

**AGENDA****Recommendation for Council Action****AUSTIN CITY COUNCIL****Regular Meeting: June 28, 2018**Item Number: **024**

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**Economic Development Department**

Approve an ordinance establishing a Business Expansion Program pursuant to Texas Local Government Code Chapter 380.

<b>Lead Department</b>	Economic Development Department
<b>Fiscal Note</b>	This item has no fiscal impact.
<b>Prior Council Action</b>	March 2, 2017 - Council passed Resolution 20170302-034 to initiate a stakeholder consultation process and develop recommendations for revising the City's Economic Development Policy.
<b>For More Information</b>	Rebecca Giello, Interim Director - Economic Development Department 512-974-3045; David Colligan, Acting Assistant Director - Economic Development Department 512-974-6381

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**Additional Backup Information:**

On March 2, 2017, the City Council passed Resolution No. 20170302-034 directing the City Manager to initiate a stakeholder consultation process and develop recommendations for revising the City's economic development program. Staff presented findings from the community outreach process to Council in December 5, 2017 and presented supporting documents for policy recommendations on May 8, 2018. Additional information related to the outreach process, reported findings and previous council presentations can be found at: <http://www.austintexas.gov/investinaustin>

As a result of the community engagement process, staff developed a Chapter 380 Program Policy Framework. This policy framework provides guidance for staff to develop potential investment opportunities for the City of Austin to engage in public-private partnerships for economic development.

Staff is requesting approval of the Business Expansion Program Guidelines under the Chapter 380 Program Policy Framework. The Business Expansion Program, will deliver programming that will address the following items articulated through Resolution No. 20170302-034:

- § Community benefits and other provisions that promote the well-being of workers;
- § The creation of middle-skill jobs, support for job training and paid internships or apprenticeships;
- § Increased employment among populations that are hard-to-employ;
- § Retention of local small business employers struggling to survive and stay in Austin.

The Business Expansion Program seeks to address the following Program Values and Priority Goals as identified by community need, Austin City Council objectives, strategic direction and current market conditions:

- § High priority consideration given for jobs that provide compensation for middle-skill workers;
- § Heightened efforts are made to maximize meaningful labor force participation for hard-to-employ populations and those facing socio-economic hardships that act as barriers for accessing local employment opportunities;
- § Area of focus is on connecting the City's values for accessibility to employment and quality working environments to small and local business with expansion opportunities;
- § Intervention and investment to address rising costs and access to capital/financing for business;
- § Business expansion projects that yield benefits to the community beyond local tax base contribution;
- § Offset the City regulatory environment as it relates to business growth and development.

Given the above Program Values and Priority Goals, the Business Expansion Program Guidelines are organized into three broad categories for administration.

Categories of incentives to be provided to program participants:

- Category 1: Existing Local Expansions
- Category 2: Opportunity for Employment
- Category 3: External Relocations