

AGENDA

**Recommendation for Council Action****AUSTIN CITY COUNCIL****Regular Meeting: August 23, 2018**Item Number: **012****Economic Development Department**

Approve an ordinance repealing Part 2 of Ordinance No. 20090312-005 to the extent necessary to authorize the City Manager to develop the Locational Enhancement Program for Economic Development under Chapter 380 of the Texas Local Government Code and to return to council with this program for Council review and possible approval.

Prior Council Action	March 2, 2017 - Council passed Resolution No. 20170302-034 to initiate a stakeholder consultation process and develop recommendations for revising the City's Economic Development Policy.
For More Information	Rebecca Giello, Interim Director - Economic Development Department 512-974-3045; David Colligan, Acting Assistant Director - Economic Development Department 512-974-6381

Additional Backup Information:

On March 2, 2017, Austin's City Council passed Resolution No. 20170302-034 to initiate a stakeholder consultation process and develop recommendations for revising the City's Economic Development Policy. This policy provides direction for staff to bring forward potential investment opportunities for the City of Austin to engage in public-private partnerships for economic development. Staff presented findings from the community outreach process to Council on December 5, 2017 and brought forward 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>

Staff is requesting authorization to research, develop, and return to Council with a Locational Enhancement Program under the Chapter 380 Policy, to administer programming that will address the following items articulated through Resolution No. 20170302-034:

- § Community benefits;
- § Increased access to goods and services in communities that are traditionally underinvested, including but not limited to, healthy food options in the Eastern Crescent;
- § Increased availability of affordable commercial space for local small businesses, including the creative sector;
- § Development of vibrant, mixed-use commercial corridors;
- § Leverage of public investments to improve positive health outcomes for low-income Austinites; and
- § Retention of local small business employers struggling to survive and stay in Austin.

Since this Program may include projects that would be in private, large scale, mixed-use projects that include a retail component, staff is requesting a limited repeal of Part 2 of Ordinance No. 20090312-005, which eliminates economic incentives for private, large-scale, mixed-use projects that include a retail component, with that repeal only being to the extent necessary to maximize the possibilities for providing options for the Local Enhancement Program to address the matters set out above.

The Locational Enhancement Program seeks to address the following general priorities as identified by community need, Austin City Council objectives, strategic direction and current market conditions:

- § Address commercial affordability for tenants of commercial space with the intention of alleviating both short and long term financial challenges (such as rent and new pathways for revenue generation) with particular focus on small, local, heritage businesses, non-profits, cooperatives, and those in the creative sector;
- § Intervene with public investment to address financial challenges faced by owners of commercial spaces by providing access to capital/financing to deliver and community benefits, such as affordable and public spaces, creative spaces, new goods and services, and to preserve neighborhood identity;
- § Participate in the development process of new developments, including mixed-use commercial, to deliver a variety of benefits direct to the adjacent community (for example, affordable space, transportation solutions, socially beneficial real estate, sustainable development, and equitable access to opportunity) while representing and serving a diverse range of industry, users, and resident population;
- § Seek partnerships with existing developments to alleviate improvement barriers to advance the quality, affordability and uses of existing locations within the City of Austin and to preserve the business and cultural community;
- § Address specific market needs, such as the delivery of goods, services and transportation solutions to underinvested areas that yield benefits to the community beyond local tax base contribution;
- § Alleviate and offset burdens of the City regulatory environment as it relates to business growth and development.

Given the above program values and priority goals, the Locational Enhancement Program will be further

studied to organize prospective work into broad categories for administration, pending consultant input, community feedback and forthcoming program guideline development.