Our Vision is to create prosperity for all Austin citizens, for all businesses and entrepreneurs, and for all neighborhoods and communities.

The economic plan calls for connecting Austin’s local economy to a national and global framework in a manner conducive for innovation, connectivity, productivity and the emergence of commercial enterprises.

We must unlock the innovative potential in the community.

Resetting the Intelligence Economy

The 21st Century Austin Strategic Economic Plan

City of Austin
Economic Development Department
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our City of the Future</td>
<td>4</td>
</tr>
<tr>
<td>Message from the Director</td>
<td>5</td>
</tr>
<tr>
<td>EDD Strategic Planning Committee</td>
<td>7</td>
</tr>
<tr>
<td>Introduction Summary &amp; Background</td>
<td>7</td>
</tr>
<tr>
<td>Strategic Plan Overview</td>
<td>8</td>
</tr>
<tr>
<td>Guiding Principles</td>
<td>9</td>
</tr>
<tr>
<td>Prosperity for all People</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>A Better Future, Reskilling and Business Incentives</td>
</tr>
<tr>
<td></td>
<td>Einstein STEM Challenge, Workforce, Hard to Employ, Well Paying Jobs</td>
</tr>
<tr>
<td></td>
<td>HOTS, Texas Enterprise Zones, 380 Performance Agreements</td>
</tr>
<tr>
<td>Prosperity for Business</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Helping Entrepreneurs reach their Full Potential</td>
</tr>
<tr>
<td></td>
<td>Small Business Loans, Bazaarvoice technology, Merchants Challenge</td>
</tr>
<tr>
<td></td>
<td>Science Cities, Using Cultural Diversity as an Economic Strength</td>
</tr>
<tr>
<td>Prosperity for Communities</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Revitalize, energize and uplift Austin’s culturally diverse local neighborhoods</td>
</tr>
<tr>
<td></td>
<td>2nd Street Redevelopment, Mueller Community Redevelopment</td>
</tr>
<tr>
<td></td>
<td>Seaholm District, Creative Art &amp; Music Districts, Creative Placemaking</td>
</tr>
<tr>
<td>Implementation / Action Plan</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Role of the Economic Development Divisions in implementing the Strategic Plan</td>
</tr>
<tr>
<td></td>
<td>Cultural Arts top Programs and interdisciplinary approach</td>
</tr>
<tr>
<td></td>
<td>Global Business Recruitment &amp; Expansion alignments</td>
</tr>
<tr>
<td></td>
<td>Music &amp; Entertainment Division collaborations</td>
</tr>
<tr>
<td></td>
<td>Redevelopment Division initiatives and the urban village building</td>
</tr>
<tr>
<td></td>
<td>Small Business Program technical assistance &amp; lending programs</td>
</tr>
<tr>
<td>New Actions</td>
<td>25</td>
</tr>
<tr>
<td>Action Plan to Address Poverty and Equity</td>
<td>28</td>
</tr>
</tbody>
</table>
OUR CITY OF THE FUTURE

Imagine that the University of Texas Longhorns football match against arch rival Texas A & M is Saturday evening September 13th 2031. It is the Aggies first return to the Big 15 Conference, and it is late in the 4th quarter game tied 40 to 40 ten seconds left, Texas with the ball on their own 45. A Hail Mary sails 50 yards to the speeding receiver along the A & M sidelines with two tracking defenders. An acrobatic one handed catch into the end zone and the fans erupt. Soon, 102,500 celebrating patrons and alum spill out into the streets to get into cars, buses, trains, autonomous vehicles and be driven home. Traffic flow is seamless due to the Stampede big data App that feeds the computerized signalization system for Austin transportation. Multi modal systems move Austinites smoothly and economically. Traffic signals anticipate the flow and accommodate it.

5000 days removed from 2016, our population has grown to 3,100,000 but, poverty has diminished because of small business expansions, because of citywide commercial revitalization, and because of targeted recruitment of manufacturing and distribution industries companies to our I – 35 inland port. Those once homeless, so prevalent then, are working and reengaged with the community. Areas in Austin’s urban core once known for obsolete, vacant City property, are centers of commerce, culture and community. Downtown serves as the city’s center for Austin’s cultural identity. The waterfront Seaholm District’s economic return on investment is producing an additional $10,000,000 in net new property taxes since the construction began in 2015. Communities throughout Austin are tied to the Downtown through a network of corridors that embrace all modes of transportation. These communities enjoy a well-woven urban fabric of unique places where people can work, reside, recreate and celebrate. One example, the master planned Mueller Redevelopment District is producing an additional $12,000,000 in net new property taxes in 2031 and 2000 families are in their affordable housing units.

Once impoverished and economically marginalized members of Austin’s economy have been able to tap into Austin’s globally-connected economy through job training and a system of life-long learning of skills important for the job market. 40,000 children who would have been in poverty are in the technology fields of Austin, making good wages, paying taxes and saving the city $50,000 welfare related costs per person, every year. The ROI is 1e+11. The Einstein Project with STEM, arts and music has been taught to children, as early as preschool and continued uninterrupted for over a decade, transforming children regardless of race or economic background into educated, creators.

The mathematics of increased urban productivity makes Austin today, a prototype for how cities of the future will grow, sustainable and economically resilient. And 5000 days in the future, beyond the recessions of 2009 and 2019, our “growth” hiccups have been smoothed and the policies and decisions of the 2015 period have resulted in a visionary city as aspired to in Imagine Austin.
MESSAGE FROM THE DIRECTOR

Spatial fixes and a skilled labor force are the keystones to long term economic competitiveness. Richard Florida called this the Great Reset, a necessary, new way of doing government business. Our 21st Century Strategic Economic Plan is identifying lifestyle and economic landscapes, the forces of change in Austin, creating data driven and citizen approved solutions, and intends to mobilize these forces into a workable prosperity system for all citizens. In May 2015 Austin is officially at 3% unemployment. It is one of the most prosperous and fastest growing metropolitan areas in the nation. Yet, there is the dichotomy. The prosperity and growth is not uniform, and there are negative side effects. Austin is experiencing rapidly increasing housing costs, a growing poverty divide and within the low income community 40,000 children living in poverty, children who could become part of a next generation of American adults living in poverty. We hope by the actions and policies in this new Strategic Economic Plan, to create momentum to transform our economy again, to expand our prosperity to all citizens, to all business and entrepreneurs, and to all neighborhoods and communities.

Using our brightest ideas, the collective wisdom and technology of the people of Austin, we believe that solutions will be built that bridge the gap between the unequal economies of Austin.

We propose the creation of an Economic Development (EDD) Strategic Economic Plan Committee that will over the next six to eight months generate public engagement resulting in a consensus of partnerships and new ideas to advance the Austin Economy. Within the existing plan framework are current and proposed best practices. By soliciting input from the Businesses, Stakeholders and Neighborhoods of Austin we are hopeful that a vision for a collaborative series of game changing partnerships can be realized. We have a financial objective to leverage scarce public dollars with private investment and as a result feel it is critical to include business input throughout the process including the two primary business summits where data will be publicly collected. We anticipate the open forums will conclude with new and current best practices being viewed by videos with electronic voting to test the pulse of the participants. A Mayors Task Force will act as the convening entity.

We have created the plan to better coordinate our responses to address these challenges and to seize upon the opportunities of our current economic prosperity. The Department is well positioned to accomplish solutions, winning 4 global economic awards in the fields of redevelopment, small business, revitalization and trade and Harvard University’ Ash Government Award for small business lending. The Strategic Economic Plan will be revised with input from citizens in each of the ten Council Districts in the recommended public outreach process, which is married to the city budget cycle.

Key elements of the best practices being used include: programming economic strategies to best implement the spatial vision of the Imagine Austin Plan - which was completed post Great Recession, and, heading off new poverty by growing local educated talent through an Einstein Project, to insource human potential and scientific jobs paying $100,000 or greater for 40,000 children in poverty; regenerating commercial corridors in each Council District as walkable, mixed-use hubs, led in part by local businesses organized through Soul Y; and bringing together public and private capital and expertise through a redevelopment corporation will make this corridor transformation possible citywide. As part of this urban transformation, creative Economic place making will integrate creative space development along urban corridors and neighborhoods to create locations for arts and music to thrive. Small Business expansions will be accelerated through federal, state and private sector low interest loan pools and industrial bonds, to spur employment for low income residents. Here our goal is to expand at least 10% of the 34,000 small businesses, or 3,400 small businesses. Collaboration with Accelerators, Co working spaces and incubators such as Capital Factory, Tech Ranch, ATI and others will speed up innovation in university and international trade partnerships which according to the Milken Institute accounts for 65% of city growth nationally. Expand the Science City diaspora with the MECA Chambers of Commerce to use our cultural diversity, entrepreneurship, innovation, trade opportunities, art, music, food, fashion, as an economic strength locally and globally by expanded partnerships with minorities.

Like the G.I. Bill which propelled America to the forefront of the world economy and raised the bar for middle and low income families after an economic downturn, we aspire to a similar goal. With a broad public private economic agenda and the cooperation of the University of Texas Ray Marshall Center to measure return on investment of key outcomes, we are confident this “best practice” plan will be an exceptional starting point for discussions with the citizenry of the greater Austin community.
I am pleased to present this initiative as a roadmap for the City as we enter 2015 with long term work to do to enhance our economic performance for the current and next generation of Austin citizens. Our global profile, our focus on increasing prosperity and poverty elimination, our strong technology and innovation base, our outstanding small business sector and our creative and culturally unique economy, provide the momentum to carry us forward for implementing this strategy.

Within this context we aspire to harness the cultural assets and human talent of Austin as a conduit for increased innovation, learning, resiliency, urban regeneration, and economic place making. We commit to data driven economics, best practices, citizen involvement and leadership to reset the economy to shape it to desired outcomes.

I wish to thank in advance all our collaborative partners for their commitment, and leadership. They represent the quintessential stakeholders for the public private partnerships that will be necessary in the years ahead.

Kevin Johns AICP

Director
EDD STRATEGIC PLANNING COMMITTEE
CONVENED BY THE MAYOR’S TASK FORCE

Austin is at a critical juncture in its growth, in its economic relationship with the Central Texas region with other U. S. cities and, in addressing global competition. This economic plan makes the long term case for adopting city-region approaches to addressing challenges whose impacts spill across municipal boundaries. It also looks at many of our local businesses as future multinational businesses. It further calls for the creation of catalyst projects that illustrate how collaborative partnerships for our neighborhood commercial districts, numerous businesses and our diverse population of innovators can overcome the challenges brought by growth, poverty, and global competition which rapidly approach Austin. This next generation strategic economic plan will present credible platforms on a vision for undertaking these challenges. Citizens are encouraged to weigh in and are encouraged to participate in this ongoing discussion; to contribute ideas through a variety of in person special annual small business summits, through the existing Economic Development website and newsletters, Chambers of Commerce, and non-governmental organizations and unique moderated on-line forums. Your voice and those of the region’s businesses will be crucial to the evolution of the plan.

We recommend that a Mayor’s Task Force provide general guidance to the creation of the plan through a six to eight month public input process. This can result in the Strategic Planning Committee or the convener of such a participatory unit. We look forward to work on foundational issues focused on increasing economic viability throughout Austin.

PUBLIC INVOLVEMENT

SHAPING THE FUTURE WITH PUBLIC FEEDBACK ON CORE THEMES

As we move forward at this pivotal moment in time the City of Austin is undertaking the development of critical, strategic implementation initiatives that benefit all Austin residents and businesses. These are essential to growth and quality of life improvements within the entire five county regions. The Plan seeks ongoing continuous feedback and suggestions. We are constantly examining citizen input, existing conditions, and new planning proposals in the city and regional plans in order to most effectively adapt and convert ideas into the desired diverse and resilient economy of Austin.

We will be continuing to expand transparency and interactive communication with businesses and the public through potential use of social media, electronic frequently asked questions, broader personal engagement with civic and business forums and the Universities, as well as data based studies and proposals for public review. The general focus is to create a healthy climate for best practices, new ideas, renewed prosperity, support for local business, creating new investment and trade, and for performance measures. The performance based initiative will focus on jobs created, expansions of local businesses, youth entering STEM technology fields and most importantly, people’s feedback, not just projects.

INTRODUCTION SUMMARY & BACKGROUND

In the Strategic Economic Plan we are focusing on a diversified growing economy for Austin. One that addresses spatial growth and workforce challenges, specifically poverty and equity - by a visionary toolkit of best practices including the Envision Tomorrow tool connected to the universities supercomputers to calculate ROI on redevelopment before dollars are invested, and the Einstein Project for prevention of unemployment before it happens. Taking advantage of our strong job and population growth and innovation, we are expanding resilient business opportunities to help the private sector create good jobs for all people. This strategy specifically includes 1) expansion of small businesses city wide by increasing access to capital, and 2) transforming local minority firms through multinational collaborations by Austin’s diaspora, 3) the revitalization of urban commercial corridors to create good jobs in all Council Districts based on organized leadership of merchants, the deployment of creative real estate
partnerships and performance-based incentives, and the creation of “place” through the infusions of art and music into the urban fabric, 4) the continued use of incentives to market, recruit and expand select companies, especially manufacturing and distribution in and along the commercial districts and the inland port industrial area of I – 35 east Austin 5) an eco-industrial park from our converted landfill, 6) use of programs that utilize private and non-City sources money such as the Family Business Loan Program and activation of industrial revenue bonds, and 7) the creation of new public private education partnerships in STEM . Success in these initiatives will increase good jobs, eliminate poverty and youth in poverty, increase commercial investment with the goal to reduce the tax burden on residential properties.

Over the next 5000 days, this strategy has the potential to alter the trajectory of poverty, significantly reducing social service delivery costs, stabilizing families, and generating a futuristic, able and innovative workforce, creating an Austin — that is a prototype for how cities of the future grow.

This strategic plan goals are in alliance with the Imagine Austin Comprehensive Plan and in alignment but different from the Greater Austin Chamber of Commerce cluster industry regional, business recruitment, marketing plan “Opportunity Austin 3.0.”

Our public sector strategic economic plan provides a vision, and sets out economic goals for a portfolio of initiatives which creates new opportunities to address poverty, strengthens existing collaborative partnerships and maximizes societal impact of the Austin economy. This unique plan utilizes a fusion of traditional economic development and the creative economy: Small Businesses, Arts, Culture, Redevelopment, Music and, a Global Business portfolio. To be successful the strategy continues to be inclusive and open. This long term Strategic Economic Plan will provide context for public policy, leveraging private investment, matching government resource allocation and benchmarking.

### STRATEGIC PLAN OVERVIEW

#### Economic Development

<table>
<thead>
<tr>
<th>Traditional Approach</th>
<th>Equity-Based Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve overall economic growth</td>
<td>Access to jobs</td>
</tr>
<tr>
<td>Stimulate private investment in Downtown Austin</td>
<td>Skills and education</td>
</tr>
<tr>
<td>Assist the small business sector</td>
<td>Living wages</td>
</tr>
<tr>
<td>Support the cultural economy</td>
<td>Small business access to capital</td>
</tr>
<tr>
<td>Implement public-private redevelopment projects</td>
<td>Barriers to employment</td>
</tr>
<tr>
<td>Diversify the local economy</td>
<td>Working poor</td>
</tr>
</tbody>
</table>

The key drivers of economic growth are creativity, education, reskilling, innovation, and entrepreneurship. The goal of the Economic Development Strategy is to improve the quality of life through leveraged public-private partnerships and economic growth, creating high-quality jobs, wealth and investment, vibrant and diverse neighborhoods and ensuring the City’s long-term fiscal health. This is a next generation economic development strategy with an immediate (1 – 5 years) timeframe and a long term (fundamentally a 50 year) plan that represents the fundamental shift to the economics of poverty elimination and to defining and implementing educational return on investment tied to scientific companies rooted in the Austin culture. It is the glue that bridges the gap between public and private policy, its investment and infrastructure, and social well-being. It aspires to lay the future foundation for economic resiliency for the Austin of the 22nd Century.
What will Austin be like in 50 Years? In this strategic economic plan we examine the opportunity and strategies to best develop a resilient Austin where the City excels, and faces challenges, not only to become more economically productive, but also to be a prototype for sustainability and quality of life. We want to build a plan that looks 50 years down the road and begins to address the bigger issues. These are some of our obvious challenges:

- **Economic vision** – On going continuous improvement in the Austin Economy, increased productivity in a global marketplace, creation of good jobs and equity for all citizens
- **Economic Place Making** – Implementing best urban development practices citywide aided by state-of-the-art benchmarking and market evaluation tools
- **Industry cluster growth** – Strengthen our region’s industry clusters such as technology manufacturing, creative, music, gaming, art, financial services, I.T., education, clean energy, and life sciences. In partnership with Austin Resource Recovery, seed a niche industry cluster for recycling- and reuse-based manufacturing businesses.
- **Foundation initiatives** – Expand innovation, address poverty, invest in small business, education relationships, culture, music, creativity, transportation, energy, smart technology, and human capital
- **Strong regional leadership** – Improve how the region manages key challenges such as regional transit and investment promotion

**GUIDING PRINCIPLES**

Our Guiding Principles are intended to inform or shape decision-making. These guiding principles are statements of purpose that define how the City Economic Development Department looks at decisions pertaining to the city’s economy. Diversity is our economic strength locally and internationally. We seek to create transformative opportunities and maximize societal impact by harnessing our economic successes.

**Generate a Competitive Business Climate**

Austin recognizes its responsibility to all its citizens and has as a guiding principle that Austin will be a place of opportunity for all individuals, regardless of nationality, race, socio-economic status, age, or sexual orientation and this factor will establish a competitive business climate that puts the city ahead of competitors. We will use our cultural diversity as an economic strength and help Austin obtain the highest return on investments to survive, prosper, and grow in a safe and prudent manner.
Generate Resiliency and Talent

Austin competes against and collaborates with cities around the world to attract partnerships, and retain companies and skilled employees that contribute to the city’s economic sustainability. Companies and talented workers are increasingly mobile. Establishing a competitive business climate is essential to attracting and retaining enterprise and talent.

Promote Local Business

Austin will continue to support the business community portfolio whose investments and hiring are key to achieving high goals. This principle respects “conscious capitalism” as described by Whole Foods author and founder John Mackey, a philosophy that partnerships in sustainability, quality of life, and financial well-being are desirable. Austin will welcome businesses and entrepreneurs, including immigrant innovators, and acknowledge the important contribution of existing businesses to the city’s long-term economic sustainability. This will also provide certainty for businesses with clear, consistent policies for development, regulation, and taxation. Continue interdepartmental regulatory and customer service initiatives to support best practices and streamline regulatory and permit processes while balancing community goals.

Support World Class Cluster Industries

Recognize the necessity and growth of multinationals by using cultural diversity as an economic strength, domestically and internationally, nurturing people and companies in our ethnic communities to provide experience and connections to give us a competitive advantage. Nationally, and globally Austin will provide leadership for the development and endorsement of a direct flights system linking Austin and Central Texas to science cities throughout the world.

Strengthen Public Private Collaboration

In order to strengthen public-private collaboration the department will continuously conduct internal reviews to improve performance, eliminate obsolete programming and consistently demonstrate accountability in both return on investment (ROI) and best managed city goals. In the 2015-2020 phase of the strategic economic plan, the City of Austin will continue its regional approach to economic development through its participation in Opportunity Austin 3.0. We intend to encourage the recruitment of logistics, recycling, and manufacturing firms to provide jobs that address growing poverty in Austin. This strengthened collaboration will create good jobs for the hard to employ population, improve family quality of life and reduce social service needs in the City of Austin. There is also a significant opportunity to work closely on public-private development projects and initiatives to leverage shared investment in Austin’s creative sector infrastructure and address affordability issues.

Affirm the City of Austin international inland port strategy and its unique position astride the NAFTA Mexico I-35 corridor for trade from Asia through Central Texas and identify specific areas where we can synchroneize the economic strengths of the Asia-Pacific trade with our leading industry clusters.

Prevent Unemployment Before it Happens

Create an Einstein Challenge among scientific companies and the school systems to provide a next generation of talent from children currently in poverty. This must be a measurable, return on investment based initiative with independent verification of outcomes and economic benefits. Encourage high quality science technology, life science, math engineering and art and music education at all levels. Continue to implement and expand the reach of the Creative Learning Initiative, a partnership among Austin Independent School District, MINDPOP, the City of Austin and over 40 arts and cultural organizations dedicated to student success through an arts-rich education. Recent studies have confirmed many positive outcomes of the Creative Learning Initiative, including that graduation rates are 20% higher for arts-engaged high school students.

Support workforce reskilling initiatives and trade and vocational institutions, the Universities, ACC and K-12 schools with public private partnerships in the creative and functional industry clusters. Encourage and Facilitate telecommunications and wireless infrastructure including Google, Time Warner and other initiatives.
Focus on the Elderly: Promote their Knowledge/Care Giving Businesses

Expand a focus on the growing elderly population, both to capitalize on this economic asset, supporting development of new businesses from retired entrepreneurs, and utilizing their knowledge to mentor STEM youth. Create a “Brain Trust” initiative with retired technologists and CEOs to mentor and coordinate internships and mentoring of Austin youth in local innovation companies through official arrangements among ACC, University, local skills and workforce organizations. Generate a care giving cluster industry around the growing retirees. Family-oriented minority businesses and fast-growing senior and assisted housing venues are desirable.

Enhance Our Quality of Life

Maintain the city’s quality of life as a top priority. Be a safe place to live and work. Continue building a vibrant downtown that balances opportunities to live, work, and play. Encourage live music and an active nightlife, global music partnerships, map and expand culture and arts citywide. Nurture unique, economically sound and vibrant neighborhoods with business and public-private resources as defined in neighborhood plans which are the core to imagine Austin downtown and citywide commercial activities. Include affordable housing and redevelopment options through the use of creative funding partnerships such as through a redevelopment corporation.

Encourage Innovation

Support the innovation zone and public-private infrastructure investments of University of Texas, Seton Hospital, Central Health, other research institutions, Huston-Tillotson University, and other universities and colleges to generate life science and innovation. Maintain close relationships with workforce teams to insure the life science talent and training is in alignment. Identify or create new sector opportunities, apps, and software to match youthful and reskilling talent and training with the specific needs of the forecasted 15,000 jobs forecast. Work to generate innovative “Mass Challenge” like incubation and shared spaces with private sector partners.

Promote Sustainability and Clean Energy Economics

Support and strengthen energy innovations through the existing partnerships with the Greater Austin Chamber of Commerce funding, Austin Energy initiatives, University of Texas partnerships (IC2, ATI, TACC, Ray Marshall Center, LBJ), and the Mueller based Pike Powers Lab and Pecan Street Project. Continue EDD’s partnership with Austin Resource Recovery to create jobs and generate investment in the recycling and reuse sector from Austin’s zero waste initiatives. Generate international collaboration with science parks in the IASP network to fast track business partnerships with local Austin firms, creating new business ideas, technical assistance, and access to capital, grants, incentives and public-private partnerships.

Lead in Regional Cooperation

Provide Economic Regional Leadership & Collaboration to encourage implementation of the Imagine Austin Plan, the CAPCOG comprehensive economic development plan, the CAMPO regional transportation plan, the Greater Austin Chamber of Commerce Opportunity Austin 3.0 Economic Strategy, and the Strategic Plans of the Greater Austin Asian, Black, Gay and Lesbian and Hispanic and Chambers of Commerce.

Lead in Public Involvement & Best Managed City Strategic Planning

Most importantly we must respect citizenry and be good stewards for the public. This strategic economic plan must have the best ideas, data driven solutions and involvement of our citizens and businesses. Customer service and providing meaningful information and education to all constituents in a timely manner is critical to citizen customer service, PRIDE and best managed city ambitions. Enhance innovation and best practice strategies in economic development to insure that the city avoids economic blind spots when spending municipal dollars as well as capitalize on new ideas and inventiveness in government service delivery and customer service. The object continues to be to expand
strategies to encourage frugality and thoughtfulness. Design and administer the highest quality, secure and innovative programs.

**Unlock the innovation potential of the individuals and community that make up Austin**

Creativity, Music and Art is the engine of Austin’s prosperity. “Arts, culture, and creativity are essential keys to the city’s unique and distinctive identity and are valued as vital contributors to our community’s character, quality of life and economy.” From Imagine Austin Comp Plan Vision Statement. Building a culture of creativity is essential for sustaining the technology economy and strengthening fundamental elements of community vitality – social capital, sense of place, civic spirit, and community innovation. The new economics value creativity – cultural participation helps develop creative skills for the workforce. The creative sector is a key part of the innovation habitat – this is an important part of the Austin habitat. Culture connects people and place – binding people to each other & to the place. Civic & Social Creativity is vital – for addressing civic and social concerns to come up with more visionary strategies and approaches.

**Think creatively; foster an ethos of civic creativity**

This is Civic creativity – collectively can think, plan and act with imagination and creativity. Austin is commonly thought of as an inherently creative city due to its robust live music and arts scene, digital media and numerous festivals, and the appearance of Austin on numerous “Best City” lists. But personal characteristics of thinking creatively – exploratory open-mindedness, deep focus, a lateral, flexible mind, applied imagination, divergent or generative thinking, a convergent thinking, a willingness to take measured risks to stand back and not to pre-judge things – can be found in any sector here in Austin whether it be technology, business, social services, public administration, physical design sector, arts, or others. Being creative is an attitude of mind and a way of approaching problems that opens possibilities. Value and link these different forms of creativity together in our citizenry and apply ourselves collectively to nurturing our environment, or solving homelessness or affordable housing issues, addressing transportation problems or neighborhood regeneration.
PROSPERITY FOR ALL PEOPLE

A Better Future, Reskilling and Business Incentives

Our Strategic Plan must improve quality job growth and prosperity through the further activation of Cultural Diversity, Small Business, Music, Innovation, Creativity, STEM, Reskilling, Sustainability, Redevelopment and Trade.

Einstein Challenge

The Einstein Project is a public private strategic education initiative designed to lift 40,000 Austin children out of poverty within ten years (2015 – 2025). The goal includes all youth but focuses on children of color. The program is a variation of the current 380 agreements that the city utilizes to recruit and expand technology companies in Austin. The Einstein Project creates a new incentive for economic service. This incentive will be given to prosperous companies conditional upon their transfer of the dollars to proxies of their choice investigating reduced increases in property taxes, property tax freezes, transfer of tax credit rights and other financial tools to incent technology, innovation and financial companies to lead hands on 21st century youth in futuristic careers movement. The Einstein challenge is technology agnostic, and market driven. Companies will be contracted for ten years to provide scientists, engineers and innovators to teach local teachers, to directly mentor youth in poverty, and or to contract directly with existing STEM, Music, and Art not for profit stakeholder’s organizations such as but not limited to Skillpoint Alliance, and Capital IDEA.

We envision the Einstein Project to be cash positive for the city with strong ROI increasing exponentially after ten years. The economics of tens of thousands of new tax paying high energy jobs absorbed by impoverished Austin children and removing the tens of thousands of potential welfare recipients from government social service rolls will be calculated independently in coordination with the Ray Marshall Center at the University of Texas in this ten year longitudinal study of return on investment. The hand(s) on economic education initiative is data driven.
The Einstein Project aspires to represent a type of Austin GI Bill, creating a bi-generational approach to harness Austin’s success, growth and prosperity to create a generation of Einstein’s from kids of color. The economic purpose is to prevent unemployment before it happens by harnessing the innovation sector to mentor our children and insure them an opportunity to have futuristic and well-paying careers. The program goals are:

- Financially incentivize technology companies STEM involvement through discounted property tax increases;
- Teach the AISD/ACC/regional science teachers real life projects that can be learned in our schools,
- Inspire children of color and Austin’s youth on the benefits of science careers K - 12,
- Provide functional internships, real time science case studies and resources and,
- Provide increased and predictable financing to nonprofit STEM training enterprises;

Workforce

The Evolving Partnership with Austin’s Workforce, Education and Business Leadership is a critical pathway to economic prosperity. In the future economy citizens need continuous new knowledge and technology. In a recent report by the International Economic Development Council on the relationship between Workforce Organizations and Economic Agencies, it was found that better coalescence of goals and strengths would insure that trained individuals found good jobs and higher incomes. Capital IDEA, Skillpoint Alliance and the Workforce Solutions Central Texas Region are three excellent partners in the reskilling genre that are helping Austinites to find well-paying jobs despite economic hardships. In the Strategic Plan we are expanding the involvement of economic development objectives and workforce objectives to narrow the gaps in job creation and to expand the relationships with the regions Chambers of Commerce.
**Hard to Employ**

Although official unemployment statistics continue to improve, the hard to employ population in Austin continues to be a challenge for obtaining good paying jobs. This population was identified in the department study: Unemployed, Given up that is outside the official unemployment rolls but a large user of City of Austin and government social service delivery. The chronically hard to employ population (formerly incarcerated, homeless, without high school degree, language barriers) is large, estimated at 10,000 in the 2010 study.

The Strategic Economic Plan targets the creation of good paying jobs for this population through three policies. The first is expansion of small and family owned businesses through the use of low interest Family Business Loans with the provision that for every $35,000 borrowed the company agrees create hire a new employee, of which at least half of the new employees are low income residents within the community the business serves. The second is to revitalize commercial areas throughout Austin, generating more local business expansions especially for artists, musicians, and construction contractors. The third is recruitment of manufacturing companies that hire the hard to employ.

**Well Paying Jobs, Hotel Occupancy Taxes, Texas Enterprise Zones, 380 Performance Agreements**

Creating good paying jobs and helping small businesses form and expand are critically important elements of the strategic plan. Well-paying jobs will be created through a comprehensive strategy of incentives, leveraging state revenue resources, low interest loans, industrial revenue bonds, music venue loans, and Hotel Occupancy Tax resources, small business program technical assistance, websites, Apps and other techniques, the strategic plan envisions a robust performance based expansion of good jobs.
Small Business Loans

Small Business suffers from a lack of access to capital. This unfortunate trend was identified in the August 18, 2014 Wall Street Journal article “Small – Business Lending Stuck in the Slow Lane.” Drawing on research from the Harvard Business School: The State of Small Business Lending, the number of community banks is falling due to banking consolidation and small business loans are down 21% since their pre-recession peak. The City of Austin Small Business Program launched the Family Business obtaining a $3,000,000 federally-funded HUD Section 108 loan guaranty in 2012, then an additional $8,000,000 in 2016, to anchor the public-private partnership with private-sector banks and community lenders. The Micro Loan Program was added to expand loans to individuals.

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
**Bazaarvoice technology**

The Small Business Program helps local businesses navigate the planning and development process. A state of the art, electronic customer service system called BizRight. It has the ability to facilitate businesses seeking permits in order to expand by providing input from inspectors, reviews by users, and local businesses who can help. The platform was designed by local company Bazaarvoice, and is being adapted to public use to help educate local businesses on obtaining their permits and on how their choices for development mean in terms of time to obtain approvals. For example, based on information provided by the BizRight system prior to entering the permit system, a company may reconsider purchasing a gas station and converting it to a restaurant if they become aware that the necessary environmental, handicap access and health reviews are arduous. Knowing these choices in advance of borrowing could save businesses thousands of dollars monthly.

BizRight will advise businesses what to do and what not to do by featuring Frequently Asked Questions, short cuts, things to avoid, and techniques and development strategies successfully used by other local companies. This private sector system is effectively used in Office Depot and Adidas Sports to help customers get good feedback and better results before they purchase items. The new system has been developed in partnership with the new Development Services Department. A rollout is expected by the end of 2016.

**Merchants Challenge**

The transformation of once City-owned blighted property into the Seaholm District, 2nd Street and Mueller illustrate how socially responsible public investment can leverage private capital and entrepreneurship that transforms parts of Austin into vibrant live-work communities. The strategic economic plans seeks to regenerate, energize and reconnect their commercial areas with their surrounding neighborhoods. Fundamental to this spatial reset is the organization of existing businesses within the commercial corridors and districts so that local merchants can work together to reinvest and beautify their communities. Successful examples in Seattle, Brooklyn, Washington D.C. and Oklahoma City have been used as models. In these communities the merchants have banded together to self-tax (public improvement districts) and invest in art, music, affordable housing, infrastructure, retail and unique local enterprises. Organized business and neighborhood can then best advocate for resources to implement their collective vision, bringing to bear resources such as low interest loans, free preliminary design assistance from the UT Community Design Center, bike trails linking to neighborhoods and libraries, art and music performances, and capital improvement planning, zoning and land use technical assistance.

The transformation of older commercial areas citywide into prosperous urban villages requires development that offers not only space for businesses offering needed goods and services, but also locations for targeted industry employers, art, galleries, co working spaces, and music venues. Public investment in place-making, public space and amenities and attractive urban design will integrate a diverse array of housing types affordable to a wide range of incomes with mixed use, and mixed architectural styles located in close proximity to multi modal transportation.
Science Cities, using cultural diversity as an Economic Strength

Using the rising and entrepreneurial immigrant population, and ethnic diversity of Austin as an economic strength, gives our creative community business advantages when competing in the global marketplace. Approximately 24% of the innovators in Austin are immigrant owned companies, offering export proficiency, language conveniences, regulatory and business knowledge and connections to expand and conduct trade overseas. In cooperation with the Hispanic, Asian and Black Chambers of Commerce and in collaboration with the International Association of Science Parks, Austin has designed and implemented an inexpensive but significant presence of soft landing pads in markets from Asian to South America. Growing from an initial science city relationship of business cooperation with Hackney in the East End of London, our partners now include soft landing pads for Austin businesses seeking to become multinationals, in the UK, Norway, Sweden, France, Spain, Turkey and Mexico with emerging partnerships in Brazil, Hong Kong, Japan, China, and Taiwan.

This ambitious public private trade initiative provides Austin businesses the opportunity to tap into the $200,000,000,000 of trade produced in the State of Texas each year. With even a 2% increased share of that trade, manufacturing and distribution trade, services, good jobs and an increasingly diversified tax base can be achieved that generate new business for Austin totaling $4,000,000,000.
PROSPERITY FOR COMMUNITIES

Revitalize, energize and uplift Austin’s culturally diverse local neighborhoods

The theme of our 21st century Strategic Economic Plan regarding prosperity for communities is to revitalize older commercial corridors and neighborhood commercial centers by targeting strategies for small business development, expanding opportunities for the music and arts sectors, and attracting industry competitive in the national and global economy. Fostering “complete communities” as envisioned in ImagineAustin must include open space, affordable housing, bicycle trails and renovated properties that provide good local jobs. In order to do this, the City must utilize the wide range of incentives and partnerships to leverage private investment for the development of sustainable urban villages throughout Austin. Measuring progress through sound metrics and benchmarking, such as made possible through the Envision Tomorrow software, will enable the City to continuously improve on past efforts to achieve this end.

The examples below are several example of how the City’s repositioning of City-owned property can encourage private investment and private leadership. The Seaholm example depicts a transformation of a closed industrial scale water treatment plant to a $1,000,000,000 living, working eco district. Building upon this past success, the City seeks to partner with private developers throughout Austin to create mixed-use urban villages.

Seaholm District

2nd Street (2011 IEDC Gold Medal Best Public Private Partnership a Major City worldwide)
Mueller (2015 APA Secretary of HUD Economic Opportunity Award)

Art & Music Districts, Creative Placemaking (2014 ArtPlace America grants for “Drawing Lines” and “ThinkEAST,”  projects that partnered with the City of Austin to address a community development challenge)
IMPLEMENTATION / ACTION PLAN

ROLE OF THE ECONOMIC DEVELOPMENT DEPARTMENT IN IMPLEMENTING THE STRATEGIC PLAN

The City of Austin’s Economic Development Department is a fusion of traditional and creative economic initiatives. There are five creative teams in the department, with only the City of Toronto Canada having a similar creative and traditional economic development organizational structure. The Economic Development Department is generally viewed as the nexus among federal state and local public governments, Chambers of Commerce and 501 C 6 and C3 non-governmental organizations (NGOs), community stakeholders and City policy directives on economic development. In this capacity it is ideally suited with in the Austin government to plan and execute private policies and partnerships to implement a 21st Century Strategic Economic Plan. Harvard University’s Ash Center for Democratic Governance and Innovation recognized the Department’s Small Business Program and the International Economic Development Council has awarded Gold Medals four times in five years to Economic Development including Best Public-Private Partnership and Best Local Business Promotion System. The five creative teams competed successfully against cities with a population greater than 500,000 worldwide to accomplish the recognitions. Individually and together each will expand and continue to improve the lives of individuals, families and companies across the city in pursuit of implementation and actions to support the Strategic Plan.

This next generation strategic economic plan will present credible platforms on a vision for undertaking challenges. Citizens are the lynchpin of measuring success and the public engagement process will seek to find new ideas and assets locally to conceive, participate and fund future initiatives. Citizens will be encouraged to weigh in for this ongoing discussion; to contribute ideas through a variety of in person special annual small business summits, through the existing Economic Development website and newsletters, Chambers of Commerce, and non-governmental organizations and unique moderated on-line forums. Your voice and those of the region’s businesses will be crucial to the evolution of the plan.

Austin’s Prosperity Engine

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<th>Prosperity for All Citizens</th>
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<td>Small Business</td>
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<td>The Small Business Division provides programs and resources to Austin’s local businesses and entrepreneurs, helping them expand their opportunities.</td>
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<td>Redevelopment</td>
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<td>The Redevelopment Division facilitates innovative partnerships and projects to re-invigorate Austin’s existing built environment, binding neighborhoods and business hubs into civic urban villages.</td>
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Austin is at a critical juncture in its growth, in its economic relationship with neighborhoods and businesses, the Central Texas region with other U. S. cities and, in addressing global competition. A consensus will need to be reached in order to muster the energy, will and resources to implement new efforts to address this incomplete economy. This economic plan makes the long term case for adopting city-region approaches to addressing challenges whose impacts spill across municipal boundaries. It also looks at many of our local businesses as future multinational corporations whose local impact can contribute strongly to the success of the new plan. The plan provides catalyst opportunities and strengthened collaborative partnerships for our numerous businesses, neighborhoods, the universities and our diverse population of innovators. With these partners it is possible to overcome the challenges of growth, poverty, and global competition, which rapidly approach Austin.

Cultural Arts Division aspirations, top programs and interdisciplinary approaches

Building the Creative Economy, individuals, entrepreneurs and neighborhoods – strengthening the creative sector (music, visual art, culture, film, digital media, fashion, culinary arts, dance, theater, literary arts, etc.); mapping Arts and Music citywide to activate and influence retail revitalization and create community connections in neighborhoods, expand art contracts, film, television and gaming through the new creative incentives, and Austin Technology Incubator (ATI), and continue implementing the CREATEAUSTIN Cultural Plan’s built environment recommendations, and the Creative Learning Initiative partnership with AISD and MINDPop.

In response to the Building Austin’s Creative Capacity needs assessment of arts organizations and individual artists that was completed in 2016, create implementation strategies that address space, revenue, professional development, and other related needs of the artistic community. The assessment identified the needs of individual creatives and cultural organizations, explored gaps and resources, and generated recommendations for the effective development of the creative capacity of arts in Austin.

Implement the recommendations of the staff response to the Music and Creative Ecosystem Omnibus Resolution passed by Mayor and City Council in March 2016. As informed by many previous surveys, censuses, and assessments of local creatives, the response includes short-and long-term efforts to retain, sustain, and improve the prosperity of Austin’s local creative economy. The needs of creatives are embedded in citywide planning and development, examined in the context of code, land use, regulatory requirements, and public-private sector collaborations, and considered to be the driving force behind innovative new approaches to affordable space, infrastructure, incentives and revenue streams.

Implement contracts totaling $10 million annually (in 2016) from Hotel Occupancy Tax dedicated funding, to support the operation of arts and cultural organizations citywide, reaching 430 cultural contractors each year, and growing cultural tourism. Nearly 6 million audience members were reached in 2015 through creative and cultural program offerings, projects, and events. This initiative anchors the $4.3 billion creative economy of Austin.

Implement the Art in Public Places program which allocates 2% from eligible capital improvement project funding toward the commission of site-specific artworks citywide. In 2015 this includes major art installations in the Austin Bergstrom International Airport where the art of Austin is viewed by 8 million passengers yearly. The current collection of art has a value of approximately $11 million with another $5 million in artwork commissions in progress. The program has received several national awards and continues to be recognized as a leader in the field for innovative artworks, both permanent and temporary, featuring the contributions of emerging and established public artists.

Help lead and implement the Imagine Austin Creative Economy Priority Program. Growing and investing in Austin’s creative culture is a cornerstone of the city’s identity, as well as of its economy. The focus of this particular priority of the Imagine Austin Comprehensive Plan is to encourage and support Austin’s live music, festivals, theater, film, digital media, and new creative art forms. In order to support the creative industry, this priority program includes educational and economic programs as well as programs that provide affordable transportation, work space, housing, and healthcare and involves coordination with a cross-departmental team.
Build the capacity of and equity within the creative community, including individuals and organizations, to strengthen the economic stability of arts and cultural organizations and individual artists to ensure strategic workforce development in the creative sector, to provide access to quality arts for its citizens and to grow and sustain Austin’s artistic and cultural assets. A targeted approach to the development of Austin’s community cultural institutions further addresses the City’s long-term goals to increase and diversify production of arts and culture and preserve the character of Austin, and to enhance the presentation of Austin’s cultural diversity reflecting its demographics in all areas. Measurable and sustainable results come from investment in critical infrastructure such as management, governance, financial resources and administration, and career development.

Grow the Creative Learning Initiative into additional schools and school districts within the Austin metropolitan area, to better and more equitably serve students in arts-rich learning environments.

**Global Business Recruitment & Expansion Division top Programs**

Innovation, workforce and technology clusters and the life science industries

The Milken Institute, a global think tank, rated Austin the top tech city in 2013.

The Global Business Division leads economic development technology and workforce initiatives and seeks to blend the two together for a greater impact. The portfolio includes the cultivation of technology and innovation with performance based contracts with:

1. **Skill Point Alliance and Capital IDEA**

2. **UT Austin Technology Incubator, Greater Austin Chamber of Commerce, Austin Technology Council, Greater Austin MECA Chambers of Commerce (Hispanic, Black, Asian and Gay and Lesbian.)**

3. **Since 1956 the Sister City International Program has operated in Austin. In 2011 it was successfully transformed into a Science City system with 11 global member partners and the International Association of Science Parks. The cities are providing soft landing pads for Austin businesses, helping on direct flights, contracts, partnerships and expansions**

**LIST OF SISTER CITIES INCLUDE:**

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New reskilling/workforce education opportunities are included in the strategic plan. The Innovation Zone alone is expected to create 15,000 jobs. Research points to large job and capital investments in life sciences, space commercialization, information technology, cybersecurity, digital media, global finance, interactive media, the creatives and environmental engineering and earth science. Skill Point Alliance, the Stem Council, Capital IDEA, United Way, Goodwill and Workforce Solutions, Travis County Reentry and others are part of the solution to connect good jobs to good people. The focus is emerging tech professions and pairing them with trained youth, under employed, and the hard to employ populations. “According to the Bureau of Labor Statistics (BLS), the number of science-related jobs will increase at a rate faster than the national average between now and 2016. Environmental scientists, hydrologists and geoscientists will experience the fastest growth.” Source: AOL Top 10 Jobs in Science 2016.
Implement the Einstein Project. Develop and fund an end to end architecture for STEM to include students, parents, teachers, employers and educational systems. Combining workforce training with technology companies and the school system is a priority. Stakeholders include Skill Point, Capital IDEA, all Chambers of Commerce, Austin Technology Council, University of Texas IC2 and the UT Ray Marshall Center, National Instruments, AISD, and not for profits leading STEM initiatives. Removing 40,000 children from poverty is the goal.

Implement the Creative Content Incentive Program. This is a television, film and gaming initiative generated by the Division. The first incentive was the American Crime Disney ABC series being filmed in East Austin/Montopolis with 14 area youth participating. The series was renewed for a second season.

Energize and help finance the 50,000 new Hispanic businesses forecast in the census (completed by the Greater Austin Hispanic Chamber of Commerce.) Capitalizing on the rapid growth of both the biotech and health care industries and connecting those demands with the needs of rapidly materializing small Hispanic businesses can be a conduit for increased prosperity.

Implement the Eco Industrial Park or Re Manufacturing Hub out of the City Landfill to create 1200 jobs. Implement the $8 million program using the $1 million Economic Administration Grant for infrastructure to be a catalyst for the recycling industry.

Using Texas Chapter 380 incentives to target the recruitment and expansion of select companies to anchor our defined cluster industries remains a focus, especially including a critical focus on manufacturing and distribution (logistics) companies. These companies hire hard to employ individuals and do not require a college degree, very important to our strategy to reduce poverty by recruiting good paying jobs with benefits. As the 11th largest US city and fastest growing metro area, Austin is a prospect for this important distribution industry sector because distribution companies are locating closer to eventual customers. Austin is geographically situated on the I-35 NAFTA corridor and is ideally suited to attract a small number of global manufacturing and distribution companies using either the Panama Canal or Mexico for their merchandise supply chain. A Freeport Exemption was recently approved for Del Valle Independent School District, which significantly expands the land in Austin within a Triple Freeport Zone and will facilitate expansions and relocations to the industrial properties south of the airport.

Music & Entertainment Division Collaboration

Create superior environment for musicians to create and prosper

Building the Creative Music Economy – strengthening the live music capital of the world. Helping Austin Musicians and creators perform, create, merchandise and increase prosperity in the creative sector especially sound tracks for film, television, gaming and the digital media; mapping Music industries citywide to activate and influence retail revitalization, expand Austin music awareness globally, in film, television and gaming and live performances. Identify space and venue opportunities for live performances or assist in the creation of those opportunities through public private partnerships. The new Music Census provides a data driven approach to the Austin Music Economy needs and goals. This Creative Music Ambassador Program features local artists worldwide.

Expand input from stakeholders to implement Omnibus initiatives in a workplan that is performance based.

Implement the Music for Kids Program to stimulate early childhood music development and capitalize on children’s inclination to sing, move and play with sound; the program encourages children to learn and appreciate music and creativity

Implement Music Venue Assistance Loans to provide low-interest loans to qualifying establishments for the purpose of enhancing the sound quality of indoor and outdoor venues, while reducing sound impact to neighboring uses. Three loans have been made to quiet music venues.

Implement the Music Cities Summit - organized the first global partnership among cities within the music industry. The Toronto Music Partnership has been expanded to include San Francisco, Chicago, Seattle, Denver and of course Toronto. Best Practices are evaluated to increase jobs, salaries and revenues.

Implement new technology to reduce the disturbance of live music late night and in the early mornings through a citywide sensor system tracking the source, path and receiving areas of live music; Masking outdoor music with ambient sound, venue
renovations and electronic silent rages.

Implement Best Practices to create external, industry communication systems to strengthen cross industry collaboration among public and private sectors, global partners, genres, scenes, neighborhoods. Develop strategic music partnerships with Austin area universities and colleges that integrate classroom, research and internship experiences through concentration in innovation, creativity and entrepreneurship.

Support department’s implementation of the Red River Music Cultural District with bonus development benefits, incentives, music tourism, and international music partnerships and assist where needed.

Conduct a Music, Entertainment & Nightlife Economic Impact Study. Nighttime economy entertainment businesses (restaurants, bars, nightclubs, live music venues, and performing arts spaces) create jobs, provide social engagement, generate tourism and enrich Austin’s neighborhoods. It is important to measure the volume of late-night activity and acknowledge the social, cultural and economic value of the nightlife economy.

Evaluate best practices and develop strategies for localized music industry infrastructure. This could include the building of physical “creative hubs” for firms that have a shared vision for business development, growth, mobilizing incentive opportunities to recruit new businesses, and for helping to make Austin more affordable for artists and businesses to live and work in. An organized, connected music ecosystem is vital for job creation, business development and retention, and for industry revenue growth. Use the music and art census to identify effective economic solutions.

Focus on the Austin Music Commission’s list of top priorities within the Omnibus report. The list includes: Agent of Change Principle, Tourism plan, Industry development and business recruitment, Export plan, Retaining and fostering new performance spaces and venues, Permitting – Music Office no longer being involved, Adding resources to Music Office, Strengthening diversity through genre development, Increasing Austin resident participation in music and arts ecosystem, Industry hubs, Audience development, All items associated with land development. The Music & Entertainment Division will pursue these priorities to build a stronger music infrastructure, attract tourists, create jobs and make Austin more affordable for musicians.

Implement the creation of a Music Walk of Fame similar to that of Hollywood to replace the moratorium on the Austin Music Memorial.

Redevelopment Division Initiatives downtown and citywide urban villages: Encourage place based economic strategies

Instill smart spatial resets of the built environment of Austin. Create economic place making that is sustainable, walkable, beautiful, areas that create opportunities for all, and areas that are economically resilient. Urban generation that transforms communities as desired by city values is the aspirational goal.

Continue implementing Mueller Redevelopment. The 2015 Secretary of HUD and American Planning Association Award for Opportunity and Empowerment is an excellent model for how the City can position publicly-owned property to bring about a vibrant live-work community. The public private partnership at Mueller has been successful in creating 4000 jobs, 5000 residences, a town center, 25% affordable housing throughout, an award-winning efficient energy system, and is based upon a community plan.

Continue implementing the Seaholm District which includes the Seaholm Power Plant redevelopment, The Greenwater Treatment Plant redevelopment and the Energy Control Center redevelopment as well as project coordination of infrastructure improvements for 2nd Street, bridge, parks, trails, street furniture and the Tax Incremental finance District.

Implement Green Water Treatment Plant Redevelopment. The $500 million Trammel Crow Development is LEED certified; local business, public art, and will add $140? million towards the Affordable Housing Trust Fund over 30 years. The first of 4 high rises
is complete, with one other under construction, a third about to break ground and the fourth in design.

Implement Seaholm Power Plant adaptive reuse. The $100 million development achieved LEED Gold and Silver, has local supported businesses, houses Athena Health, the nationally recognized medical health records technology company in its’ 1950 art deco building, and includes a 30 story residential condominium, and Trader Joes.

Implement the redevelopment of the Energy Control site into a 58 story tower, including a public plaza in the 3rd Street ROW and Shoal Creek Trail improvements.

Implement redevelopment projects work plans for the duration of contractual obligations including Robertson Hill, Domain, and the Triangle.

Implement a City-wide Commercial Regeneration Program called Soul y Austin. This initiative is designed to foster community-led redevelopment through organized businesses and resident leaders, modeled on Merchant’s Challenges in Seattle, Washington DC, Brooklyn, and Oklahoma City templates. Led by and invested in by the business community these commercial areas were transformed into walkable, sustainable, economically sound cultural tourism districts. The goal is to encourage placed-based urban redevelopment through the use of many different tools, such as low interest loans, special assessment or tax increment districts, public infrastructure investments and public art.

Explore real estate models and mechanisms for developers to incorporate cultural/creative uses or local independent businesses in new developments. The goal is to incentivize the health and placement of local businesses as they become available and as a benefit to developers and neighborhoods, and to preserve existing cultural/creative uses.

Utilize industrial revenue bonds (IRB) and 501 (c)3 Bonds available through the Austin Industrial Development Corporation and potentially a redevelopment corporation dedicated urban place-based redevelopment that bring together all of the business development strategies to the benefit of Austin’s communities so that all citizens, including the hard-to-employ, can benefit from well-paying jobs.

Utilize the Envision Tomorrow ROI software developed under contract with the U.S. Departments of HUD, Commerce and Transportation to measure programmatic success. This scenario planning economic tool is being utilized to ascertain possible opportunities for redevelopment and to assist in how best to utilize scarce public resources to bring about urban revitalization.

Assist with implementation of the Innovation Zone through use of real time Bio Polls and Applications. Research best practices on the creation of Innovation Zones worldwide. Assist the Austin Technology Incubator creation of a Life Science Center Wet Labs facility to provide incubation of Life Science and bio technology industries. On the horizon research the potential for the UT Pickle Research Campus near the Domain in North Austin to expand within the city innovation zone. The international economic element of the strategic plan seeks to encourage soft landings of technology companies to the innovation zone to link with our local companies. “In the future, university research parks may be transformed into broader districts creating the vibrant individual commons for technology based economic development that is envisioned as key for regional competitiveness” said Dr. Gary Pisano and co-author Willy Shih in the Battelle Institute Report “Driving Regional Innovation and Growth: The 2012 Survey of North American University Research Parks,” August 2013.

Small Business Program technical assistance & lending programs

Helping all Citizens, Businesses and Innovators, and Neighborhoods and Communities

Austin’s 34,000 small businesses are the backbone of its economy. Small, locally-owned, immigrant-owned, grown but franchised – all of these small businesses together make the future happen. This is the philosophy of the Small Business Program, which won the Harvard University Ash Center of Government award for its Meet the Lender information event.

The Small Business Program continually asks small businesses in Austin what they need to survive in the competitive marketplace, and then meets those needs by providing services that foster innovation and expansion. SBP provides small
business training on over 20 topics, one-on-one coaching, special information events, assistance navigating the City’s complex permitting process, and locallyaustin.org, an online map of locally-owned businesses that won the IEDC Best Promotional Technology for Business Award. The Small Business also manages the Family Business Program, which provides low-interest business loans, including micro loans of $35,000 or less, to fund small business expansions that will create new jobs for low- and moderate-income citizens. These are key strategies:

- Work with partner organizations such as the Austin Independent Business Alliance, Multi-Ethnic Chamber Alliance (MECA), Austin Technology Council, Greater Austin Chamber of Commerce (GACC) and Austin Gay & Lesbian Chamber of Commerce (AGLCC) to be inclusive of all businesses.
- Create at least 229 new jobs for low- and moderate-income citizens by making small business expansion loans from the $8 million HUD Section 108 Loan Guaranty received in 2016. Borrowers are required to create one new job for each $35,000 borrowed, and 51% of the jobs must be made available to low- or moderate-income citizens from the surrounding neighborhoods. FBLP has already created 129 jobs using a now-exhausted $3 million Section 108 allocation, and 60% of the loans have been made to minority businesses. FBLP provides up to 40% of the project costs, with private lenders and borrower equity providing the remainder, which has generated an additional $30 million in private investment. No city dollars are used to fund FBLP loans.
- Implement the Micro Loan Program for startups and minorities. Micro Loan Program loans are limited to $35,000 and each new company must follow the HUD 108 rules as indicated above.
- Continue providing a curriculum of small business training classes, expanding availability online to better accommodate business owners’ hectic schedules.
- Continue conducting small business needs assessment studies every 3-5 years to gather information directly from small business owners on their development needs.
- Activate the Electronic Customer Service System for Permitting designed by Bazaarvoice, DSD, CTM and EDD. This private sector designed customer service system is in use worldwide in the private sector, including usage by Adidas Sports and Office Depot. This pre-permit software will be the first government use of the customer service software in the U.S., and it has the ability to facilitate businesses seeking to expand by providing input from inspectors, reviews by users, and a listing of local businesses that can provide assistance with the permit process.
- Implement the Small Businesses educational program for Creatives in Art, Music, Film, Television and Gaming to expand the business acumen of creative practitioners and businesses.
- Study opportunities for small businesses to enter healthcare related industries as a result of the opening of the new University of Texas Medical School and Seton Teaching hospital in 2016 and the increasing population of baby-boom retirees residing in Austin.
- Place special emphasis on the projected 51,000 Hispanic-owned businesses expected to open in Austin.

NEW ACTIONS:

- Einstein Project: Poverty is growing rapidly in Austin. The Einstein Project will create a public-private incentive system for STEM to pull 40,000 children out of poverty. The plan is to agnostically match Austin’s science and innovators with both the youth directly, and with science teachers; to create inspiration, training, and futuristic jobs. A data driven analysis in a 10 year longitudinal study of ROI is proposed to get underway in December. The Project contemplates an inclusionary partnership to provide revenue and skills / jobs with leading private technology companies and educational stakeholders such as AISD, ACC, and Capital IDEA, Skill Point Alliance, Workforce Solutions, stakeholders, and science, finance and technology businesses.
- Soul-y: Reach out to businesses citywide to encourage their formation of merchant associations that will advocate for commercial corridor revitalization.
• Reposition publicly owned property to bring about or support mixed use, sustainable communities including the development of Colony Park.

• Partner with private developers and property owners thorough innovative incentives to develop catalytic socially responsible real estate developments.

• Utilize the Envision Tomorrow ROI software developed under contract with the U.S. Departments of HUD, Commerce and Transportation to measure programmatic success. This scenario planning economic tool is being utilized to ascertain possible opportunities for redevelopment and to assist in how best to utilize scarce public resources to bring about urban revitalization.

• Assemble the Urban Land Institute to analyze and propose economic and land use plans for the Eastern Crescent area of Austin to address equity, unemployment and economic development.

• Activate the BizRight permitting customer service system, which was designed by Bazaarvoice, DSD, CTM and EDD. This pre-permit software will be the first government use of the customer service software in the U.S.

• Apply for New Market Tax Credits in an application for $10 million to create a fresh micro loan program available for small businesses seeking up to $150,000, including the forecasted new 50,000 Hispanic businesses expected to be created by 2020.

• Support the niche technology industries to grow such as Defense, Space, Artificial Intelligence and Cybersecurity.

• Continue phase 2 of the global business strategy to form a science city network. The membership with IASP International Association of Science Parks with 125,000 high technology companies will be the core operating partner.

• Market the Triple Freeport Tax Exemption to logistics and manufacturing companies along the NASCO corridor to improve the supply chain and recruitment of inland port distribution and logistics companies.

• Design and implement a Strategic Music Plan to address findings of the 2015 music census. Expand Digital export of Austin music. Create music hubs, explore new streaming radio and advance messaging and merchandising of Austin music worldwide.

• Continue the Welcome to Austin Orientation with immigrants being introduced to Austin initiatives. This concept was recognized as a national USA model for large American cities in NYC.

• Assist global investors, stock, commodity, and sovereign funds to coalesce in Austin to create a Texas Wall Street financial anchor development or district to provide global investment opportunities for local inventors, creators and to support the angel, venture and financial communities.

• Activate the Citywide EDC for redevelopment and Strike Fund applications citywide.

• Conduct a Music, Entertainment & Nightlife Economic Impact Study. Nighttime economy entertainment businesses (restaurants, bars, nightclubs, live music venues, and performing arts spaces) create jobs, provide social engagement, generate tourism and enrich Austin’s neighborhoods. It is important to measure the volume of late-night activity and acknowledge the social, cultural and economic value of the nightlife economy.
• Explore real estate models and mechanisms for developers to incorporate cultural/creative uses or local independent businesses in new developments. The goal is to incentivize the health and placement of local businesses focus and as a benefit to developers and neighborhoods, and to preserve existing cultural/creative uses.

• Evaluate best practices and develop strategies for localized creative industry infrastructure. This could include the building of physical “creative hubs” for firms that have a shared vision for business development, growth, mobilizing incentive opportunities to recruit new businesses, and for helping to make Austin more affordable for artists and businesses to live and work in. An organized, connected music ecosystem is vital for job creation, business development and retention, and for industry revenue growth.

• Develop strategic music partnerships with Austin area universities and colleges that integrate classroom, research and internship experiences through concentration in innovation, creativity and entrepreneurship.

• Assist Huston-Tillotson University with redevelopment potential including creation of an affiliated medical school modeled on the Morehouse Medical School in Atlanta

• Assist with implementation of recommendations in the Fashion Economic Development Study being performed by TXP

• Study the opportunity for small businesses to enter the Care Giving Industry as a result of the opening of the new University of Texas Medical School and Seton Teaching hospital in 2016 and increased baby boom retirees locating in Austin. A special emphasis is on the projected 51,000 Hispanic businesses expected to open in Austin.

• Assist with implementation of the Innovation Zone. Research best practices on the creation of Innovation Zones worldwide to complement the Mayor’s Task Force. Assist the Austin Technology Incubator creation of a Life Science Center Wet Labs facility to provide incubation of Life Science and bio technology industries

• Utilize industrial revenue bonds (IRB) and 501 (c)3 Bonds available through the Austin Industrial Development Corporation to generate expansions for technology, recycling, and other manufacturing businesses that benefit well-paying jobs created for the hard-to-employ.

• Explore the attraction of regional stock exchange and international capital markets

• Expand the Creative Ambassador Program, utilize the designation of being a “City of Media Arts” under the United Nations Educational, Scientific and Cultural Organization (UNESCO), and facilitate exchange and export of local creative output and creative industry products worldwide. By leveraging the depth and breadth of Austin’s creative community, skill sets, and collective experience, Austin can strengthen international relationships and elevate all creative communities to greater stature and prosperity.

• Explore innovative integration of creative contributions and artistic elements/infrastructure into citywide and community wide programs and initiatives, such as artists-in-residency, neighborhood arts hubs, cultural districts, arts-in-transit policy, and strategic arts-centric collaborations with county, regional, statewide, and federal programs/agencies. This should also include partnerships with community organizations seeking to share projects or programs as national best practices in creative place making or creative sector development.

• Invest in programs that strengthen the quality of life and serve the intangible social needs of the community, including arts-in-healing programs, arts in social services, oral history projects, culturally based traditions such as intergenerational storytelling, and support of a diverse range of cultural and artistic expressions not traditionally served or shared within a programmatic framework. Participate in and examine the “Social Impact of the Arts” research which conceptualizes the arts, culture, and humanities as integral to urban vitality and social wellbeing and develops ways to measure the impact of this sector on community life.
ACTION PLAN TO ADDRESS POVERTY AND EQUITY

The number of people living in poverty covers a wide spectrum of age groups and ethnic backgrounds. The robust Austin economy offers the opportunity for multifaceted job creation and educational improvements that prevent unemployment before it happens. The ambitious strategies here will be continuously vetted for return on investment both in social service cost avoidance and in taxes generated. Other performance measures are planned in cooperation with the University of Texas Ray Marshall Center which specializes in Labor solutions. 2015 will see the launch of an ambitious ten year public-private sector driven strategy in poverty elimination. Our goal is to share solutions across all ethnic backgrounds, building on business opportunities and strengthened partnerships to raise disposable family income by creation of well-paying and conveniently located jobs, locally and internationally.

Our intent continues to be the use of best practices and strategic planning to convert poverty into prosperity. As one of the top economies in America it is our responsibility to harness the success and growth of Austin intelligently but not to the detriment of local businesses, to ensure that good jobs and business creation opportunities are created for persons in poverty. Our Guide is the Imagine Austin Comprehensive Plan. Our focus is on addressing inequality. To address inequality and the 19% poverty rate with 10,000 hard to employ individuals who are most dependent upon Austin social service delivery, we have devised a multi-faceted implementation plan:

1. Focus on expanding small businesses to reduce poverty. If only 10% of Austin’s 34,000 small businesses hire locally over the next five years we have the potential to generate 3400 local jobs. To move in this direction the Family Business Loan Program has added a Micro Loan component, Music Venue Assistance Program, activated the Austin Industrial Development Corporation for industrial revenue bonds, and is now updating the Business Retention and Enhancement (BRE) downtown business loan program. Participating businesses must hire at least one low income person for each $35,000 loaned from the Family Business and Micro Loan programs.

2. Focus on merchandising the creative innovators, their music, art, film, games and inventions through targeted marketing, financing, technical assistance, incentives, creative ambassadors, and new best practice partnerships. In 2015 the Cultural Arts and Music & Entertainment Divisions are expanding merchandizing and marketing efforts to each of the ten Council Districts. Because many artists and musicians operate on low incomes Hotel Occupancy Tax funding continues to be the critical lynchpin for the creative economy in Austin. In addition the global focus is expanding for our creatives due to SXSW, ACL, Sister and Science Cities, Creative Ambassadors, the Austin-Toronto Music City Alliance, the Hackney Tech City Partnership, streaming radio and commerce platform for only Austin musicians.

3. Work with partners on Opportunity Austin 3.0 to leverage private investment. Use Texas Chapter 380 incentives to target the recruitment and expansion of manufacturing and distribution (logistics) companies to Austin. Manufacturing and distribution companies continue to migrate closer to their customers. Because of Austin's ascension to be the 11th largest US city and fastest growing metro area, it is a candidate for this important industry sector. Austin is geographically situated on the I-35 NAFTA corridor and is ideally suited to attract a small number of global manufacturing and distribution companies using either the Panama Canal or Mexico for their merchandise supply chain. A Freeport Exemption was recently approved for Del Valle Independent School District, which significantly expands the land in Austin within a Triple Freeport Zone and will facilitate expansions and relocations to the industrial properties south of the airport.

4. Build the capacity of businesses along commercial corridors and centers through Soul-y Austin, a program seeking to organize merchants associates. Doing so give greater voice to local merchants to promote and market their commercial district. Traditional models of Merchants Associations, including the New York model as a best practice, has identified that organized business districts better advocate for resources that result in commercial regeneration, in creating jobs, providing access to goods and services within walking distance to neighborhoods and retaining and supporting business.
5. Expand the implementation of the Imagine Austin Compact and Connected concept through transit oriented development regeneration partnerships with private developers to imbue communities with a wider range of housing and commercial types and affordability and with greater proximity to transit, jobs and commercial centers to reduce automobile dependence. Reducing transportation costs and providing ‘missing middle’ housing will allow families to experience greater economic mobility and less financial stress.

6. Customize the Michigan reskilling best practice “Community Ventures,” with our workforce partners’ Capital IDEA, Skillpoint and Workforce Alliance to create a Workforce Summit. This is a program to provide jobs for the chronically unemployed, at risk youth, former offenders and veterans. It’s been successful and has connected 20 Michigan employers and over 400 community ventures. The retention rate of the CV employers is 89.71%. Over 2000 workers have been employed.

7. STEM (science technology engineering and math) and an Einstein Challenge, is our preventive focus, stopping unemployment before it occurs. The department is creating a new incentive for City Council review where technology companies will receive a performance rebate of property taxes for hand on training of youth, especially children of color, in 21 futuristic professions in high demand innovation industries.

8. Transitioning the urban redevelopment portfolio of $9 billion of projects is underway. The planned downtown Innovation Zone and Entrepreneur Firms (with the UT Medical School and Seton Teaching Hospital anchors), is getting started. With the life science and bio technology interest in co locating to the Innovation Zone, explore strategies to foster an environment similar to Boston’s Innovation District. 16,000 new jobs are forecast over the next 20 years.

9. A Bold Trade strategy is necessary to piggy back on the great success of Texas in leading the nation in import and exports. Texas generates $200 billion a year in trade and Austin is situated in Central Texas astride the primary trade corridor, the NAFTA corridor. This is a 21st Century Spice Route that transverses Mexico, U.S. and Canada trucking along the I-35 federal highway. Austin focuses on attracting a small number of distribution, technology manufacturing and assembly plants in the inland port industrial areas between Toll Way 130 and I-35. In 2016 trade is expected to double. This is in anticipation of the opening of the Panama Canal water routes from Asia.

In total these strategic elements make up a tool kit of best practices that are being deployed to eliminate or prevent poverty, creating a more equitable and prosperous Austin. Combining small business, targeted recruitment, creatives, science city initiative, STEM and other best practices are at the core of our economic strategy. Looking anew at life science forecasts for 15,000 new jobs within the new innovation zone, and in 2015 the launch of a citywide commercial regeneration program will explore using music and art to add to the vitality of retail areas in all new city council districts are all critical element of our technique of using all the tools in our toolkit to tackle these elusive opportunities. These tactics will be the foundational underpinnings to a city building economy that finds jobs for the hard to employ and those in poverty.
Additional Research and Sources

Development Themes: [www.sed.manchester.ac.uk/planning/research/themes](http://www.sed.manchester.ac.uk/planning/research/themes) - Research under this theme encompasses a range of policy-related work, addressing such issues as planning systems and practice, urban policy.

Global City Indicators: [http://www.cityindicators.org/themes.aspx](http://www.cityindicators.org/themes.aspx) - The Global City Indicators Facility is structured around 20 “themes” organized into two Categories that measure a range of city services and quality of life factors.


America’s Top Economy (Forbes*, Kiplinger*, Brookings Reports*).


CPS: ACCRA Cost of Living Index, Third Quarter 2008, Council for Community and Economic Research. The index consists of six major categories: grocery items, housing, utilities, transportation, health care, and miscellaneous goods and services. It compares cost of living differences among urban areas based on the price of consumer goods and services appropriate for professional and managerial households in the top income quintile.


Emerging Trends in Real Estate: United States and Canada 2015: A publication from the Urban Land Institute.

Steering toward the Future: Convergence, Connectivity and creativity: The IEDC Journal October 2014.

The Coming Job War: Gallup Corporation Global Survey 2011
