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ORDINANCE NO.

AN ORDINANCE REPEALING PART 2 OF ORDINANCE NO. 20090312-005 TO THE EXTENT NECESSARY TO AUTHORIZE THE CITY MANAGER TO DEVELOP THE LOCATIONAL ENHANCEMENT PROGRAM FOR ECONOMIC DEVELOPMENT UNDER CHAPTER 380 OF THE TEXAS LOCAL GOVERNMENT CODE AND RETURN TO COUNCIL WITH THIS PROGRAM FOR COUNCIL REVIEW AND POSSIBLE APPROVAL.

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

PART 1. FINDINGS:

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- (A) Texas Local Government Code Chapter 380 allows the City Council to establish and provide for the administration of one or more economic development programs;
 - (B) Beginning in 2004, the City Council established and provided for the administration of various economic development programs for the purpose of promoting economic development and stimulating business and commercial activity in the City of Austin;
 - (C) The City Council passed a number of resolutions over the past 15 years that have established, modified, or removed various components of the City's economic development activities;
 - (D) Pursuant to Resolution No. 20170302-034, the City Council directed the City Manager to initiate a stakeholder consultation process and develop recommendations for implementing comprehensive revisions to the City's economic development incentives policies and programs;
 - (E) Since that time, the Economic Development Department conducted a thorough examination of the full range of incentive agreement options and tools available to the City in order to create a comprehensive and unified set of economic development policies and promote more equitable and inclusive economic opportunities and improved, positive health outcomes for all Austinites;

- 40 (F) The Economic Development Department developed a set of Economic
41 Development Guiding Principles that reflect the community values expressed
42 throughout the community stakeholder process; and
43
- 44 (G) The Economic Development Department also developed a Chapter 380
45 Program Policy Framework that aligns with the Imagine Austin
46 Comprehensive plan, pursuant to which the City will develop multiple
47 economic development programs.
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49 **PART 2:** The City Manager is authorized to explore and develop a Locational
50 Enhancement Program pursuant to the Chapter 380 Policy adopted by the Council,
51 including as necessary the employment of third-party consultants, in accordance with
52 proper procurement processes.
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54 **PART 3.** The Locational Enhancement Program should address the following:
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- 56 1. Commercial affordability for tenants of commercial space with the
57 intention of alleviating both short and long term financial challenges
58 (such as rent and new pathways for revenue generation) with
59 particular focus on small, local, heritage businesses, non-profits,
60 cooperatives, and those in the creative sector;
61
- 62 2. Financial challenges faced by owners of commercial spaces by
63 providing access to capital/financing to deliver community benefits,
64 such as affordable and public spaces, creative spaces, new goods and
65 services, and to preserve neighborhood identity;
66
- 67 3. Participation in the development process of new developments,
68 including mixed-use commercial, to deliver a variety of benefits
69 directly to the adjacent community (for example, affordable space,
70 transportation solutions, socially beneficial real estate, sustainable
71 development, and equitable access to opportunity) while representing
72 and serving a diverse range of industry, users, and resident population;
73
- 74 4. Opportunities for developing partnerships with existing developments
75 to alleviate improvement barriers to advance the quality, affordability
76 and uses of existing locations within the City of Austin and to
77 preserve the business and cultural community;
78
- 79 5. Specific market needs, such as the delivery of goods, services and
80 transportation solutions to underinvested areas that yield benefits to
81 the community beyond local tax base contribution;

- 82
83 6. Opportunities for alleviating and offsetting burdens of the City
84 regulatory environment as it relates to business growth and
85 development.
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87 **PART 4:** The City Manager is directed to return to Council for approval and adoption
88 of the final Locational Enhancement Program.
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90 **PART 5:** The City Manager may, when developing the Locational Enhancement
91 Program, review and propose to Council any modifications to past resolutions or
92 ordinances affecting economic development programs necessary to fully implement the
93 proposed Locational Enhancement Program.
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95 **PART 6:** For purposes of this Ordinance, Part 2 of Ordinance No. 20090312-005,
96 which eliminates economic incentives for private, large-scale, mixed-use projects that
97 include a retail component, is repealed to the extent necessary to maximize the
98 possibilities for providing options for the Local Enhancement Program to address the
99 matters set out in Part 3 above.
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101 **PART 7.** This ordinance takes effect on _____, 2018.
102

103 **PASSED AND APPROVED**
104

105 §
106 §
107 _____, 2018 § _____
108 Steve Adler
109 Mayor
110

111
112 **APPROVED:** _____
113 Anne L. Morgan
114 City Attorney

ATTEST: _____
Jannette S. Goodall
City Clerk