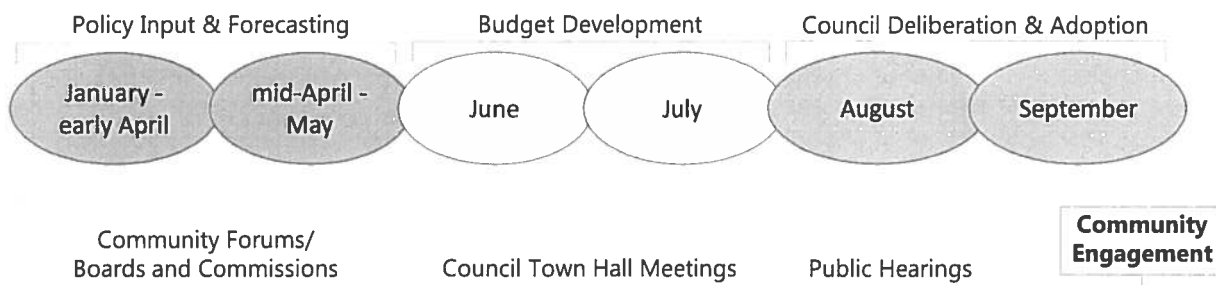




FY 2020 Budget Process

Austin, Texas

City of Austin Budget Timeline



City of Austin FY 2020 Budget Direction



- ✓ Hold the line on budget increases other than base cost drivers such as wages and benefits
- ✓ Improve the efficiency and effectiveness of City services
- ✓ Continue to focus on aligning department missions, goals, and programs to SD23
- ✓ Target community input on equity-related issues

"We were fortunate to have the available funds to invest in many of the strategic priorities this year, but we cannot count on this in future years. As a result, the City's dedication to continuous improvement, effectiveness, and efficiency become even more crucial. I encourage each of you to seek out opportunities to streamline work and identify cost savings without sacrificing our dedication to high levels of customer service."

MEMORANDUM

TO: City Council

FROM: Mayor Kirk Watson

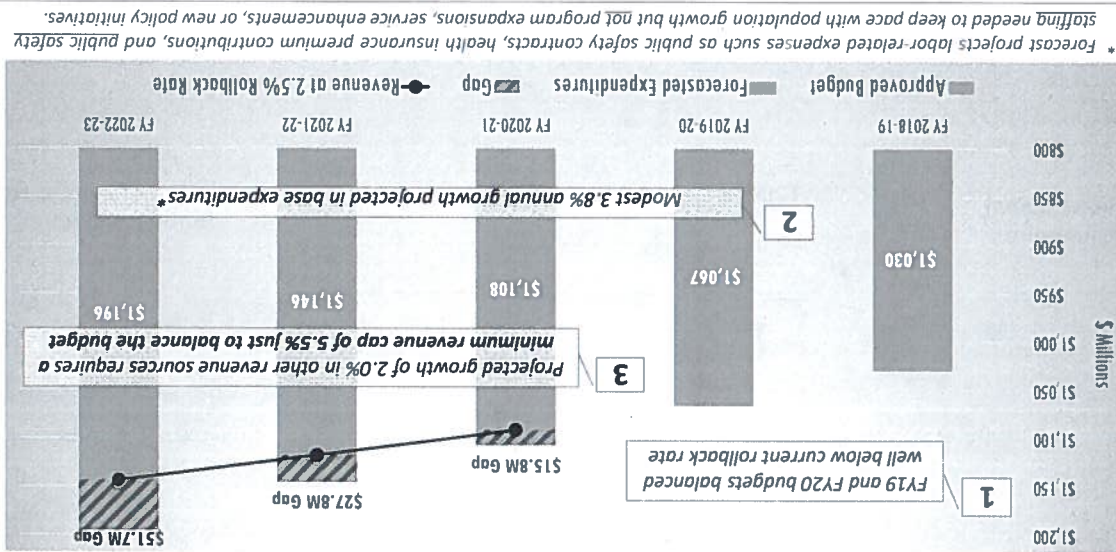
DATE: September 11, 2019

SUBJECT: FY 2019-2020 Approved Budget

This week, on September 11, 2019, the City Council passed the City's FY 2019-2020 budget. This budget is a significant milestone for the City, as it represents the first time in over 10 years that the City has been able to maintain its current level of service while also addressing the needs of our residents and businesses. The budget is a reflection of the City's commitment to transparency, accountability, and fiscal responsibility. It is a testament to the hard work of our staff and the support of our community. The budget is a blueprint for the future, and it is a source of pride for all of us. We are confident that this budget will help us achieve our goals and improve the lives of our residents. We are grateful for the support of our community and look forward to continuing our work together to make Austin a better place for everyone.

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General Fund Forecast Vs. 2.5% Rollback Rate



CITY OF AUSTIN

ECONOMIC DEVELOPMENT DEPARTMENT

GLOBAL BUSINESS EXPANSION

BUSINESS EXPANSION INCENTIVES



2019

Today's Agenda

Business Expansion Incentive Program Overview

WHY

- Austin Incentives: Then & Now

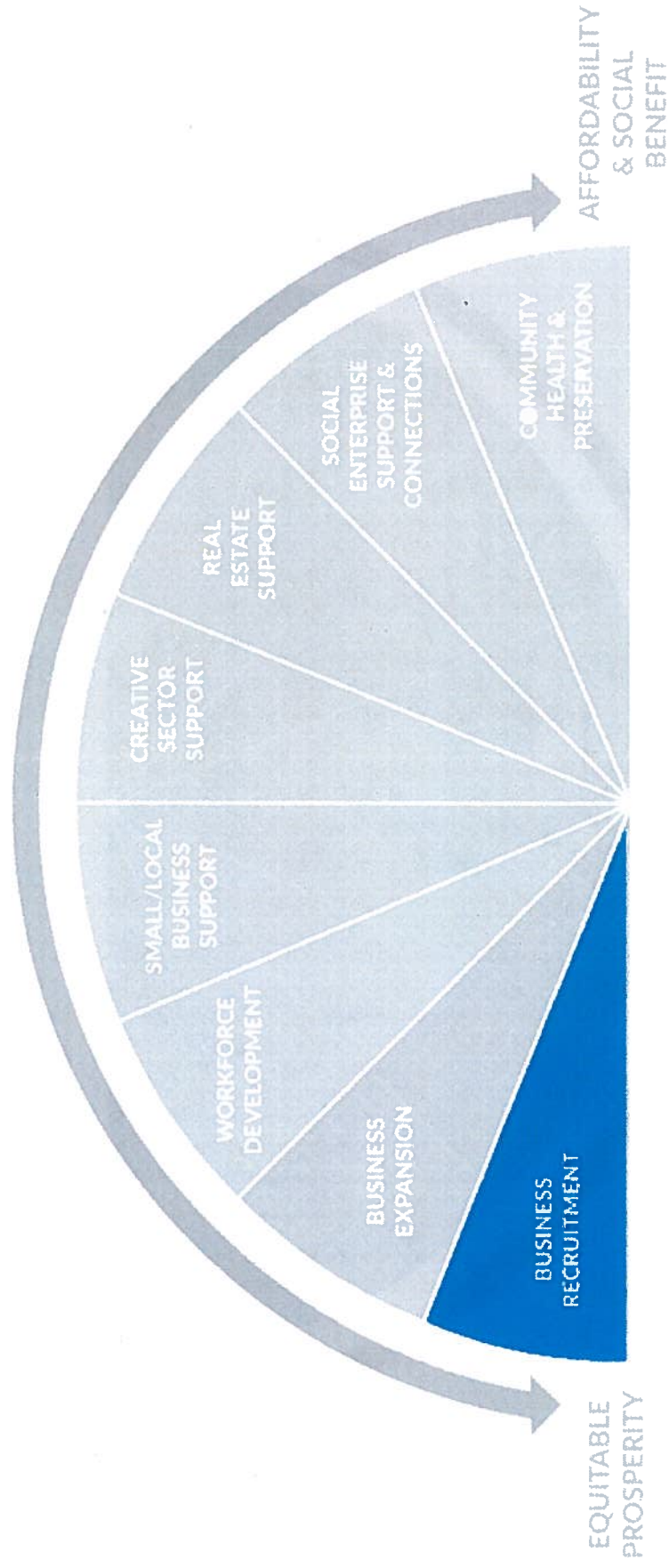
WHAT

- Who is Eligible for an Incentive?
- How Are Projects Measured?
- Incentive Types

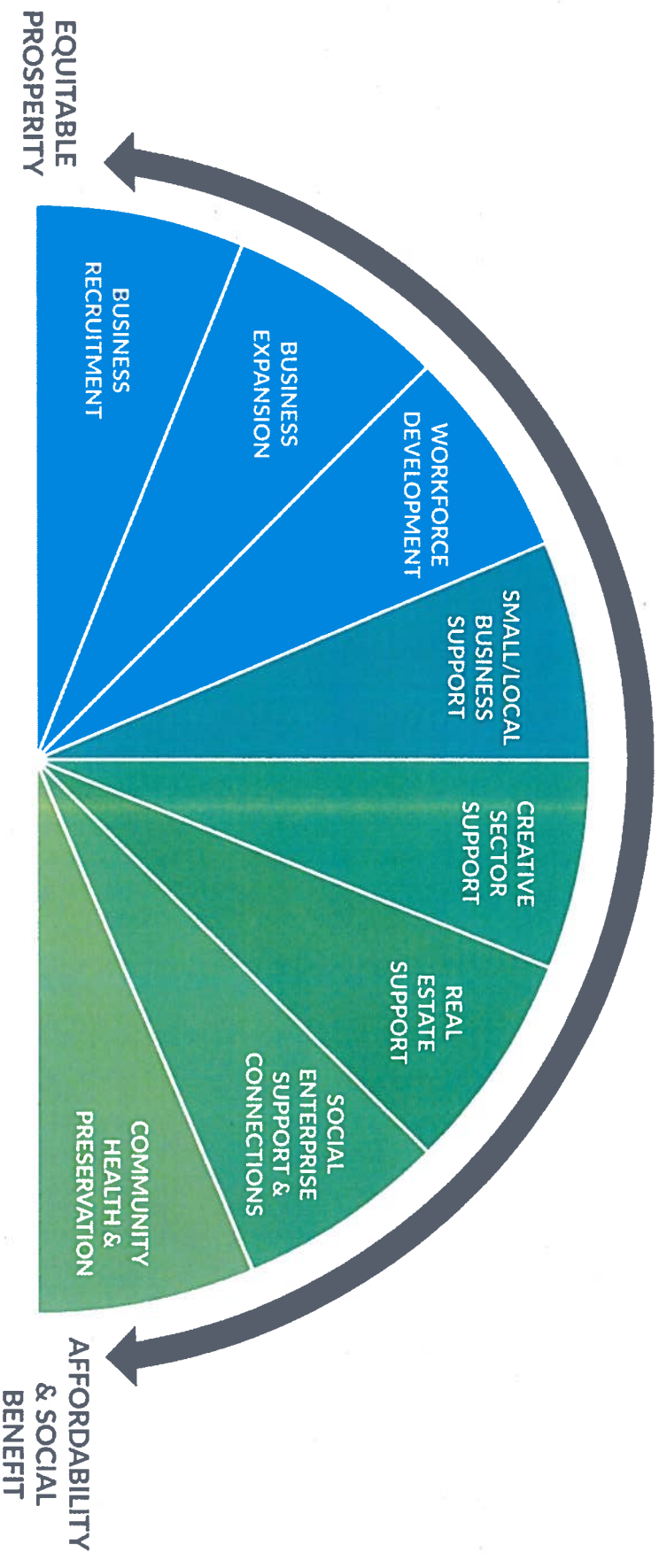
HOW & WHEN

- Application Process
- Approval Process
- GBE Staff

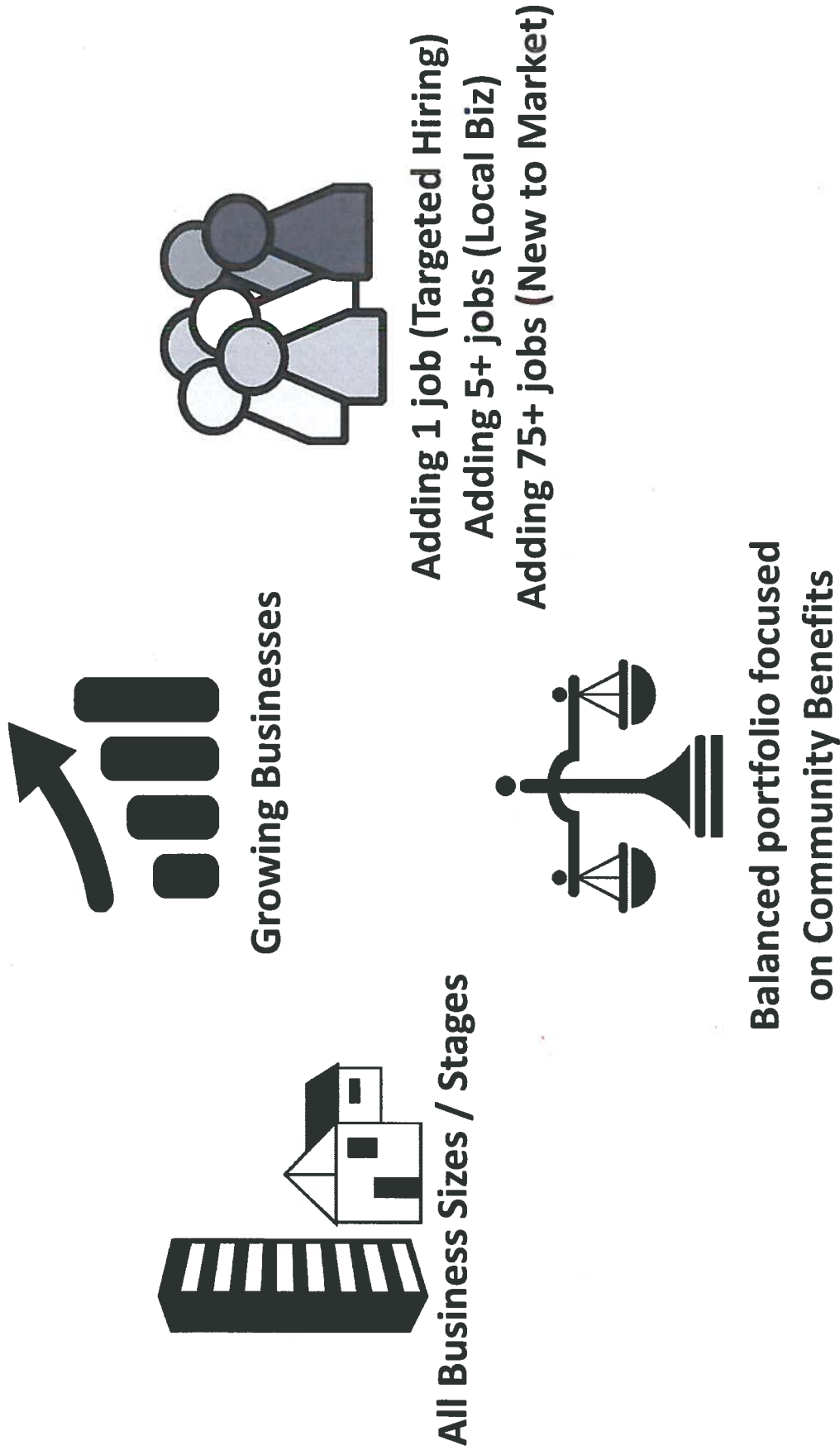
Austin Incentives: Then



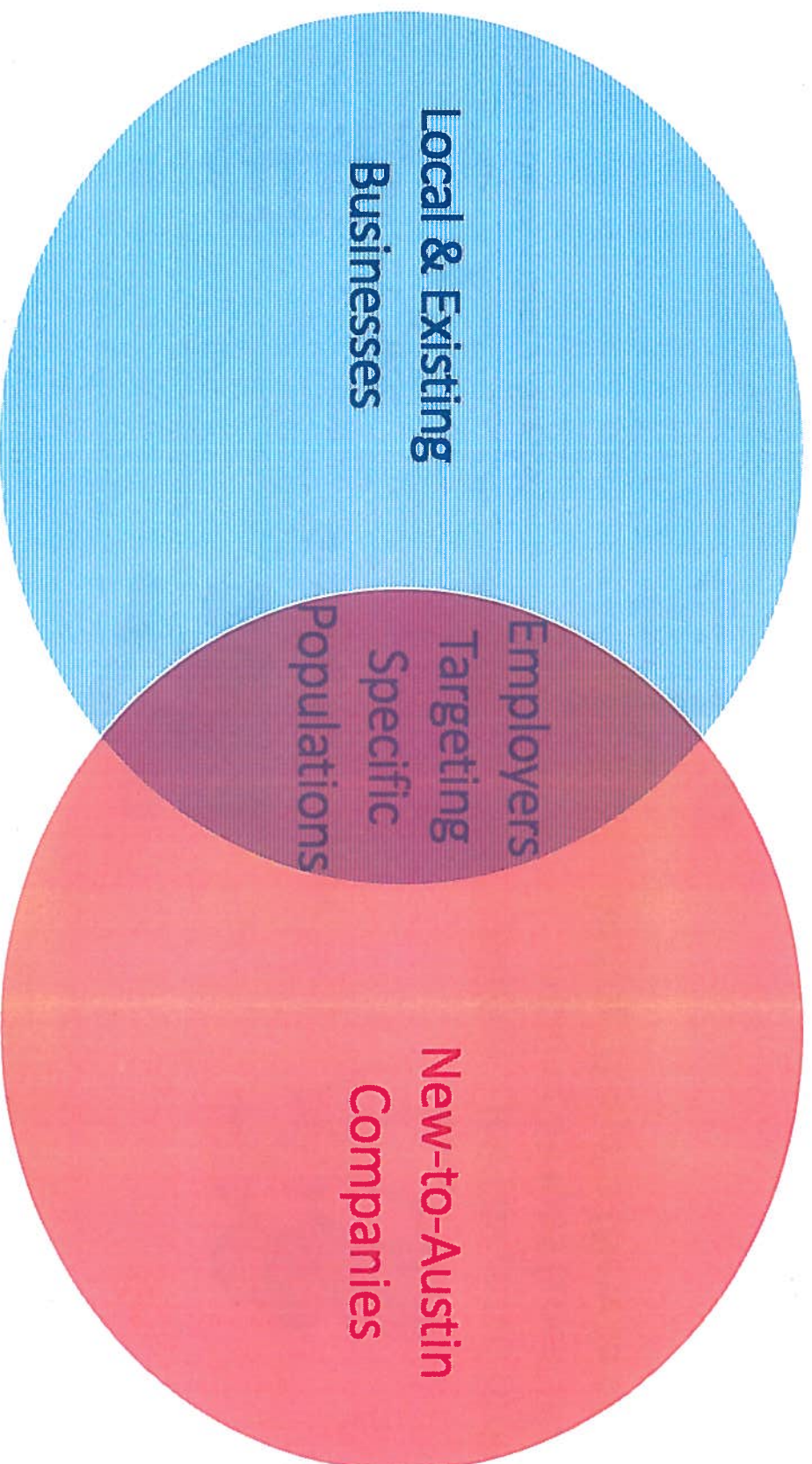
Austin Incentives: Now



Business Expansion Program Focus Areas



Who is Eligible for an Incentive?

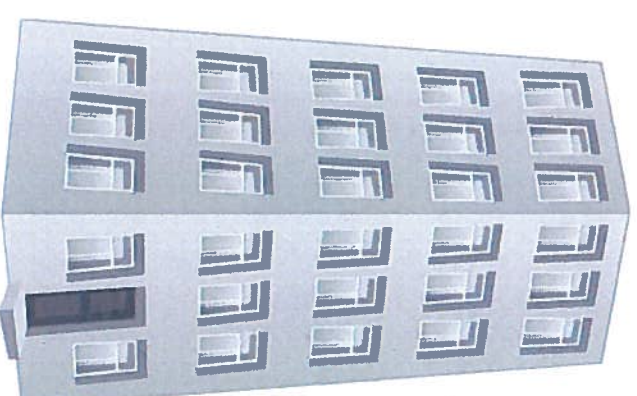
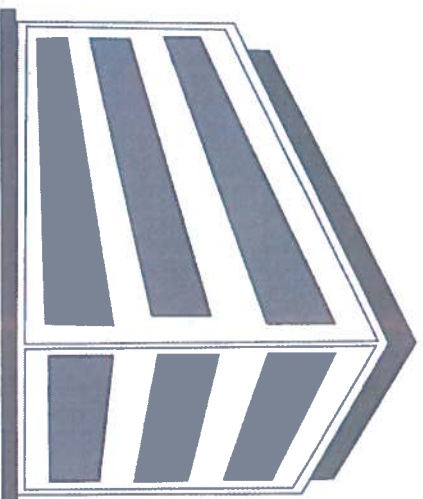
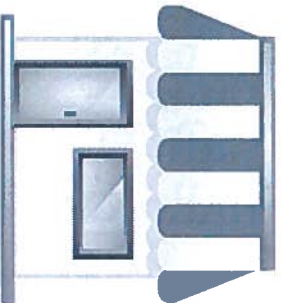


Minimum Requirements

- ▶ ‘But-For’
- ▶ Federal, state and local laws
- ▶ MBE/WBE Procurement Program
- ▶ City Code
- ▶ City’s Living Wage
- ▶ Health insurance or facilitate access (+ domestic partners & dependents)
- ▶ Anti-harassment and anti-discrimination practices.
- ▶ If construction: 1) Workers Compensation Insurance and OSHA 10 Training, 2) City’s Prevailing Wage Program, and 3) City’s Living Wage

Existing Local Expansions

- Registered / Operational (12 mos, Secretary of State)
- Full-Time Jobs, Internships, Apprenticeships (@1,500 hours/yr)
- City of Austin Living Wage
- Minimum 5 jobs, 5-Year Agreement



Targeted Hiring

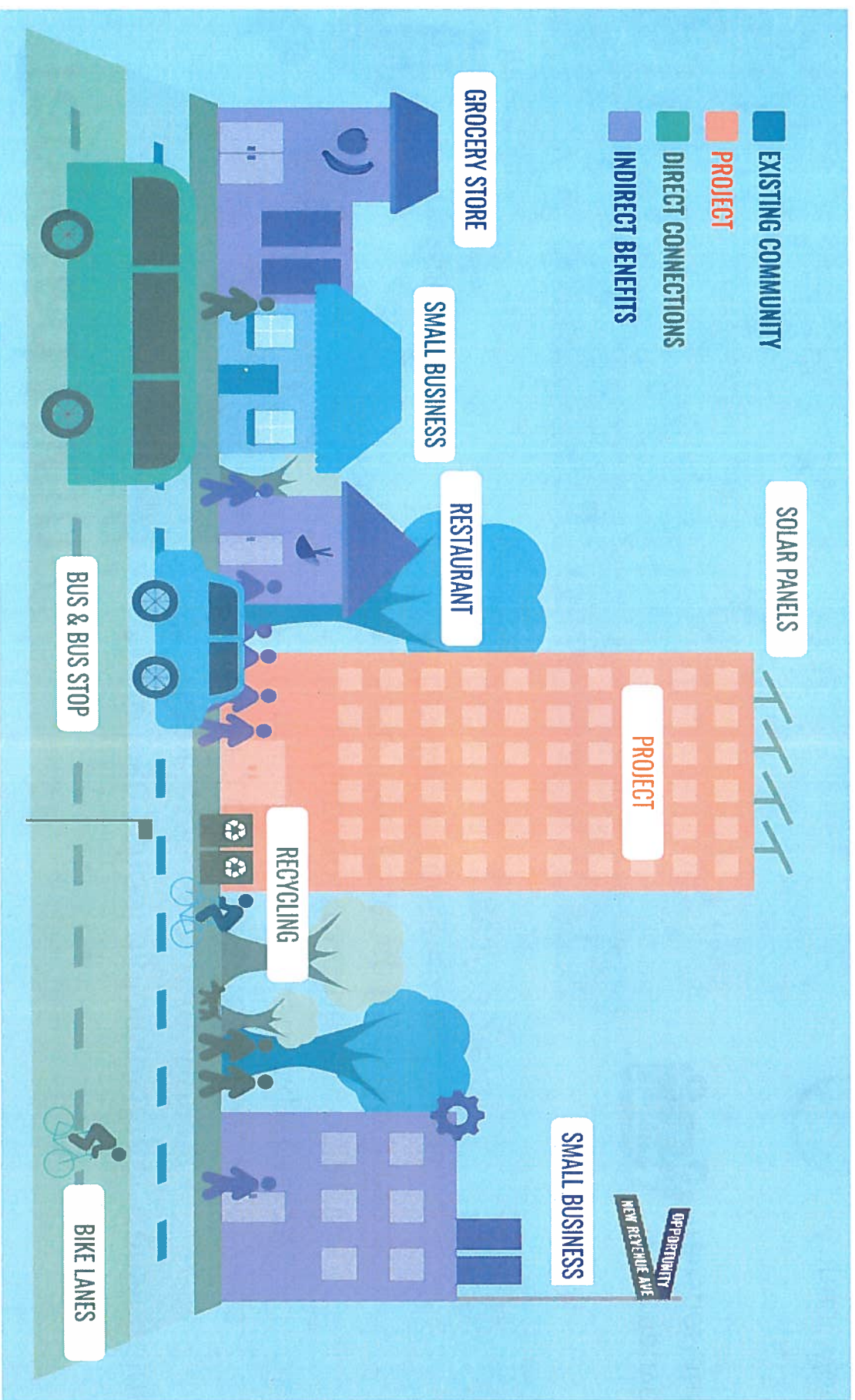


- No high-school diploma/GED or transitioning
- Homelessness or transitioning
- Served by local/state/fed social services
- Criminal justice system experience
- Drug/alcohol treatment programs
- Sustained absence from labor force
- Disability identified by 3rd party
- Other challenges/barriers

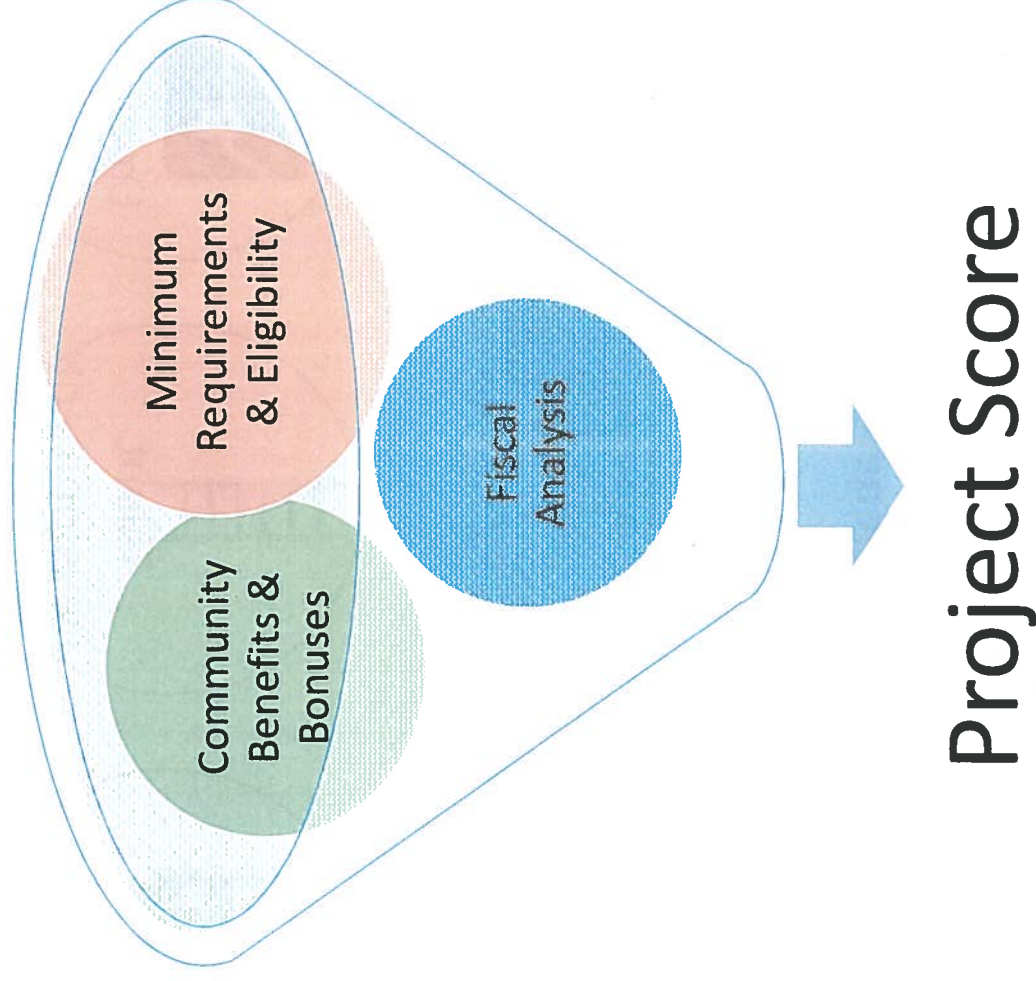
	If Engage 3 rd Party	If Engage 3 rd Party + Housing Stipend	If Private Entity Alone	If Private Entity Alone + Housing Stipend
Year 1	\$2,000	\$3,000	\$1,000	\$2,000
Year 2	\$1,900	\$2,900	\$950	\$1,950
Year 3	\$1,800	\$2,800	\$900	\$1,900
Year 4	\$1,700	\$2,700	\$850	\$1,850
Year 5	\$1,600	\$2,600	\$800	\$1,800



Recruitment & Relocations

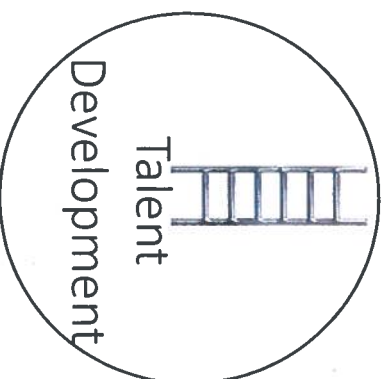


How are Projects Measured?



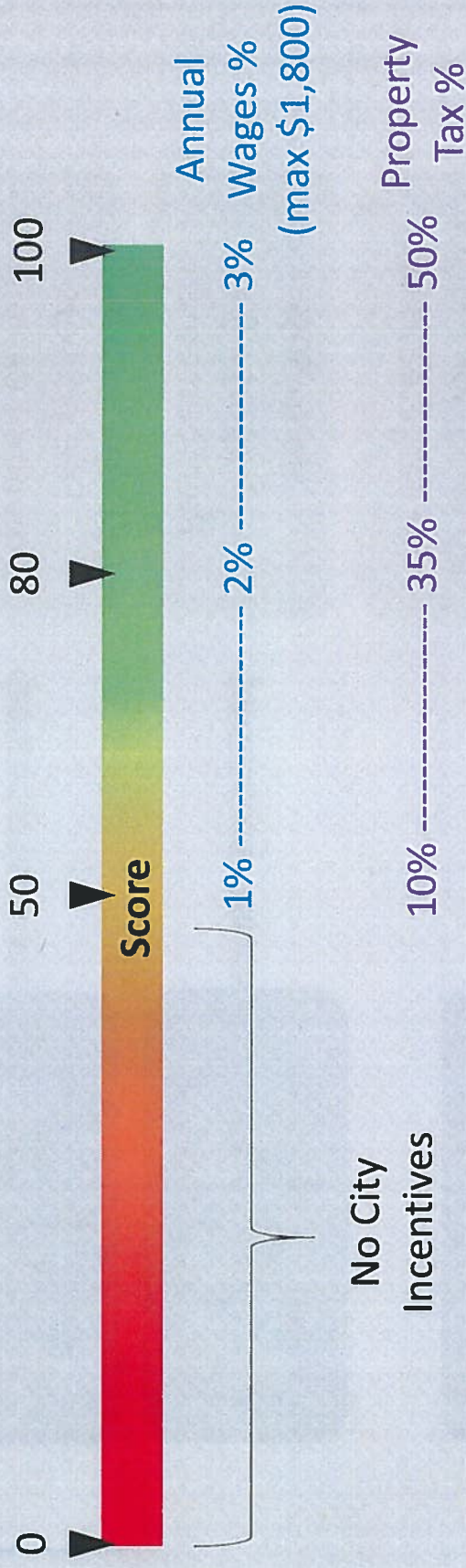
How are Projects Measured?

Community Benefit Categories:



How are Projects Measured?

Existing & New Businesses



Targeted Employment



Incentive Types

Then

\$X Per Job

Up to 100%
Property Tax
Reimbursement

No
Operational
Incentives

Performance-Based

Now

Up to 3% Ann. Wages
Per Job (max \$1,800)
&
Up to \$3,000 Per Job
for Targeted Hiring

Up to 50%
Property Tax
Reimbursement

Fee Waivers
Expedited Permitting
Ombudsman Services

Performance-Based

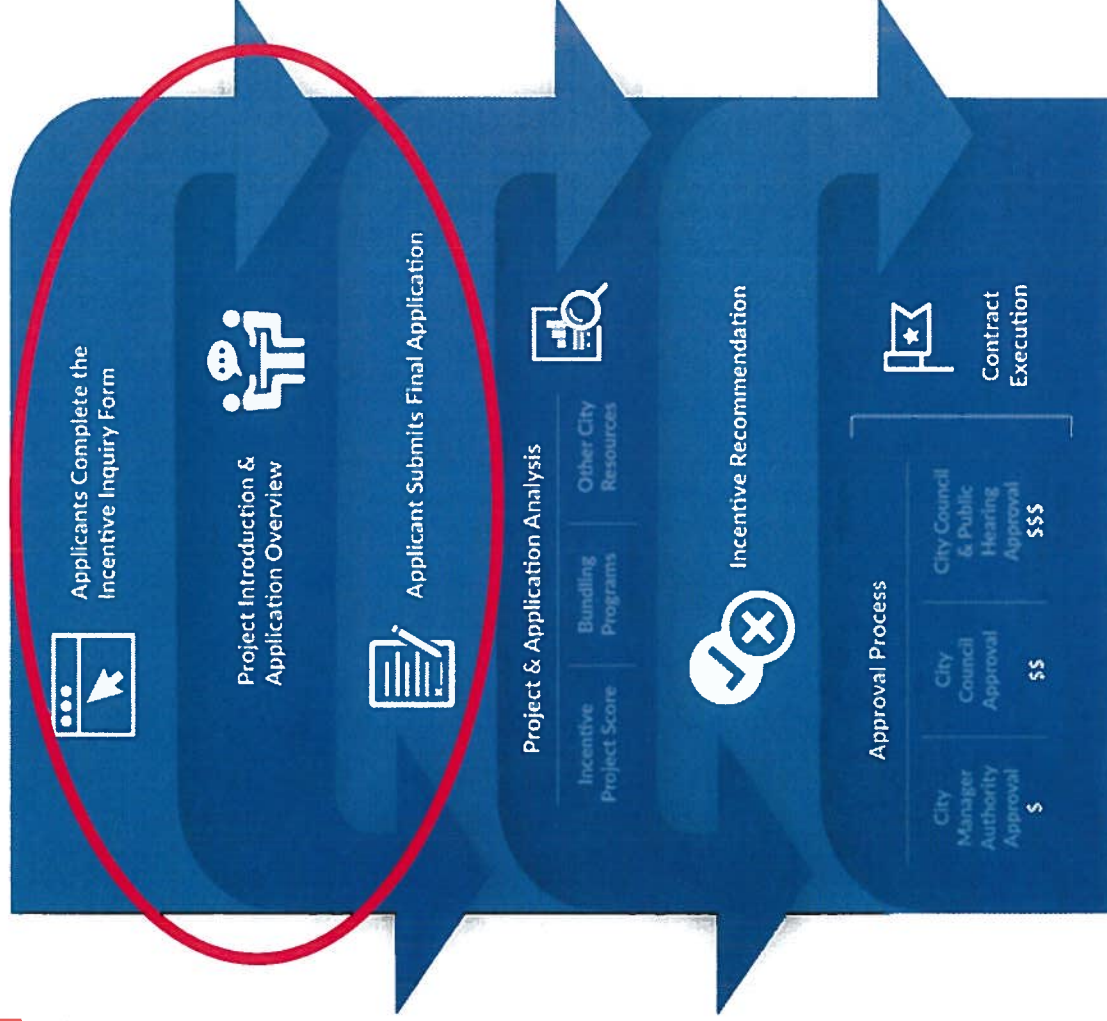


CITY OF AUSTIN



GLOBAL BUSINESS EXPANSION

Application Process



✓ Inquiry/Referral

✓ Inquiry Form Submission

✓ Project Intro Meeting

✓ Application Overview

✓ Application Submission

Application Tools - HOMEPAGE

Homepage: <http://www.austintexas.gov/department/business-expansion-incentive-program>

The screenshot shows the homepage of the City of Austin's Economic Development Department, specifically the Business Expansion Incentive Program. The page has a navigation bar with tabs for 'View published', 'New draft', and 'Moderate'. Below this are four main categories: 'Resident', 'Business', 'Development', and 'Gove'. The 'Business' tab is selected. The main content area features a list of links: 'Department Home', 'Business Expansion Incentive Program', 'Incentive Application Resources', 'Approved Incentive Projects', 'Economic Development Policy', and 'Frequently Asked Questions'. Red arrows point from text on the left to these links: 'Where do I go to learn about incentives?' points to 'Incentive Application Resources'; 'What does that mean?' points to 'Approved Incentive Projects'; 'What incentives have other companies received in the past?' points to 'Economic Development Policy'; 'How did the City develop this policy?' points to 'Frequently Asked Questions'; and 'Can I get an incentive?' points to the 'Submit Incentive Inquiry' button at the bottom. Below the list of links is a section titled 'Economic Development Department' with a background image of a city skyline. This section includes the title 'BUSINESS EXPANSION INCENTIVE PROGRAM', a sub-header 'Expanding your business? Creating new jobs, internships or apprenticeships? Considering relocating your business to Austin?', and a paragraph stating that the City of Austin may award incentives to companies who create new jobs, provide access to employment and community benefits with expansion projects that provide:

- Jobs at above-industry standard compensation, especially for middle-skill workers;
- Employment for targeted hiring populations and those facing economic and socio-economic hardships that pose as a barrier for employment; and
- Realizable community benefits, beyond tax revenue.

Below the list, it says 'Submit an "Incentive Inquiry" form below to learn more from Economic Development staff about available incentives.' and 'BEFORE YOU SUBMIT: Learn about the City of Austin Chapter 380 Business Expansion Incentive Program on the Incentive Application Resources page'. At the bottom is a blue button with a white arrow pointing right and the text 'Submit Incentive Inquiry'.

Application Tools - INQUIRY

Inquiry: <https://cityofaustin.seamlessdocs.com/f/jaorlanhdzf4>



✓ Company Name

✓ First Name, Last Name

✓ Email (*can be any valid email)

✓ Phone

✓ How did you hear about us?

✓ # of Jobs

✓ Square Footage

✓ Briefly describe

✓ Certify:

Meet MRs, Not an Application, Texas

Public Info Act

(Required Field)

City of Austin: Business Expansion Incentive Inquiry Form

Submit an Incentive Inquiry form below to learn more from Economic Development staff about available incentives and explore whether your expansion project is a good fit

[Business Expansion Incentive Homepage](#)

[Business Expansion Incentive Application Resources Page](#)

* Required Fields

Company Information

Company Name

Contact Name

First Name *

Last Name *

Email *

example@cityofaustin.com

Application Tools – APP RESOURCES

Application Resources: <http://www.austintexas.gov/page/incentive-application-resources>

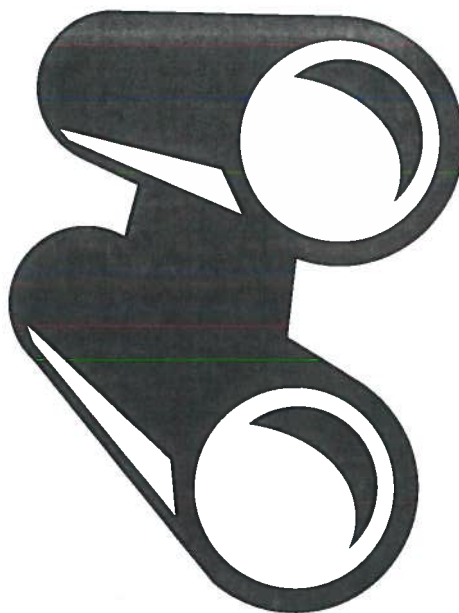
What
Application
Resources are
available?:



- ✓ Minimum Requirements/General Eligibility by Category
- ✓ Scoring Rubric
- ✓ Definitions
- ✓ FAQs
- ✓ Non-Discrimination & Non-Retaliation Certificate
- ✓ City Living Wage
- ✓ OSHA 10/Worker's Compensation
- ✓ Minority-Owned and Women-Owned Business Enterprise Ordinance
- ✓ Small Business Administration
- ✓ Imagine Austin Growth Concept Map
- ✓ Carbon Impact Statement
- ✓ Human Rights Campaign Corporate Equality Index
- ✓ Program Guidelines Document

Application Tools – APPROVED PROJECTS

Approved Incentives: <http://www.austintexas.gov/page/approved-incentive-project>

- What incentives have other companies received?:
- ✓ Contract & Amendments
 - ✓ Agreement Ordinance
 - ✓ Total Investment
 - ✓ Jobs
 - ✓ Incentive Basis
 - ✓ Total Estimated Incentive value
 - ✓ Total Payments
 - ✓ Location
- 

Application Tools – HELPFUL INFO

FAQ: <http://www.austintexas.gov/department/economic-development/faq>

Definitions: <http://www.austintexas.gov/sites/default/files/files/Index of Definitions - Business Expansion Incentive Program.pdf>

Scoring Rubric: <http://www.austintexas.gov/sites/default/files/files/Business Expansion on Incentive Scoring Rubric.pdf>

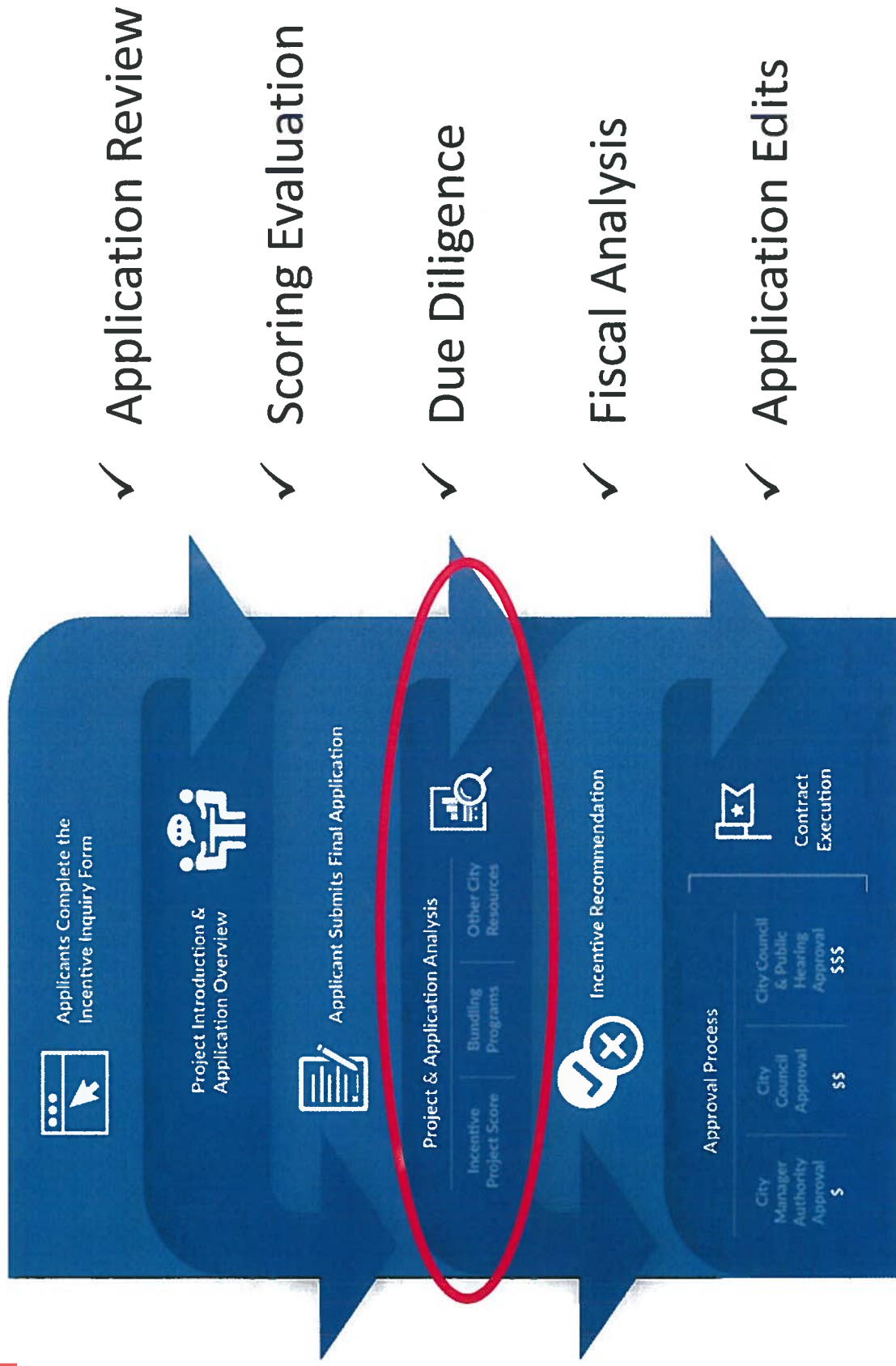
Other Helpful Information:

- ✓ FAQ
- ✓ Definitions
- ✓ Scoring Rubric

✓ Application

- ▶ Can I receive City funds from multiple programs, including an incentive?
- ▶ Does Council need to approve the incentive agreement?
- ▶ How and when would I receive incentive money?
- ▶ How do I qualify for an incentive?
- ▶ How long would my contract be with the City?
- ▶ How much can I get?
- ▶ If I'm not quite ready to apply for an incentive, how do I learn more about the program and if my project is a good fit?
- ▶ Is my business information public?
- ▶ I'm ready to apply, how do I submit an application for a business expansion incentive?
- ▶ What if I successfully protest my property taxes? Does my incentive amount change?
- ▶ Where can I find definitions for incentive program terms?

Approval Process



Approval Process



- ✓ Legal Review
- ✓ Executive Review
- ✓ Public Official Briefings

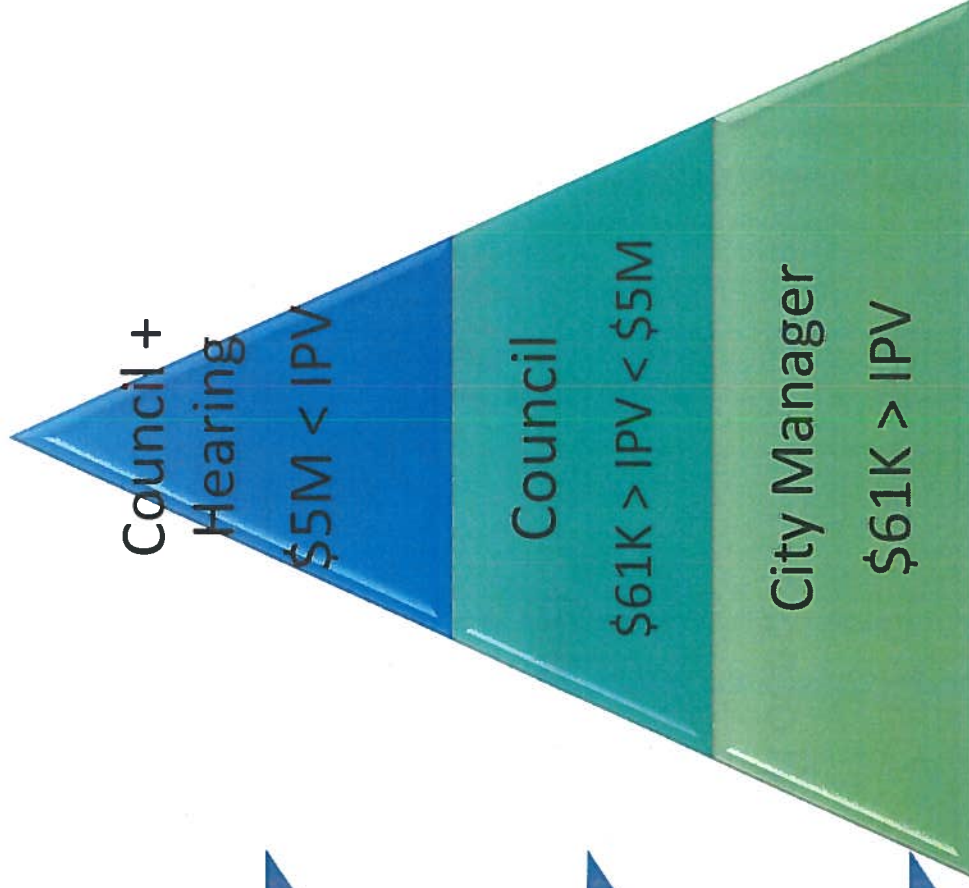


CITY OF AUSTIN



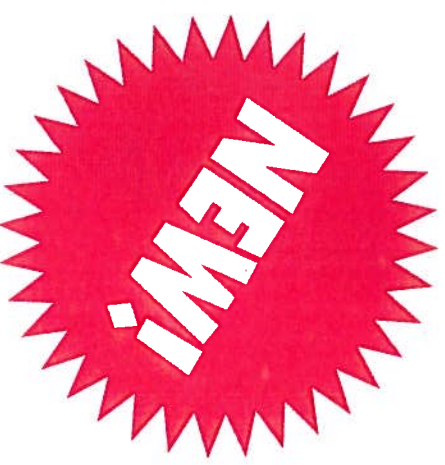
GLOBAL BUSINESS EXPANSION

Approval Process

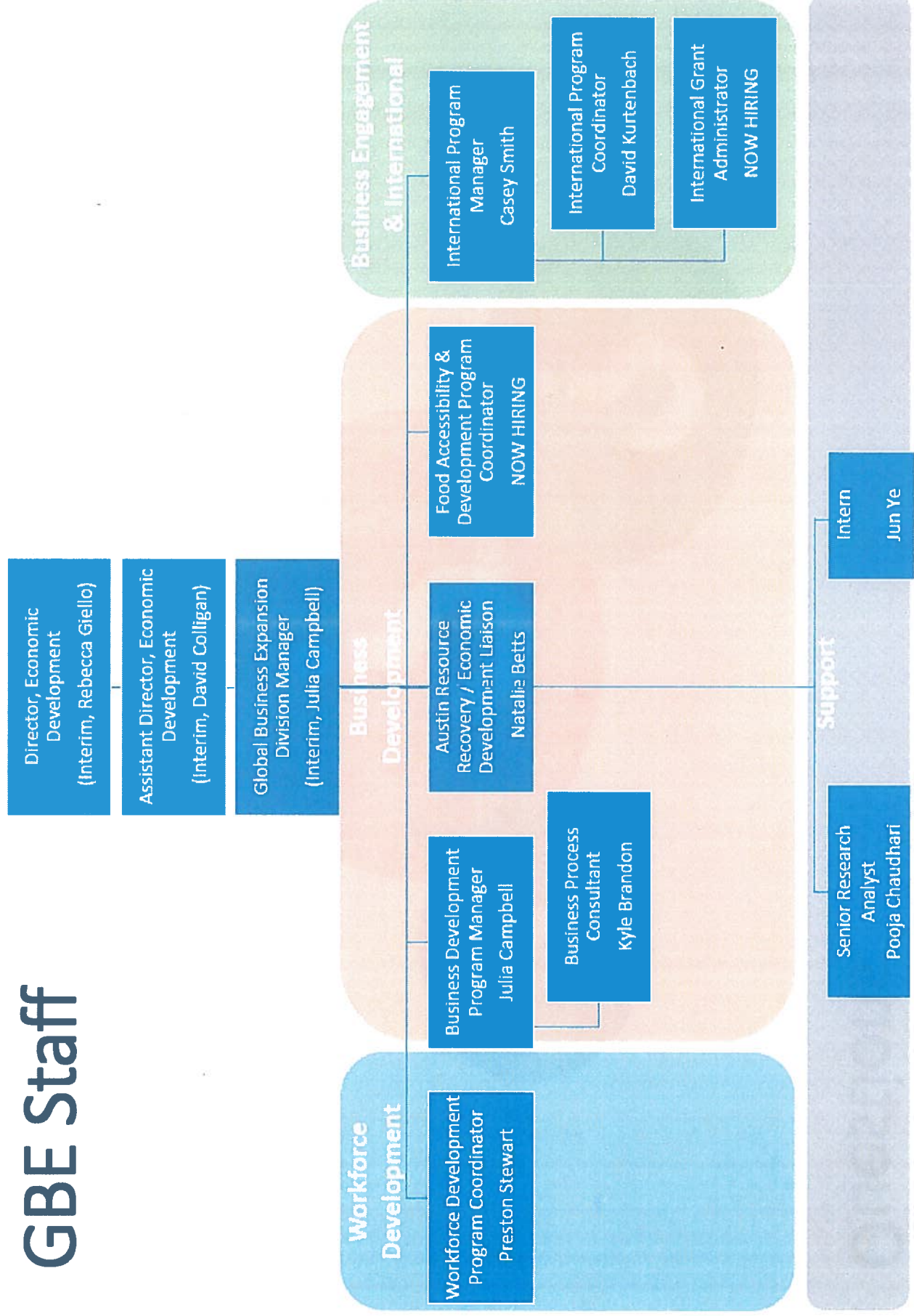


New Incentive Approach

- Business Expansion Incentive is just ONE of many new Chapter 380 programs in the works (Location Enhancement, Small Biz Loan, Childcare, etc.)
- Annual Assessment (September – October)
- 5-Year Sunset (all programs)
- “High Impact” Projects
- Negative-Neutral-Positive Revenue Impact
- SD 2023 Metrics



GBE Staff



Questions



CITY OF AUSTIN



GLOBAL BUSINESS EXPANSION



Economic Prosperity Commission Recommendation

Recommendation Number: (20180620-004b) Economic Prosperity Commission Recommendation

WHEREAS the mission of the Economic Prosperity Commission is to advise the City of Austin Council on matters of construction and job creation, and the development and growth of cooperative businesses will induce the creation of living wage sustainable jobs in Austin;

WHEREAS "Economic Opportunity and Affordability" is designated a Strategic Outcome for the City of Austin with the identified Priority Indicator of "improving skills and capability of our community workforce" for the City of Austin;

WHEREAS the Council directed the City of Austin's Economic Development Department to send proposals to the Economic Prosperity Commission for input and consideration;

WHEREAS the Economic Development Department has undertaken the task of drafting new guiding principles and a chapter 380 policy framework.

NOW, THEREFORE, BE IT RESOLVED, the City of Austin's Economic Prosperity Commission recommends that the City of Austin:

- Approve a Resolution supporting the May 2018 New Economic Development Policy document, including the Economic Development Guiding Principles, Chapter 380 Policy Framework, Business Expansion Program Guidelines, and further Location-Based program development;
- Dedicate resources to explore the feasibility to establish a singular external Economic Development Entity;
- Dedicate resources to develop policy for real estate acquisition and disposition of city-owned resources.

Yea: 6 (M. Bhargava; K. Haverlah; R. Rondero de Mosier; M. Ybarra; A. Noel; H. Lackey)

Nay: 0

Abstain: 0

Absent: 3 (O. Segura; H. Frankel; K. Opp)

Chair

R. M. Lewis



Economic Prosperity Commission Recommendation

Recommendation Number: (20180620-003c) Economic Prosperity Commission Budget
Recommendations.

WHEREAS the mission of the Economic Prosperity Commission is to advise the City of Austin Council on matters of construction and job creation, and the development and growth of cooperative businesses will induce the creation of living wage sustainable jobs in Austin;

WHEREAS "Economic Opportunity and Affordability" is designated a Strategic Outcome for the City of Austin with the identified Priority Indicator of "improving skills and capability of our community workforce" for the City of Austin;

WHEREAS the Economic Prosperity Commission recommended on 11/15/17 that the "City of Austin support the Master Community Workforce Plan and devote all necessary resources for implementation by: (1) Adopting the Workforce Plan; (2) Devoting resources to maximize private sector financial commitments; (3) Leveraging existing relationships with stakeholders in their respective districts to encourage participation in the Workforce Plan; (4) Further supporting the Workforce Plan as needed by ensuring that all financial and operational needs are met; and, (5) Promoting community awareness of the Workforce Plan as a part of existing municipal and district communication plans.;

WHEREAS in the FY 2019 budget request, the Economic Development Department has prioritized the need to incentivize programs that yield benefits to the community beyond the local tax base, including providing jobs for "Hard-to-employ" and/or "economically disadvantaged" individuals;

NOW, THEREFORE, BE IT RESOLVED, the City of Austin's Economic Prosperity Commission recommends the City of Austin include in its Fiscal Year 2018-2019 budget:

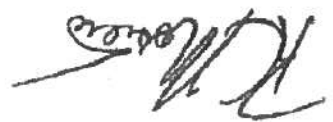
- Reallocate the increase to the Economic Development budget of \$319,200 from FY 2017-18 for workforce development contracts and allocated that money to invest in the Master Community Workforce Plan.

Yea: 6 (M. Bhargava; K. Haverlah; R. Rondero de Mosier; M. Ybarra; A. Noel; H. Lackey)

Nay: 0

Abstain: 0

Absent: 3 (O. Segura; H. Frankel; K. Opp)

A handwritten signature in black ink, appearing to read "K. Opp", written in a cursive style.

Chair



Economic Prosperity Commission Recommendation

Recommendation Number: (20170719-003C) Economic Prosperity Commission Multi Ethnic Chamber Alliance Recommendation.

WHEREAS the City of Austin's Economic Prosperity Commission's purpose is to advise the City Council on matters related to construction and job creation;

WHEREAS the Austin City Code requires the Economic Prosperity Commission to include representation of trade and business associations and chambers of commerce;

WHEREAS the City of Austin's Economic Development Office manages the contracts with the City's Multi Ethnic Chamber Alliance ("MECA") Chambers of Commerce;

WHEREAS the MECA Chambers of Commerce contribute to the economic prosperity of our city;

WHEREAS concerns have been raised regarding inequity and the absence of a transparent methodology used to set MECA Chamber of Commerce budgets;

WHEREAS the City of Austin should strive for fair and transparent distribution of resources amongst the City's MECA Chambers of Commerce for equal work;

NOW, THEREFORE, BE IT RESOLVED, the City of Austin's Economic Prosperity Commission recommends the Austin City Council direct the Economic Development Department to:

- Develop a MECA Chamber of Commerce budgeting methodology that is data driven, transparent, fair and impartial
- Publish said budgeting methodology
- Review the contracts with the MECA Chambers of Commerce, as needed, to ensure they conform with said budgeting methodology

Yes: 6

No: 0

Abstained: 1


Chair

