Community Report

CITY OF AUSTIN ECONOMIC DEVELOPMENT DEPARTMENT

STRATEGIC INITIATIVES: Economic Development Department

Global Business Recruitment and Expansion

- Business Expansion
- Development of Eco-Industrial Park
- International Trade and Investment
- International Welcome Program
- Sister & Friendship Cities
- Technology Incubators
- Workforce Development
- Creative Content Program
- Creative Ambassadors Program

Cultural Arts Division

- Cultural Funding
- Cultural Tourism
- Arts Marketing
- Art in Public Places
- Public Art Restoration
- Creative Industries Development
- Film, TV and Digital Media Support
- Cultural Planning
- Creative Space Development & Creative Placemaking
- The People's Gallery Exhibition

Small Business Program

- Family Business Loan Program
- LocallyAustin.org
- BizAid Business Skills Classes and Certification
- Partnership with Austin Public Library
- BizOpen
- Business Solutions Center
- Getting Connected & Meet the Lender

Redevelopment Division

- Mueller
- Seaholm District
- 2nd Street
- Green Water Treatment
- Downtown Redevelopment
- Commercial Corridor Enhancement Strategy

Music and Entertainment Division

- Austin Music Industry Census 2014
- Austin-Toronto Music City Alliance
- Austin Independent Radio
- Music Venue Assistance Loan Program
- Music Ambassadors
- Outdoor Music Venue, Temporary & Special Event Permit Assistance
- HopeFM First Live Sundays
- Music for Kids

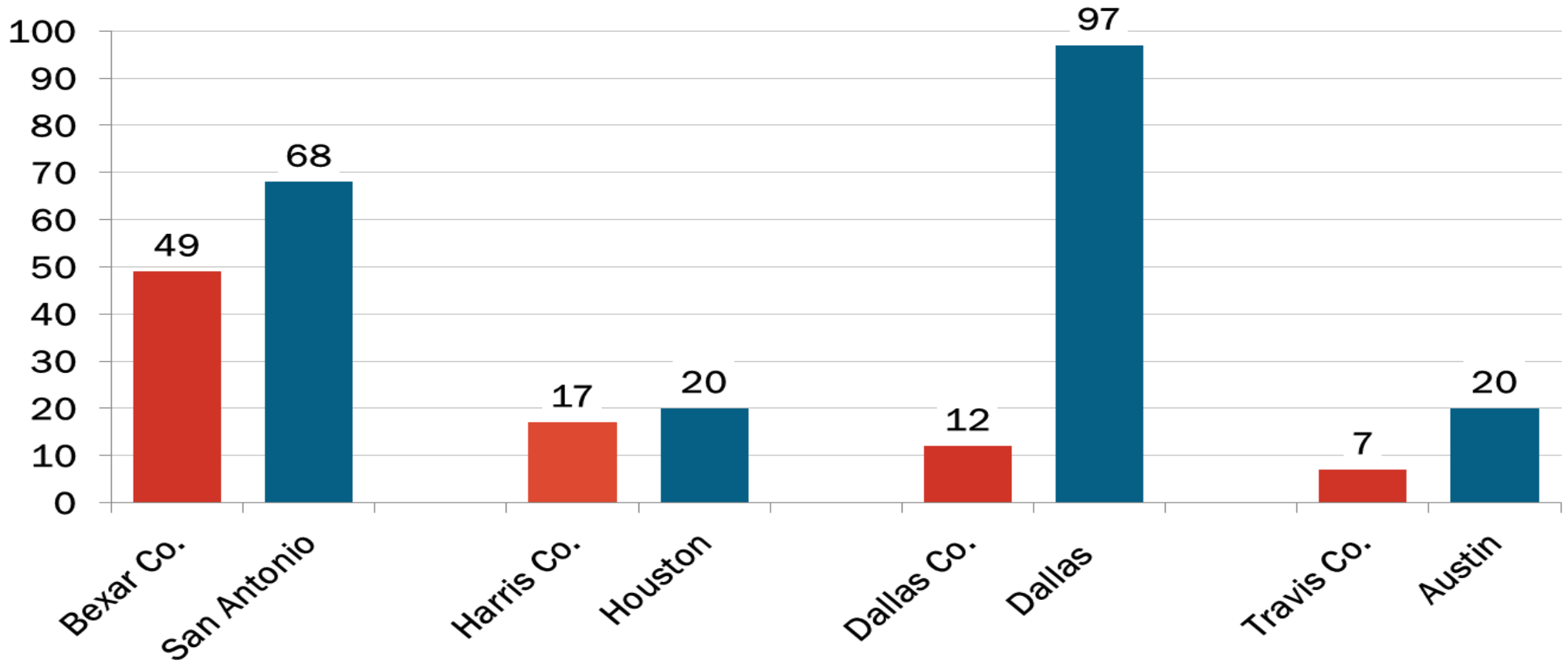
MYTHS AND LITTLE KNOWN FACTS

- Myth: Incentives are done behind closed doors
  - Austin received a perfect score for Transparency of Economic Agreements by *Good Jobs First* (Washington, DC)
- Myth: Money for incentives could be used for parks, public safety, libraries, and other similar purposes
  - If a project doesn't locate in Austin, there is no money from the project
  - Using WebLOCI, the City negotiates with the profit from each project
  - Only cash positive proposals are brought forward
- Fact: All agreements are performance-based, meaning incentives are paid only after performance. No clawbacks are necessary.

MYTHS AND LITTLE KNOWN FACTS

- Myth: Companies come to the City asking for incentives
  - Through Opportunity Austin, the City markets itself to businesses in targeted industry sectors that want to locate or expand in Austin.
- Fact: Evaluation Matrix qualifies companies that embrace Austin's core community values including, but not limited to:
  - Extend benefits to domestic partners and their dependents
  - Provide employees training and opportunities for advancement
  - Good wages and employee diversity in hiring and promotion
- Fact: 21 agreements executed since 2003; 2 Per Year (Average)

INCENTIVE AGREEMENTS ADOPTED SINCE 2004



Source: Greater Austin Chamber of Commerce. As of March 2014. Counts do not include agreements for exclusively residential projects.

Active Firm-Based Economic Development Incentive Agreements

Company	Jobs Required[3]	Investment Required[3]	City's Net Benefit[2]	Council Approved
Athenahealth	607	$7,750,500	$1,665,899	1/30/2014
Visa	794	$27,312,918	$6,860,665	12/6/2012
HID Global	276	$36,000,000	$2,257,170	9/27/2012
Apple	3,635	$282,500,000	$14,573,704	3/22/2012
Advisory Board Company	239	$8,100,000	$1,406,971	6/23/2011
Hanger	250	$6,744,335	$924,778	1/28/2010
Samsung	500	$4,000,000,000	$8,000,000[1]	8/18/2005
Totals	**6,301**	**$4,368,407,753**	**$35,689,187**	

$33,220,932.37 (Total Paid To Date) - A complete listing of agreements and payments can be found at www.austintexas.gov/edd

City Leveraged State Commitments

Company	City's Incentive	State's Incentive
Athenahealth	$679,500	$5,000,000
Visa	$1,560,000	$7,900,000
HID Global	$920,576	$1,900,000
Apple	$8,600,000	$21,000,000
Advisory Board Company	$372,590	$500,000
Hanger	$500,000	$1,500,000
Samsung	$62,875,194[1]	$129,908,917
Total	**$75,507,860**	**$167,708,917**

LESSONS LEARNED

CH 380 AGREEMENTS

Do not provide incentives in advance of performance

- Fee waivers provided to Intel in advance
- Construction halted and project remained unfinished

LESSONS LEARNED

CH 380 AGREEMENTS

- Negotiate only with the profit
  - Austin uses fiscal impact analysis software to compute local revenues and expenses related to a project
  - All city costs such as parks, library, and public safety are accounted for before developing an incentive
  - Projects incentivized since 2010 implementation resulted in an estimated return on investment of 239.0%

loci™ | The Gold Standard in Fiscal Impact Analysis Software

LESSONS LEARNED

CH 380 AGREEMENTS

- Get behind one regional economic development plan
  - The City of Austin Economic Development Department is the largest contributor to the Opportunity Austin Regional Economic Development Program
  - Focus is on:
    - Economic Diversity
    - Education & Talent
    - Transportation & Infrastructure

LESSONS LEARNED

CH 380 AGREEMENTS

- Develop a local policy that incorporates community values
  - Austin's economic development policy reflects a focus on:
    - Transparency
    - Return on investment (profitability)
    - Desired growth locations
    - Employee diversity and wages, character of jobs, and labor practices
    - Benefits to local small businesses
    - Linkages to the local economy
    - Infrastructure impact
    - Additional considerations for hiring economically-disadvantaged workers, local hiring, location within growth corridors and adjacency to transit locations, utilization of alternative transportation modes, and workforce training

Thank you

Economic Development Department

VISIT OUR WEBSITE TO SEE OUR TRANSPARENCY AT WWW.AUSTINTEXAS.GOV/EDD