

A G E N D A



Recommendation for Council Action (Real Estate)

Austin City Council

Item ID:

63008

Agenda Number

31.

Meeting Date:

September 22, 2016

Department:

Office of Real Estate Services

Subject

Authorize negotiation and execution of a 3-year interlocal agreement with Austin Community College for equipment maintenance, and buildout of up to 7,500 square feet of facility space and small business services for a fashion incubator, located at 6101 Airport Boulevard, Austin, Travis County, Texas, in an amount not to exceed \$355,000. (District 4)

Amount and Source of Funding

Funding in the amount of \$95,000 is available in the Fiscal Year 2015-2016 Operating Budget. Funding for the remaining interlocal agreement is contingent upon available funding in future budgets.

Fiscal Note

Purchasing
Language:

Prior Council
Action:

For More
Information:

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Council
Committee,
Boards and
Commission
Action:

MBE / WBE:

Related Items:

Additional Backup Information

On August 4, 2014, Council approved a resolution directing the City Manager to study the economic impact of the fashion industry in Austin and work with stakeholders to develop recommendations for ways to support the local fashion industry. The City engaged TXP, Inc. to assist with stakeholder meetings, public input surveys and to conduct an economic impact study of the Fashion Industry in Austin. The resulting report, "Fashion and Apparel Industries in Austin – Current Impact and Opportunities: Spring 2015", outlined key growth strategies that would support the local fashion industry, one of which was a fashion incubator.

In support of this recommendation, staff is proposing a public-private partnership with Austin Community College (ACC) at the Highland Mall Austin Campus that would result in a Fashion Certification Program and Gerber Technology Fashion Incubator. ACC will provide 7,500 square feet for the fashion incubator, up to three offices for City occupation, as well as Fashion Certification classes and operation of the incubator space. Gerber Technology is providing \$13 million in donated state of the art fashion technology used by manufacturers *Under Armor* and *Fruit of the Loom*, for use by students and start-ups. The City will provide small business counseling services to the designers that are part of the program, and for the 30-50 students completing the certification program each year. The City is also responsible for build-out of the incubator space and annual maintenance. The build-out is approximately \$190,000 and annual equipment maintenance is \$55,000. The total for build-out and annual maintenance during the term of the interlocal agreement is \$355,000.

This fashion incubator will be implemented in cooperation with fashion companies and manufacturers and with high school and university participation. 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. 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 potential partnership was presented to the Economic Prosperity Committee on February 8, 2016.

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.