



Austin Independent Business Alliance  
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## City of Austin Redesigns 380 Incentive Policy. And It's Good News!

In March 2017, Austin's City Council passed a resolution to initiate a stakeholder consultation process and develop recommendations for revising the City of Austin's current Chapter 380 Performance-Based Contracts Policy (or the "incentives policy" as it is more commonly known.) The results of a year of community involvement are now realized in a New Economic Development Policy. I've met with city staff and attended a presentation of the new policy and I have to say, "Bravo."

AIBA has advocated for more than 15 years to turn at least some of our economic development policies to benefit the small, local businesses that are here and not just to attract the next big business to Austin. This policy is the first real sign of that new direction. Our goal has never been to totally cease offering incentive packages for strategically selected companies but to have a balance that helps local business too.

Is it perfect? No. Is it all it will ever be? No. But to come from a policy that was 100% focused on recruiting big business to Austin to one that is focused on growing businesses that are here...well it's impressive. To even find the words 'local business' in the policy is a major departure from the existing global business recruitment practices.

You still have time to respond and comment on this policy. You can review the policy here: <http://www.austintexas.gov/investinaustin>. Go to <http://www.austintexas.gov/online-form/proposed-new-economic-development-policy> to leave your comments. If you are so moved, email your City Council member. Find your council member's email here: <http://www.austintexas.gov/government>.

### **What's to like?**

The original 380 Policy was totally based on return for investment, hence the big numbers from big business. An incentivized business had to show substantial gain to the tax base above and beyond the incentive. The large incentives are still based on this. But now a new measurement based on enterprises that support local, creative identity and culture has been included in the policy. This is a major paradigm shift.

There are grants that local business could take advantage of for hiring and growing. We're even talking about adding some relief on permitting and code compliance for small business.

There are loans for creative venues and healthy food programs; cultural and heritage business preservation programs and social enterprise programs.

The devil is in the details and they're aren't many details in the documentation. But this is the framework for a completely new approach. It holds the promise of our city actually supporting the local businesses that built this city and continue to make it thrive. It's a seat at the table.

Thank you,

A handwritten signature in black ink, appearing to read "Rebecca Melancon", with a long horizontal line extending to the right.

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