Recommendation for Action

File #: 21-3655, **Agenda Item #:** 10. 12/2/2021

Posting Language

Authorize the negotiation and execution of a contract with the Diversity and Ethnic Chamber Alliance to provide business development, economic development, recruitment, and retention services for a 12-month term and four one-year extension options in an amount not to exceed $839,929 annually for a total contract amount not to exceed $4,199,645.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of $839,929 is available in the Fiscal Year 2021-2022 Operating Budget of the Economic Development Department.

Prior Council Action:

On March 25, 2021, Council directed the Multi-Ethnic Chamber Alliance (MECA) chambers to engage in a process to envision a path forward for how the City may fund the MECA chambers and what the City may expect from the MECA chambers in advancing economic opportunity in Austin. Council directed the City Manager to plug into this process where appropriate and absent meaningful progress, bring forward the base funding model to Council for approval in November 2021.

On December 10, 2020, Council authorized negotiation and execution of one-year contracts with the MECA chambers of commerce, the Austin Young Chamber of Commerce, Austin LGBT Chamber of Commerce, and the Greater Austin Economic Development Corporation (Opportunity Austin) to provide business development, economic development, and recruitment and retention services in an amount not to exceed $1,251,029. The Austin Black Chamber and the Hispanic Chamber contract amounts aligned with the Equitable Chamber Funding Report.

For More Information:

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Additional Backup Information:

In 2018, the Economic Development Department (EDD) launched the Equitable Chamber Funding Model project in response to a Council budget rider asking EDD to develop a methodology to equitably fund the MECA chambers. A funding model was developed after thorough community engagement, best practices research, and data collection efforts. The funding model was presented to Council and other stakeholders over the course of a year and a half, which also served as a transition year for the MECA chambers' current contracts. The Equitable Funding Model Report was presented as a resolution on the March 25, 2021 Council meeting agenda, where the following motion was made, "I move to indefinitely postpone Item 27 and invite the MECA chambers to engage in a process over the coming months to envision a path forward for how we fund and what we expect from chambers in advancing economic opportunity in Austin. The City Manager is directed to plug into this process where appropriate and absent meaningful progress, bring forward the base funding

model to Council for approval in November 2021."

Based on Council's direction, EDD initiated a six-month planning process for the MECA chambers to participate with EDD staff. This process provided the MECA chambers with the opportunity to envision a path forward for their 2022-23 contracts with EDD. EDD has extended the services of the equitable funding model consultant to develop and manage this process in order to ensure that the chambers have every opportunity to achieve meaningful progress, in addition to providing project background and technical assistance on the Equitable Funding Model Report.

On April 29, 2021, EDD staff, MECA executives, and the consultant conducted a project kickoff meeting to provide each chamber with an update on Council's action on the chamber funding model project and for each chamber to have the opportunity to deliver individual feedback for this process. For over six months, the process included various stakeholder meetings between the MECA chambers, EDD staff, and the consultant.

As a result of this process, the MECA executives presented to EDD staff a proposal that includes creating, contracting, and funding a single entity, the Diversity and Ethnic Chamber Alliance (DECA) comprised of the Austin LGBT Chamber of Commerce, Greater Austin Asian Chamber of Commerce, Greater Austin Black Chamber of Commerce, and Greater Austin Hispanic Chamber of Commerce. The single contract between the City and DECA will focus on (1) capacity building to provide necessary training to develop leadership for each DECA member; (2) developing and implementing a media campaign targeted to a national ethnic minority and LGBT business audience; (3) developing and implementing a regional equitable economic development plan to encourage economic development and job creation in communities of color and the LGBT communities; and (4) supporting the attraction and retention of domestic and international investment and job creation in Austin.

Strategic Outcome(s):

Economic Opportunity and Affordability.

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