

# Economic Prosperity Commission

*An Eye to the Future*

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CITY OF AUSTIN ECONOMIC DEVELOPMENT DEPARTMENT

MARCH 31, 2016



# Austin's Prosperity Engine

The **City of Austin's Economic Development Department** (EDD) develops and leads innovative programs that increase the prosperity of all Austinites, our businesses, and our diverse communities.



# City of Austin Economic Development Department *Austin's Prosperity Engine*

Prosperity for  
All People

Prosperity for  
Businesses

Prosperity for  
Communities

## Cultural Arts

The Cultural Arts Division executes programs and initiatives that integrate arts into economic development, tourism, community development and commercial neighborhood revitalization strategies.

2016 UNESCO Media Arts  
\$400 K Grant Thinkeast  
280 Creative Nonprofits  
TEMPO  
Art in Public Places

## Global Business

The Global Business Recruitment & Expansion Division increases jobs and investment in Austin through business attraction and by assisting local businesses with international expansion and trade.

Gold Medal International  
Economic Plan  
Einstein Challenge  
IASP Science Cities

## Music/Entertainment

The Music & Entertainment Division develops and executes initiatives that accelerate the growth of Austin's music and entertainment industry infrastructure, by focusing on job creation, talent export, trade development, and industry revenue growth.

Music Venue Loan  
Music City Alliance  
AIR on line to 60 nations

## Redevelopment

The Redevelopment Division facilitates innovative partnerships and projects to re-invigorate Austin's existing built environment, binding neighborhoods and business hubs into civic urban villages.

Gold Medal Best Public  
Private Partnership  
2015 APA Secretary HUD  
Award  
Souly Austin

## Small Business

The Small Business Division provides opportunities, programs and resources to Austin's local businesses and entrepreneurs, helping them expand their opportunities at home and throughout the world.

Gold Medal for  
LocallyAustin.org  
Family Business Loan  
Harvard University Ash  
Government Award



# Today's Focus for Economic Development

- Goals
- Challenges
- Opportunities
- Solutions





# FOCUS FOR ECONOMIC DEVELOPMENT

## THE GOALS

*Implement the Imagine Austin Plan & diversifying the economy:*

1. **Address inequity & poverty** with full employment strategy
2. Use our **cultural diversity as an economic strength**, locally & globally
3. Attract high-tech **industrial & logistics** businesses.
4. Expand local **small businesses** citywide
5. Prevent unemployment before it happens – ***Einstein Challenge***
6. **Strengthen the creatives prosperity**
7. Generate **quality built environment** citywide with Envision Tomorrow and Souly Austin



# CHALLENGES

- Individuals and Families in Poverty
- Hard to Employ Populations
- The Underemployed
- The Rising Cost of Living in Austin
- Demographic Trends



# OPPORTUNITIES

Multi-Sector Strategy that Embraces Cultural Diversity as an Economic Strength

## PARTNERS

Greater Austin Black Chamber of Commerce

Greater Asian American Chamber of Commerce

Greater Hispanic Chamber of Commerce

Austin Gay & Lesbian Chamber of Commerce

Opportunity Austin/ Greater Austin Chamber of Commerce

Austin Independent Business Alliance

Austin Technology Council

Workforce Solutions, Skillpoint Alliance

Capital Ideas

IC@ University of Texas

# *Cultural Diversity* as an **Economic Strength**





# Economic Development

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## Problems Being Tackled

### Traditional Approach

- Achieve overall economic growth
- Stimulate private investment in blighted areas
- Assist the small business sector
- Support the creative economy
- Implement public-private redevelopment projects
- Diversify the local economy

### Equity-Based Approach

- Increase access to good jobs
- Improve skills and education
- Create live work neighborhoods
- Increase small business access to capital
- Break down barriers to employment
- Expand Start Up companies
- Develop a Micro Loan Program
- Increase prosperity of musicians and artists



# Economic Development

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## Problem Solving

### **Traditional Approach**

- Chapter 380 program for direct job creation
- Technology incubator programs
- Film, television, and digital media productions

### **Equity-Based Approach**

- Chapter 380 agreements to hire the hard-to-employ and to educate kids in school
- Changes to workforce development contracts with a focus on economic development
- Family Business Loan Program

# Chapter 380 Performance-Based Contracts

## Active Agreements

Company	Jobs Required <sup>3</sup>	Investment Required <sup>3</sup>	Estimated City's Net Benefit <sup>2</sup>	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 <sup>1</sup>	8/18/2005
<b>Totals</b>	<b>6,301</b>	<b>\$4,368,407,753</b>	<b>\$35,689,187</b>	

\*Does not include The Domain, Phase 1 (mixed-use development), which was approved under a program that has been discontinued by City Council.  
\$33,220,932.37 (Total Paid To Date) - A complete listing of agreements and payments can be found at [www.austintexas.gov/edd](http://www.austintexas.gov/edd)

# REDEVELOPMENT: PUBLIC-PRIVATE PARTNERSHIPS

## SEAHOLM DISTRICT



### City Public-Private Projects Produced:

- 4,178,246 SF Total
- 2,248 Residential Units
- 566,740 SF Office
- 178,961 SF Retail/Restaurant
- 207,309 SF Hotel
- \$1.3B Total Construction Value
- \$63M 30-year accumulated property tax revenue to AHTF (40%); will be at (100% Oct. 1, 2016)
- Transportation Infrastructure
- Public Parking
- Open / Green Spaces
- Public Art
- Tenants: athenahealth, Under Armour, Trader Joe's, Boiler Nine Bar + Grill, True Food Kitchen, Google, Galvanize Inc. (Future)



# REDEVELOPMENT: PUBLIC-PRIVATE PARTNERSHIPS

## Mueller Today (nearing 40% completion):

- Over \$265M under construction or upcoming
- Diversity: wide range of housing types and jobs
- 25% Affordable Housing Required (for sale or for rent)
  - 679 affordable homes (1,475 at completion)
- Almost 5,000 residents (13,000 at completion)
- Almost 5,000 jobs (13,000 at completion)
- Over 80 acres of new parks (140 at completion)
- \$829 M taxable value in 2015 (over \$1.3B at completion)

## MUELLER





# Soul-y Austin

Current Districts include:  
Red River  
12<sup>th</sup> Street  
Manor St.

3 new districts coming in  
Summer 2016

Promote and support businesses of *all sizes and types* within the city's commercial areas and corridors;

Include a flexible set of tools to assist businesses in the formation of *merchants associations*;

Create ideal conditions for *organized commercial districts*

A Merchant's Association is a group of businesses (all types) that exists to anchor and stabilize businesses around:

- beautification efforts;
- marketing and promotions; and
- business retention and development activities within a commercial district.



## Family Business Loan Program (FBLP)

A low-interest loan program for small businesses creating one job for every \$35,000 in loan funds borrowed.

A Micro loan program focused on chronically unemployed or under-employed.

## Music Venue Loan Program (MVLP)

A micro loan program for music venues to improve the acoustic environment for venues and reduce sound levels that impact nearby residents.

## Business Retention Enhancement Fund (BRE)

A low-interest loan program for businesses on Congress Avenue and East 6th Street to spur growth and reestablish the area as retail and urban entertainment district destinations.

### FBLP Bouldin Creek Café





# How We Implement Economic Development Policies:

- Provide training & low-interest loans for small businesses
- Contract for skills training and career development
- Create jobs through performance-based agreements
- Issue citywide contracts to artists and arts organizations

## Small Business & Workforce Examples:

### Small Business Assistance

- Family Business Loans
- Micro Loans
- Small Business curriculum
- Getting Connected & Meet the Lender
- Fast Forward Start Up for 20 companies yearly

### Skills Training and Career Development

- Capital IDEA
- Skillpoint Alliance
- Einstein Challenge



# Capital IDEA

## A career development program

Helps low-income adults get college degrees so they can get higher paying jobs.

Contract amount: \$1.5M

Graduates 80 adults per year.

165% ROI for the first ten years after graduation.

### HEALTHCARE



living wage careers

### TECHNOLOGY



opportunity for growth



### TRADES



and great benefits!



# Economic Development

## Youth Economic Initiatives

### Einstein Project

- Focus on removing 40,000 children from poverty in ten years by incentivizing science, technology, engineering, and math (STEM) education. Ray Marshall Center measuring ROI.

### Partnership with Austin Technology Council

- Engage ATC members to introduce students to tech careers; host student and teacher STEM events. Harness membership of 200 small and mid size technology companies.

### Partnership with Great Austin Chamber

- *Opportunity Austin 3.0* to prepare students for college and careers.







Thank you  
Kevin Johns, Director  
City of Austin Economic Development Department  
VISIT OUR WEBSITE TO SEE OUR TRANSPARENCY AT [WWW.AUSTINTEXAS.GOV/EDD](http://WWW.AUSTINTEXAS.GOV/EDD)