



Recommendation for Action

File #: 22-2370, Agenda Item #: 7.

7/28/2022

Posting Language

Authorize execution of an interlocal agreement with Austin Community College (ACC) for the ACC Fashion Incubator for a three-year term for a total agreement amount not to exceed \$165,000.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of \$55,000 is available in the Fiscal Year 2021-2022 Operating Budget of Economic Development. Funding for the remaining contract term is contingent upon available funding in future budgets.

Prior Council Action:

September 22, 2016 - Council approved the first three-year Fashion Incubator partnership.

June 20, 2019 - Council approved extending the agreement for another three-year term.

For More Information:

Sylvia Holt-Rabb, Director, Economic Development Department, 512-974-3131, and Blake Smith, 512-974-7618.

Additional Backup Information:

This agreement will continue the City's partnership with ACC for the Fashion Incubator. The 7,500 sq. ft. facility at ACC's Highland Mall Campus includes \$13 million in advanced manufacturing equipment donated by Gerber Technologies. 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 Fashion Incubator originated from Council Resolution No. 20140807-111, which directed the City Manager to study the economic impact and potential for future growth of the fashion industry in Austin. The resulting 2015 study found that: 1. Opportunities exist to create well-paying fashion manufacturing jobs for low- and middle-skill workers in Austin; 2. Full-time fashion designers in Austin make an average salary well above a living wage for the region; and 3. 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.

The Fashion Incubator currently has 21 diverse brands under advisement over two programs. It weathered the pandemic by introducing virtual education and incubation. Incubated brands receive 12 months of fashion technology, brand development, and business education delivered by industry professionals, and have the option to continue in the studios for up to an additional 12 months. The Fashion Incubator is also available to companies that require specialized equipment to make product runs of their designs. The Economic Development Department (EDD) will provide business counseling to incubated brands and to the companies that use the Gerber equipment.

In addition, EDD and the ACC Fashion Incubator have partnered on two important projects during the 2019-2022 term of the current agreement:

- ATX+EGYPT Fashion Entrepreneurship Program, which is funded by a grant from the U.S. Embassy in Cairo. The program covers a virtual educational exchange and a travel exchange, which introduced 6 Austin designers into Egypt's fashion market and 10 Egyptian designers into Austin's fashion market.
- An industry-wide survey that captured the growth of the local fashion industry. This survey was the first since the 2015 study that identified fashion as a growth industry in the region.

Strategic Outcome(s):

Economic Opportunity and Affordability.