



MEMORANDUM

TO: Mayor and Council Members

FROM: Sylvania Holt-Rabb, Director
Economic Development Department *SHR*

DATE: July 15, 2022

SUBJECT: ACC Fashion Incubator Interlocal Agreement

The purpose of this memo is to provide information on the proposed inter-local agreement with Austin Community College (ACC) to support the Fashion Incubator. The item is currently scheduled for the July 28th Council agenda.

ACC's 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 Fashion Incubator originated from Council Resolution [20140807-111](#) directing the City Manager to study the fashion industry's economic impact and potential for future growth in Austin. The resulting study "[The Fashion and Apparel Industries in Austin Current Impact and Opportunities: Spring 2015](#)" prepared by TXP, Inc found that opportunities exist to create good-paying jobs in fashion design and manufacturing, and that Austin's status as a premier arts and music city facilitate its entry into the global fashion market.

The Fashion Incubator utilizes \$13 million in fashion manufacturing equipment donated by Gerber Technologies, and the City's annual \$55,000 contribution pays for the equipment's maintenance agreement. The Fashion Incubator's achievements from the 2021-2022 cohort participants include the following:

- The Fashion Incubator used a grant from Macy's to create *The Future of Fashion*, a 7-week virtual course that is the precursor to the Designer-in-Residence program described below. The course highlights product design, development, and production, as well as capital, marketing, and sales. Macy's has also provided extensive support on sales opportunities for local designers.
- The Designer-in-Residence Program provides 12 months of intensive curriculum covering business basics, tech-enabled fashion business models, product concept to commercialization, and marketing. Participants receive 12 additional months of incubation focused on implementation, engagement with the technology, and sales.

- The Fashion Incubator partnered with Economic Development Department's (EDD) ATX+EGYPT program funded by the U.S. Embassy in Cairo, to provide a 16-week accelerator to 16 brands and supported the development of key partnerships for manufacturing, e-commerce, direct to consumer sales, and an opportunity to sell products in high traffic retail areas. The Fashion Incubator also supported two delegation trips between Austin and Cairo. ATX+EGYPT generated 7 times the revenue in sales compared to similar programs in the ATX+ program.
- In partnership with EDD, Greater Austin Chamber of Commerce, and the State of Texas, the Fashion Incubator has been engaged in ongoing support for incoming brands and fashion businesses that are considering Austin as a viable space to develop.
- *NefrFreshr*, a participant in the Designer-in-Residence Program and ATX+EGYPT accelerator, was selected among 600 brands nationwide to participate in Macy's Fashion Incubator. Only 26 brands were chosen.
- *Loka.Haus* participated in New York Fashion Week 2022 to represent the ACC Fashion Incubator in a competition among other renowned fashion design programs.
- *G180 Swimwear* has designed a full swimwear line created for the BIPOC community and has developed a provisionally patented flotation device to accompany the swimwear line in the marketplace. Inspiration for this device came from public health statistics concerning the disproportionate number of drowning deaths in people of color.

Based on these achievements and the Fashion Incubator's potential to create good paying jobs for low- and mid-skill workers, EDD recommends that the ACC Fashion Incubator interlocal agreement be extended for 3 additional years.

Please contact me at 512-974-3131 or Sylvia.Holt-Rabb@austintexas.gov if additional information is required.

cc: Spencer Cronk, City Manager
Anne Morgan, Acting City Manager
J. Rodney Gonzales, Assistant City Manager
Susana Carbajal, Deputy Director, Economic Development Department
Julia Campbell, Global Business Expansion Division Manager, Economic Development Department
Xavier Zarate, Small Business Division Manager, Economic Development Department