minority businesses?

RESPONSE by City of Austin's Small & Minority Business Resources:

The Minority- and Women-Owned Business Enterprise (MBE/WBE) Procurement program includes an evaluation for goals on all projects approved by Austin City Council (which would include anything valued at or above \$58,000). Most, if not all new buildings have goals set on the projects. Additionally, the City of Austin's Third Party Resolution applies this same evaluation to third parties who receive incentives from the City of Austin. More about the MBE/WBE Program can be located at: <http://www.austintexas.gov/departments/small-and-minority-business/about>.

Q: As the African American community has received little in the way of direct investment and the results are evident in the negative outcomes this community experienced, will the city entertain a direct business plan that will create jobs & opportunities for entrepreneurs?

RESPONSE

The African American Quality of Life (AAQL) Initiative which has been in existence since 2005, began as an opportunity to further assess the conditions and sentiments of the City's African American community, would be an ideal for working towards the goal to submit a business plan for District One. The group is highly interested in various areas, including, but not limited to: Arts, Culture and Entertainment; Business and Economic Development; and Employment and Education.

The 2006 Bond (Proposition Four) authorized \$31.5 million in funding for community and cultural facilities, the African American Cultural and Heritage Facility was 34% of the bond appropriation at \$1.5 million. The project was completed August 2014.

The Economic Development Department recently provided the AAQL an update on programs and services in January 2015.

Please see attachment with expanded overview of Opportunities and Initiatives for Entrepreneurs offered through the Economic Development Department and through the City of Austin.

Q: Where is: training of skills in carpentry and basic construction? Every business is housed in some type of building.

RESPONSE

SkillPoint Alliance provides skills in carpentry and basic construction. The Construction Core course is a three-week course that teaches the basics of construction work. Most participants follow this training with the five-week specialty courses in Electrical, HVAC or Plumbing.

Participants who complete this training are qualified for entry-level positions in the construction field.

Certifications received include: OSHA 10, NAWIC Certificate of Completion, Braun and Butler Certificate of Completion, AGC Certificate of Completion, and CPR/First Aid Certification.

Other community opportunities to gain training in Construction would be [American Youthworks'](#) Casa Verde Building Program, which is a green jobs training service program teaching youth ages 18-24 cutting-edge, green construction techniques. Participants build energy-efficient, affordable homes in East Austin for first time homebuyers and learn the construction process from foundation to finish.

Another resource for Construction job training is [Austin Community College](#), which offers a Building Construction Technology Certification Program with specialties in Woodworking, Carpentry and Construction Management. According to [Austin Community College's website](#), the Building Construction Technology Certificate has the potential to pay hourly median wages of \$15.32 (Source: ACC & Careeronestop.org - 2013).

Q: Have there been any businesses that have come to council with a comprehensive plan for eastern Travis County?

RESPONSE

While there have been no businesses that have come to Council with a comprehensive plan for Eastern Travis County, The City does have a comprehensive Imagine Austin Plan with Workforce and Education recommendations related to growing Austin's economy by investing in our workforce, education systems, entrepreneurs and local businesses.

Q: What policies can the city establish to combat extreme income inequity?

RESPONSE

Following Austin's dot com recession, the Economic Development Department's charge was to address the more traditional approaches of economic development. Specifically, we were

focused on addressing the City's overall unemployment (with the recession, Austin lost over 27,400 private sector jobs, including 24,000 manufacturing jobs) which skyrocketed to 6.2% by January 2003. The result was that for three consecutive fiscal years, the City cut budgets significantly due to decreasing revenues.

More recently, our economic development programs have shifted toward an equity-based approach. These programs are not the norm for economic development organizations, but they certainly lead to a more sustained economy and one that allows for greater benefit for all residents.

Further enhancing or revamping existing policies to take a broad stroke approach to broadening participation in equity-based economic development could yield positive outcomes. For example, the City's Chapter 380 Performance-Based Program was recently changed to ensure that Austin's community values are represented in each project.

Q: What are the main barriers to economic development in East Austin?

RESPONSE

Bridging the educational attainment and workforce development through increased access to resources and collaboration with the service providers that can provide wrap around services is important. I

Workforce Development Service Providers are Essential - In the realm of workforce development, the Economic Development Department invests \$1,480,650 annually into Capital Idea and another \$437,833 annually into Skillpoint Alliance. Both organizations focus on providing the skills and education to move the Austin workforce from low-paying jobs to higher paying jobs. Investments in both organizations provide the local talent needed by existing and incoming companies so that external recruitment of talent becomes a second choice.

Lack of Advanced Manufacturing, Distribution and Logistics – Austin sits on the I-35 NAFTA Corridor and this creates an opportunity to grow and recruit companies. The Economic Development Department (EDD) is stepping forward with a plan that has a strong focus on creating opportunities for a growing economically disadvantaged population – including the Advanced Manufacturing, Distribution & Logistics target industries. These are three inter-laced industries that support an industrial cluster with good wages and basic educational requirements that fit well with traditionally hard-to-employ segments of the labor force. Austin has had great success in developing the Advanced Manufacturing industry as evidenced by Samsung, Spansion, Applied Materials, and a list of other design centers and manufacturers. And although the Distribution & Logistics does not currently have strong infrastructure in place, the relatively longer time-horizon with which the Economic Development Department operates identified it as a critical underpinning for a modern economy and future and seeks to develop the industry. Opportunity Austin 3.0 now recognizes tech manufacturing as a desired objective.

Increasing opportunity and exposure through initiatives such as the Einstein Project (City of Austin Economic Development): In cooperation with the UT Ray Marshall Center, IC², AISD, other school districts, and other non-profit organizations focused on STEM, we will explore a program focused on ramping up STEM education for kids in school, particularly kids in poverty. We will be investigating the top 20 technology professions of the future, and we will identify curriculum strategies that can influence the paths to these careers. The goal will be to develop the next generation of Einstein's right here from Austin that can compete for high-paying tech jobs with the influx of talent being attracted to Austin today. The desired outcome is to break the cycle of poverty using a targeted education program.

In addition to closing the prosperity gap – identifying jobs for the hard to employ through small business expansions, recruitment in technology manufacturing and logistics along the NAFTA I - 35 corridor, and workforce reskilling partnerships to prevent unemployment before it occurs are all key.

Q: There was a resolution made by previous council to find the money necessary to develop the Colony Park Masterplan. Where are we today on getting answers from the resolution directive to the city manager?

RESPONSE by City of Austin's Neighborhood Housing and Community Development:

Resolution 20141211-120 (<http://www.austintexas.gov/edims/document.cfm?id=224365>) directs the City Manager to evaluate the possible funding strategies in the Colony Park Master Plan Implementation Plan and the creation of a Tax Increment Financing (TIF) to assist in financing the Colony Park Master Plan.

Q: Is the Colony Park Sustainable Communities Plan for development around the building are in today on track for implementation in a manner that will result in the type of economic development and equity ownership we are discussing today?

RESPONSE by City of Austin's Neighborhood Housing and Community Development:

A desired outcome of the Colony Park Sustainable Communities Initiative is to build economic resiliency in the Colony Park/Lakeside community by implementing strategies to attract new businesses and employers, sustain existing small businesses, gain access to jobs, skill training and career development opportunities, and affordable housing.

Q: If a Masterplan exists for Colony Park; given there are no funds allocated as was done with Mueller & Seaholm, what is the difference between "separate and equal" policies of the 1920's?

RESPONSE by City of Austin's Neighborhood Housing and Community Development:

Both Mueller and Seaholm Power Plan master plans included a financial analysis of each plan that identified funding strategies for the success of the projects. A financial analysis of Colony Park Master plan is currently underway and will include financial strategy recommendations similar to those used for the implementation of Mueller and Seaholm Power Plan, i.e. tax increment financing (TIF) that reinvests property taxes generated by the project back into the project.