



MEMORANDUM

TO: Mayor and City Council

FROM: Rebecca Giello, Interim Director
Economic Development Department

DATE: August 17, 2018

SUBJECT: Update on Resolution 20170216-040: Economic Development Corporation Report

This memorandum serves to provide an update to City Council on Resolution 20170216-040 that directs the City Manager to work with staff from Financial Services, Real Estate and Economic Development to bring forward for Council consideration specific proposals for creating an Economic Development Corporation or similar entity that can create or support development of affordable housing, redevelopment, revitalization and other priority projects and goals of the City. The resolution indicates the entity should also be capable of structuring public-private partnerships. The proposal should include a comparison of the benefits offered throughout different corporate structures and examples of the projects that could be undertaken by each such entity.

Work Underway

Through presentations to the City Council in March and June of 2018, regarding the City's Chapter 380 policy evaluation and rewrite, the Economic Development Department (EDD) staff provided updates on how an economic development entity could interact within a broader context of the City's economic development activities. In addition, EDD has directed resources to address this resolution by hiring a temporary employee to assist in the research and development of information in response to the resolution. This project-specific position in EDD is singularly focused on this project.

EDD staff is currently drafting a detailed report in response to the resolution by reviewing and assimilating a range of documents, working with the Secretary of State and Comptroller's Office to gather background data and documentation, and working with subject matter departments noted in the resolution. Initial work has been completed to define the scope of a report that will address the Council's directive calling for "specific proposals for the creation of an economic development corporation (or similar entity)" within the framework established by the City's long-range plan (Imagine Austin) as well as the recently adopted Strategic Direction 2023.

The report will review the economic development priorities established by these documents, evaluate the range of “quasi-governmental” entities - *nonprofit economic development corporations* – available to the City under Texas law, identify a recommended organizational form, provide recommendations for the structure and function of the organization (e.g., board structure; revenue sources), and propose a governance structure based on best practices; recommendations to operationalize such an entity; and implementation timeline.

EDD staff is requesting an extension to issue its report to Council by October 31, 2018. For additional information, contact David Colligan, Interim Assistant Director, (512) 974-6381.

cc: Spencer Cronk, City Manager
 Sara Hensley, Interim Assistant City Manager
 Elaine Hart, Chief Financial Officer
 Greg Canally, Deputy Chief Financial Officer