

22 under the aegis of an existing nonprofit organization or entity such as an economic
23 development corporation or a local government corporation; and

24 **WHEREAS**, the South Central Waterfront Vision Framework Plan called for the
25 creation of an economic development corporation to assist the execution of both public
26 and private projects within the South Central Waterfront District and to facilitate and
27 advocate for necessary public approvals, champion city-building public infrastructure to
28 support development, and package a range of incentives and funding tools necessary to
29 achieve the aspirations of the South Central Waterfront Vision; and

30 **WHEREAS**, the May 29, 2019, response to Resolution No. 20170216-040
31 concluded that an entity such as an economic development corporation could “operate to
32 complement the City’s vision and programming for inclusive economic development
33 through the formation of public-private partnerships and facilitation of resulting projects
34 that generate additional resources or revenues for the City”; and

35 **WHEREAS**, an economic development corporation also has the ability to manage
36 and coordinate a wide range of development programs and funding streams individually
37 or in concert and has the organizational flexibility to deploy targeted activities that
38 further overall City goals; and

39 **WHEREAS**, although Texas’s Development Corporation Act of 1979 identifies
40 two types of economic development corporations, the statute limits cities with a
41 population greater than 500,000 to Type B Economic Development Corporations; and

42 **WHEREAS**, Type B Economic Development Corporations are typically funded
43 by sales and use taxes and must have a revenue stream to issue bonds or obtain loans to
44 fund projects; and

45 **WHEREAS**, the Texas Tax Code limits the combined rate of all sales and use
46 taxes to 8.25% within the City, leaving no additional sales or use tax revenue for the
47 City to allocate to an economic development corporation; and

48 **WHEREAS**, revenue to support an economic development corporation would
49 need to derive from other sources, such as grants, loans, bonds, interest on loans, user
50 and admission fees, and real estate profits; and

51 **WHEREAS**, in 2019 the Texas Legislature passed Senate Bill 2, which will go
52 into effect in 2020, that lowers the tax rate some taxing units can adopt without voter
53 approval and requiring a mandatory election to go above the lowered rate; and

54 **WHEREAS**, municipalities impacted by this bill will need to find innovative ways
55 to address potential revenue shortfalls, and an economic development corporation could
56 provide one option for the City to generate revenues for projects authorized by the
57 Development Corporation Act of 1979, as amended, such as affordable housing,
58 redevelopment, revitalization, and other priority projects and goals of the City; and;

59 **NOW, THEREFORE:**

60 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

61 City Council directs the City Manager to initiate the necessary processes to authorize the
62 creation of an economic development entity, identify potential funding sources, solicit
63 stakeholder feedback on the entity's governance and operational structure, and, if
64 necessary, contract with a subject matter expert to develop an implementation plan.

65 **BE IT FURTHER RESOLVED:**

66 City Council directs the City Manager to structure the entity broadly enough to manage a
67 range of projects, which could include affordable housing development, public-private
68 partnerships with private-led development such as the South Central Waterfront that
69 could provide community benefits, and shall include a Cultural Trust to support
70 acquisition and preservation of creative space.

71 **BE IT FURTHER RESOLVED:**

72 City Council directs the City Manager to bring forward a recommendation for funding
73 needs to implement this direction for consideration during the Fiscal Year 2020 budget
74 deliberations.

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77 **ADOPTED:** _____, 2019

ATTEST: _____

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Jannette S. Goodall
City Clerk