

**AGENDA**



**Recommendation for Council Action (Real Estate)**

<b>Austin City Council</b>	<b>Item ID:</b>	61054	<b>Agenda Number</b>	46.
<b>Meeting Date:</b>	August 18, 2016			
<b>Department:</b>	Office of Real Estate Services			
<b>Subject</b>				
Authorize negotiation and execution of a 3-year lease agreement with Austin Community College for up to 7,500 square feet of facility space for a fashion incubator, located at 6101 Airport Boulevard, Austin, Travis County, Texas, in an amount not to exceed \$355,000. (District 4)				
<b>Amount and Source of Funding</b>				
Funding in the amount of \$150,000 is available in the Fiscal Year 2015-2016 Operating Budget. Funding for the remaining lease agreement is contingent upon available funding in future budgets.				
<b>Fiscal Note</b>				
A fiscal note is not required.				
<b>Purchasing Language:</b>				
<b>Prior Council Action:</b>	June 20, 2013 - Council approved a 48-month lease agreement.			
<b>For More Information:</b>	Lauraine Rizer, Office of Real Estate Services, (512) 974-7078; Megan Herron, Office of Real Estate Services, (512) 974-5649; Kevin Johns, Economic Development Department, (512) 974-7802			
<b>Boards and Commission Action:</b>				
<b>MBE / WBE:</b>				
<b>Related Items:</b>				

**Additional Backup Information**

In the analysis *Fashion and Apparel Industries in Austin – Current Impact and Opportunities: Spring 2015* by TXP, an incubator was recommended to jump start an expansion of the local fashion industry. A public-private partnership was formed with Austin Community College (ACC) at the Highland Mall Austin Campus as the first phase of the expansion. ACC has negotiated for the City to occupy 7,500 square feet of business/office space and has leveraged \$13 million of design equipment from the private sector as donated fashion art technology for use by startups and students.

This fashion incubator is being implemented in cooperation with fashion companies and manufacturers, with high school and university participation. In part, it is based upon the Toronto Fashion Incubator. The partnership's growth over the next two years will be measured in terms of companies started, private contracts awarded, jobs created and overall economic output.

This agreement will result in a partnership with Austin Community College (ACC) for a Fashion Certification Program and Gerber Technology Fashion Incubator.

This partnership is a result of Austin City Council adopted Resolution 20140807-111, which directed the City Manager to study the economic impact, including the potential for future growth, of the fashion industry in Austin. In 2013, Austin's Fashion Industry generated \$86,311,629 and spurred 1,326 jobs after accounting for direct, indirect, and induced economic effects. Nine hundred sixty-three jobs were attributed to apparel manufacturing, while 363 were designated as artisan fashion design.

Austin's status as a premier city for arts and music affords it the ability to carve out its place in the global market. Fostering the fashion industry should result in significant economic benefits for the local economy including the creation of creative and manufacturing jobs, tourism, and enhancing our local culture. In response to the stakeholder collaboration and economic impact study, the Economic Development Department believes there is strong potential to further grow the fashion industry. This partnership is a step in that direction.

ACC, the University of Texas at Austin, Texas State University, and the Fashion Design and Interior Design Career path at the Austin Independent School District (AISD), will be sources of future enrollment for the fashion incubator.

ACC will provide Fashion Certification classes and operate the incubator space. Gerber Technology is providing \$13M in state of the art technology used by manufacturers Under Armor and Fruit of the Loom. The City of Austin will provide small business counseling services to the designers that are a part of the program and for the 30-50 students completing the certificate program each year.

The build-out is approximately \$190,000 and annual maintenance is \$55,000. The total for build-out and annual maintenance during the term of the lease agreement is \$355,000.