



Recommendation for Action

File #: 20-3404, **Agenda Item #:** 8.

12/3/2020

Posting Language

Authorize negotiation and execution of one-year contracts, with four renewal options of one year each, with the Multi-Ethnic Chamber Alliance chambers of commerce and the Austin LGBT Chamber of Commerce to provide business development, economic development, and recruitment and retention services in an amount not to exceed \$1,150,850.00. Staff recommends the equitable funding model to allocate award amounts to each chamber of commerce, as outlined in the Equitable Chamber Funding Final Report.

Lead Department

Economic Development Department.

Fiscal Note

Funding in the amount of \$1,150,850.00 is available in the Fiscal Year 2021-2022 Operating Budget of the Economic Development Department. Funding for the extension options is contingent upon available funding in future budgets.

Prior Council Action:

On January 23, 2020, Council authorized the negotiation and execution of one-year contracts with the Multi-Ethnic Chamber Alliance (MECA) chambers of commerce and the Austin LGBT Chamber of Commerce to provide business development services, economic development, recruitment and retention services in an amount not to exceed \$1,089,750.00.

For More Information:

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Additional Backup Information:

The City of Austin (City) works to strengthen the local economy by developing Austin's existing businesses and by recruiting outside businesses to relocate or expand their business in Austin. One way the City pursues these strategies is by providing business and economic development contracts to each of the four chambers of commerce that comprise MECA : The Greater Austin Hispanic Chamber of Commerce, the Greater Austin Black Chamber of Commerce, and the Greater Austin Asian Chamber of Commerce. Additionally, portions of this strategy are offered to the Austin LGBT Chamber of Commerce. The Economic Development Department completed a year-long work conducting group and one-on-one chamber stakeholder meetings, assessing current contractual deliverables, and developing a Chamber Funding Formula/Model per City Council direction. This work is summarized in the Equitable Chamber Funding Final Report to provide a framework to fund the chambers of commerce using various equity factors.

Exhibit A

Recommended FY 21 Chamber of Commerce Contracts

In response to Council's direction under a budget rider, the Economic Development Department (EDD) retained a consultant to provide recommendations on methods to equitably fund local chambers of commerce. A funding model and methodology was developed after conducting stakeholder engagement, a chamber assessment, and national best practices research. Equitable funding factors were determined and quantitatively distributed to create the base equitable funding model below.

Base Equitable Funding Model

Organization	Amount
Greater Austin Hispanic Chamber	\$252,882
Greater Austin Black Chamber	\$230,797
Greater Austin Asian Chamber	\$155,440
Austin LGBT Chamber	\$100,631
Greater Austin EDC	\$350,000
Austin Young Chamber	\$61,100
Total	\$1,150,850

The base equitable funding model is intended to be flexible and can be adjusted three different ways, or in some combination, (1) an equity factor can be added, removed or amended, (2) the equity budget can be increased by decreasing the non-equity budget, and/or finally, (3) a new equity-based organization can be added to the model. Examples of each are outlined in the Equitable Funding Formula & Methodology section in the full Report (Exhibit B).

The Austin Independent Business Alliance (AIBA) is included in the Report based on Council's direction under a budget rider to include AIBA in the equitable funding analysis. AIBA's current contract expired August 31, 2020. However, EDD and AIBA are currently negotiating the scope of work for a 6-month contract in alignment with SD23 and the Report's recommendations to help address social equity. While AIBA does represent small businesses, they are not the exclusive service provider to small business as the majority of the MECA chamber's constituents are small businesses as well. EDD has allocated the remainder of AIBA's funds to conduct a small business needs assessment with a focus on social equity and economically disadvantaged populations..

Strategic Outcome(s):

Economic Opportunity and Affordability.