



Recommendation for Action

File #: 19-1974, **Agenda Item #:** 28.

6/20/2019

Posting Language

Authorize execution of a three-year interlocal agreement with Austin Community College for the ACC Fashion Incubator in an amount not to exceed \$55,000 in yearly equipment maintenance, for a total agreement amount not to exceed \$165,000.

Lead Department

Economic Development.

Fiscal Note

\$55,000 is available in the FY18-19 Operating Budget. The remaining \$110,000 in funding is contingent on availability in FY19-20 and FY20-21 Operating Budgets.

Prior Council Action:

On September 22, 2016, council authorized negotiation and executive of a 3-year interlocal agreement with Austin Community College for equipment maintenance and buildout of up to 7,500 square feet of facility space and small business services for a fashion incubator.

For More Information:

Rebecca Giello, Interim Director, Economic Development Department, 512-974-3045.

Additional Backup Information:

This agreement will continue the City's partnership with Austin Community College for the Fashion Incubator, which officially opened April 30th. The 7,500 sq. ft. facility at Austin Community College's Highland Mall Campus includes \$13 million in advanced manufacturing equipment donated by Gerber Technologies, and the City's \$55,000 annual contribution pays for the maintenance of this equipment.

The Fashion Incubator supports Strategic Direction 2023's Economic Opportunity and Affordability strategic outcome by creating middle-skill jobs that do not require a four-year degree. The specific strategies and metrics supported are as follows:

Strategies:

- Influence the supply of jobs to support availability of and access to middle-skill jobs and expansion of jobs/employers to benefit communities experiencing high unemployment or lacking access to jobs.
- Assess outcomes of our programs that support entrepreneurship and designated small, minority-owned, women-owned and disadvantaged businesses and optimize for participant success.

Metrics:

- Percentage unemployment rate
- Number of small businesses per capita
- Number of small businesses supported by City of Austin programs
- Number and percentage of residents living below the poverty level (poverty rate)
- Distribution of household income
- Median family income

-
- Ratio of residents whose income is less than 60 percent median family income (MFI) residing in the City of Austin to residents whose income is less than 60 percent MFI residing in the Greater Austin Metropolitan Statistical Area.
 - Number and percentage of people who successfully complete Workforce Development training (goal to have data on number and percentage who obtain employment)
 - Number and percentage of residents who are working and earning less than 200 percent of the federal poverty level
 - Number of persons placed out of poverty into middle-skill jobs

Council Resolution 20160922-031 approved the first 3-year Fashion Incubator partnership, which resulted from Council Resolution 20140807-111 directing the City Manager to study the economic impact and potential for future growth of the fashion industry in Austin. The resulting study reported the following:

- The fashion industry contributed 1,300 jobs and \$86 million to Austin's economy in 2013
- Opportunities exist to create good-paying fashion manufacturing jobs for low-to middle-skill workers in Austin
- Full-time fashion designers in Austin make an average salary between \$30,712 and \$65,023 - well above a living wage for the region
- Austin's status as a premier city for arts and music gives it the ability to carve out its place in the global fashion market

In addition to the study's findings, local fashion businesses report facing challenges finding employees with the technical skills to run pieces of complex equipment that cut fabric and make clothing. One local fashion business owner stated that even though industry jobs pay \$25-\$40 an hour to workers with the requisite skills, it is still difficult to find people prepared to do the "dirty, sweaty stuff" that can turn a fashion idea into reality. The Fashion Incubator will help business owners find employees while simultaneously arming students with skills to quickly enter a growing industry.

Austin Community College operates the incubator and provides classes towards a Fashion Certification to 30-50 students per year, providing them with the skills necessary to work in the fashion industry in Austin. Austin Community College offers an associate degree program in fashion marketing, and a new associate degree program in fashion design will be offered beginning with the Fall 2019 semester.

The Fashion Incubator is also available to private companies that require certain specialized equipment to produce product runs of their designs. The City provides on-site business counseling to certificate program students interested in starting their own business, as well as to private companies that use the Gerber equipment.