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CITY OF AUSTIN ECONOMIC DEVELOPMENT GUIDING PRINCIPLES

Securing Equitable Prosperity, Affordability and Opportunity
In the City of Austin
Through Strategic Investments and Public-Private Partnerships

City of Austin Economic Development Department
2018 – 2023

Introduction

Why Economic Development Matters:

Purposeful Economic Development Practices Create Thriving Communities.

A successful and beneficial Economic Development approach responds to the needs of the community, illustrates agility in the face of dynamic market conditions, utilizes a proactive intervention strategy and is guided by shared community values.

In the City of Austin, we are fortunate to have such a shared vision for our values. This shared vision is captured in the [Austin Strategic Direction 2023](#), focusing in on equity, economic opportunity, diversity, creativity, sustainability, leadership and affordability at forefront of our rapidly changing community. Economic Development practices are accountable to ensuring the success of this plan by leveraging policies to implement programs that conjoin overlapping community needs and Council direction.

In this document, the Economic Development Guiding Principles outline the values Economic Development can bring to the Austin community. These Guiding Principles are the lens through which all Economic Development policies and programs should be created in order to achieve the goals identified by the community and council direction. Further, this document outlines what the City of Austin and the private partner are expected to deliver when engaging in these agreements.

If our community desires equitable outcomes, such as those outlined in the [Austin Strategic Direction 2023](#), City staff needs to address our economic development tools and business services that support those outcomes in an equitable fashion. This means holding a more complete and proactive investment system accountable for movement in areas of equitable prosperity, opportunity and affordability.

How do we achieve these goals?

By creating Policies and Programs that adhere to these Guiding Principles:

Policies that are created under the direction of these overarching Guiding Principles implement programs that achieve those community goals. The policies are the “how”, or the tools we use to create programs that can produce the community outcomes we want. The policies, in separate documents, create the requirements, process, evaluation and performance measures needed to ensure the programs under them are creating economic development value for Austin.

City of Austin Public-Private Partnerships & Strategic Investments

The City of Austin seeks transformative public-private partnerships to strengthen the local economy, sustain economic activity and build resilience against national economic downturns. Proactive programs, strategic partnerships and public investment in projects that create community value build resilience to the natural ebb and flow of market dynamics and economic conditions.

Enabling Legislations

Municipal authority to create these partnerships are granted by a variety of statutes. The Economic Development Department has developed these Economic Development Guiding Principles to govern the overall approach to Economic Development that can be achieved through a wide variety of mechanisms, programs, entities, initiatives and other activities as allowed by some of the legislative authorities described below. Other authorities and programs may exist that have not been specifically mentioned in this document, however any such authority that enables the City of Austin to engage for purposes of economic development value would be considered a part of this overarching document. For each enabling legislative authority, the City of Austin establishes processes for individual program creation, project selection, program stewardship, and regular reassessment of those programs to retain flexibility through changing economic conditions and community priorities. These enabling legislations include, but are not limited to:

CHAPTER 380 - GRANTS AND LOANS

Local Government Code Title 12. Planning and Development, Subtitle A. Municipal Planning and Development, [Chapter 380](#) Miscellaneous Provisions Relating to Municipal Planning & Development Sec. 380.001

CHAPTER 312 - TAX ABATEMENTS

Tax Code Title 3. Local Taxation Subtitle B. Special Property Tax Provisions [Chapter 312](#). Property Redevelopment and Tax Abatement Act Subchapter A. General Provisions Sec. 312.001

TRANSPORTATION 431 - EXTERNAL CORPORATIONS

Transportation Code Title 6. Roadways Subtitle I. Transportation Corporations [Chapter 431](#). Texas Transportation Corporation Act Subchapter A. General Provisions Sec. 431.001

CHAPTER 378 - NEIGHBORHOOD EMPOWERMENT ZONES

Local Government Code Title 12. Planning and Development Subtitle A. Municipal Planning and Development [Chapter 378](#). Neighborhood Empowerment Zone Sec. 378.001

CHAPTER 372- PUBLIC IMPROVEMENT DISTRICTS

Local Government Code Title 12. Planning and Development Subtitle A. Municipal Planning and Development [Chapter 372](#). Improvement Districts in Municipalities and Counties Subchapter A. Public Improvement Districts Sec. 372.001

CHAPTER 311- TAX INCREMENT FINANCING

Tax Code Title 3. Local Taxation Subtitle b. Special Property Tax Provisions [Chapter 311](#). Tax Increment Financing Act Sec. 311.001

Economic Development Value Definition

Many of the enabling legislations that allow for local municipalities to engage for purposes of achieving economic development value, leave it up to the community to define what “economic development value” means. For example, the Chapter 380 code states that the City of Austin may administer “one or more programs...to promote state or local economic development”, but does not further define the term “economic development”. Therefore, the intersection of community need and Council objectives determines the spirit of economic development and interweaves that definition into its governing policies.

The Economic Development Department regularly analyzes local economic indicators, community input and national market conditions to determine what “economic development value” means within the current economic context. This definition will be revisited every five years in the form of stakeholder consultation and community engagement in the reassessment phase of programs created under these Guiding Principles. During the most recent review, stakeholders involved in the community engagement process determined what values the City and private entities should deliver to the community. On all sides of the table, all partners will be held accountable in the agreement to deliver what the community has defined as community priority outcomes.

Provided the variety of projects City Council is seeking to interact with, delivering all of these community priority outcomes in a single agreement for a single project would be next to impossible, therefore neither the City nor the Partner is expected to provide all or even most of these values in one transaction. Instead, each program created under these Guiding Principles are crafted to achieve a different set of goals, such as neighborhood development, jobs, healthy outcomes, or affordable space. At times, some of those outcomes would overlap and multiple goals would be achieved. Criteria to qualify for each of these programs will differ depending on the intended outcomes and beneficiaries, therefore requirements under each would differ as well.

Following these Guiding Principles will create a portfolio of programs that deliver a diverse set of outcomes that, as a whole, achieves all of the priority outcomes identified by the community as “economic development value.”

The City of Austin could contribute any of the following* to support community outcomes through Economic Development Programs:

- 1) Government Role: Connector, Investor, Path-Clearer
- 2) Focus on Equity: Employment Opportunities for All
- 3) Unify the Community through Collaboration
- 4) Train, Recruit and Retain Local Workforce and Talent
- 5) Support Austin’s Culture, Creative Sector and Community Identity
- 6) Incentivize, Support, Staff and Train Small Businesses
- 7) Build Affordable, Livable and Accessible Development
- 8) Impact Business Growth
- 9) Control Affordability
- 10) Promote Economic Diversity

The Private Partner could contribute any of following to support community outcomes through Economic Development Programs:**

- 1) Locational Enhancements (Place-Making)
- 2) Workforce Development
- 3) Quality Jobs
- 4) Equity & Diversity
- 5) Quality Investment
- 6) Transportation
- 7) COA Revenue (Taxes & Utilities)
- 8) Equitable Hiring Practices

**Exchange values are further defined in the [Community Conversations Summary](#)*

***Exchange values are further defined in the [Community Leaders Session Summary](#)*

Equitable Prosperity, Opportunity, and Affordability

If the Economic Development Guiding Principles are the end-goals for our community, what are the means to those ends? To achieve them, Policies created through the lens of those Guiding Principles must have certain elements that focus on equitable prosperity, opportunity and affordability, our current areas of emphasis.

Per City Council direction, Programs created through the lens of the Guiding Principles may include:

- Creating living or prevailing wage jobs, with equitable benefits
 - Community benefits identified in the current City economic incentives policy, including the provision of jobs that pay no less than the City's adopted living wage or prevailing wage, domestic partnership benefits provisions and other provisions that promote the well-being of workers;
- Addressing lack of job opportunities for the traditionally hard-to-employ;
- Incentivizing the creation of middle-skill jobs for existing residents;
 - The creation of middle-skill jobs in targeted occupations identified by the Community Workforce Master Plan (currently Information Technology, Healthcare, and Skilled Trades), support for job training and paid internships or apprenticeships in target occupations, and located within Imagine Austin Activity Centers, Job Centers or Activity Corridors in the Eastern Crescent, or providing better employment opportunities for those in the Eastern Crescent;
- Supporting small, local, creative, cultural and heritage businesses who suffer from lack of access to affordable space and financial stability
 - Increased availability of affordable commercial space for local small businesses including the creative arts sector;
 - Retention of local small business employers struggling to survive and stay in Austin
- Identifying and intervening to respond to specific issues (beyond those outlined above), such as:
 - Increased access to goods and services in communities that are traditionally underinvested, including, but not limited to healthy food options in the Eastern Crescent;
 - Development of vibrant, mixed-use commercial corridors;
 - Leverage of public investments to improve positive health outcomes for low-income Austinites

Strategic Alignment

Public-private partnership agreements focus on the creation of new opportunities for the economically disadvantaged population, secure jobs and investment for the community and support a diverse business climate. Many other strategic documents within the City identify similar priorities and these Guiding Principles seek to work in alongside them. Some of those strategic documents include the [Austin Strategic Direction 2023](#), [Priority Programs of the Imagine Austin Comprehensive Plan](#), [Workforce Solutions Capital Area Austin Metro Area Master Community Workforce Plan](#), [Music & Creative Ecosystem Omnibus Resolution](#), [the Music Census](#), [the Age-friendly Austin Action Plan](#), [the Austin Resource Recovery Master Plan](#), [Economic Development Target Market Assessment](#) and other related documents such as [CodeNEXT](#), [Cultural Asset Mapping Project](#) and the [Spirit of East Austin](#). This Guiding Principle document is the main tool that allows the City of Austin to implement programs that produce results on those priorities by engaging in partnerships and transactions with the business community.