June 1, 2018

Austin City Council
301 West 2nd St.
Austin, TX 78701

Dear Mayor, Mayor Pro Tem, and Members of the Austin City Council:

For over 45 years, the Capital Area Council of Governments (CAPCOG) has served as an advocate, planner, and coordinator on important regional issues for the ten-county Capital Area. CAPCOG also serves as an important resource for economic development organizations throughout the Capital Area and works with those organizations to generate a regional Comprehensive Economic Development Strategy (CEDS) every five years. It is in this capacity, as a stakeholder in the region’s economic competitiveness, that we submit the following support for the proposed update to the City of Austin’s Economic Development Incentive Policy.

We applaud the Business Expansion Program’s stated values and priority goals, particularly the emphasis on hard-to-employ populations and access to employment. The population of the Austin Metropolitan Statistical Area (MSA) has grown by 22% since 2010. This growth has generated tremendous prosperity for many residents, but it has also created and exacerbated a wide range of housing, transportation, and equity challenges. We are encouraged to see the City consider a policy that specifically articulates how economic development can address these challenges. As noted in the Capital Area CEDS, our ability to effectively solve housing, transportation, and equity issues across our region will determine the sustainability of our economic competitiveness.

We are encouraged by the development of a framework to support expansion for local businesses that are already present in Austin, and we support the creation of eligibility tiers for small, medium, and large businesses. An October 2015 Report from Good Jobs First analyzed more than 4,200 economic development incentive awards in 14 different states and found that 90 percent of the incentive dollars were awarded to large businesses. The City is right to seek a policy that can serve all of the businesses in Austin, regardless of the number of workers currently employed. Likewise, we are glad to see a policy that can be utilized by businesses that are already located in Austin, rather than focusing exclusively on the attraction of new employers at the expense of those already here.

The proposed updated policy is well-aligned with the Capital Area CEDS’ recognition of the importance of location-specific place-making as well as creative sector supports. One of the key pillars of the Austin region’s economic competitiveness is its distinct cultural output and the nationwide perception that comes with that. The entire region benefits when local communities invest in preserving and cultivating their unique cultural features, and the proposed policy puts forward an approach for ensuring that economic development contributes to growing the Austin area’s distinct and significant cultural output.

We applaud the City of Austin’s effort to ensure that its economic development policies and tools work in harmony with the goals of its community. In many cases, those goals reflect and support important regional priorities as well. As an organization that is committed to a regional economy that is prosperous, sustainable, and equitable, we enthusiastically support that alignment.
Sincerely,

Chris Schreck
Director of Planning and Economic Development
Capital Area Council of Governments