



MEMORANDUM

To: Mayor and City Council

Through: Susana Carbajal, Assistant City Manager *SC*
Dr. Eric A. Johnson, Assistant City Manager *EAF*

From: Edward Campos, Director, Austin Small and Minority Business Resources; *EC*
Mac Cummins, Director, Austin Economic Development *MC*

Date: August 25, 2026

Subject: **Small Business Strong Initiative Outcome and Staff Recommendations**

The purpose of this memorandum is to:

- share community feedback gathered from the [Small Business Strong initiative](#),
- outline staff recommendations in response to the feedback, and
- highlight staff's next steps to further empower small businesses to thrive in Austin's economy.

Overview of Small Business Strong Initiative

In January 2026, Austin Small and Minority Business Resources (ASMBR), in partnership with Austin Economic Development (AED), and Austin Financial Services-Central Procurement (AFS) launched the Small Business Strong initiative to offer the small business community a comprehensive overview of the City's current resources for small businesses, provide opportunities for feedback on these resources, and identify potential gaps of service.

This overview was presented to eight stakeholder organizations and 14 small businesses at roundtable discussions. These meetings, held from February through April 2026, offered polls at virtual sessions, Q&A segments, and opportunities to gather feedback on potential enhancements to the City's small business offerings. Stakeholders were also provided with information on how their members can access the SpeakUp Austin website created to solicit feedback from the small business community. Overall, staff received 3,396 views, 90 comments, and 78 unique survey participants.

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Feedback Analysis

Staff analyzed the feedback received during the roundtable discussions and submitted through the SpeakUp Austin website and evaluated what areas are working well and what areas need improvement.

The following key themes were identified:

- **Awareness of Programs and Services:** Increase awareness of programs and services for local, small, and minority-owned businesses.
- **Access to Capital:** Provide resources which lead to access to capital.
- **Local and Small Businesses:** Prioritize local, small, and minority-owned businesses on City procurement opportunities.
- **Barriers and Impacts:** Evaluate policies, procedures, and fees that create barriers for local, small, and minority-owned businesses.
- **Create Connections:** Provide opportunities for small businesses to connect with prime contractors and City representatives.
- **Supportive Services:** Continue supportive services, such as workshops, technical assistance, one-on-one coaching and networking events.

Recommendations and Next Steps

Based on the community feedback analysis, staff developed six recommendations along with next steps to begin implementation.

Recommendation 1: Increase marketing and communications about available City resources to small businesses.

Next Step: Outreach and communications staff from ASMBR, AFS, and AED will collaborate and leverage resources to amplify each other's programs and services through cross-departmental promotions. The three departments partnered together to host the annual [Small Business Connections Conference](#) on August 19, 2026 with over 1,300 registrants representing entrepreneurs, startups, and small businesses. Additionally, the departments will continue to collaborate and offer monthly Small Business Office Hours held in various locations throughout the City. The marketing and communications teams from the three departments are working with Austin Communications and Engagement to create a framework for a comprehensive marketing approach intended to outline new strategies to increase awareness about available resources to small businesses with a targeted launch in the Fall of 2026.

Recommendation 2: Prioritize local and small businesses in the City's procurement process.

Next Steps: Staff identified four strategies that can address this recommendation and further support small businesses in the City's procurement process.

1. Staff will implement a Small Business Enterprise Program (SBE) to include certification and contract compliance. In Spring 2026, ASMBR's Certification Division initiated and completed system updates to the Certification and Compliance System (CCS) to incorporate a Small Business Enterprise certification beyond the construction industry. ASMBR is in the process of finalizing administrative processes

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to pilot the SBE Program to include certification, goal setting and compliance for all industries. Staff plan to implement the program this year, evaluate the program for a two-year period and will bring the updated program to City Council for consideration to formally adopt the SBE program. AFS Central Procurement has recently expanded its Small Business Procurement Program to include certified small business subcontractors. In addition to the existing preference discounts or points awarded to offerors that qualify as small businesses, the program now provides partial preference discounts or points to offerors (Primes) who utilize certified small business subcontractors. AFS will include ASMBR's Small Business Enterprise certification as an approved certification for small businesses.

2. The small business community expressed a need for a Mentor Protégé Program, increased partnerships with local business incubators, and “*Meet The Buyer/Prime*” opportunities. As a result, ASMBR has developed a program framework for a Mentor Protégé Program and has secured prime contractors interested in serving as mentors. Program promotions will launch in Fiscal Year 2027. In addition, staff will explore strategies to increase City partnerships that increase opportunities for small business incubators, such as adding options in Chapter 380 Agreements and potential opportunities with City-owned properties to include small business pop-up opportunities to increase exposure at City events, parks, libraries, or other locations.
3. Staff are exploring other procurement approaches to benefit small businesses. For example, staff is identifying ways to expand opportunities and increase the City's spending with small businesses by promoting the use of small businesses on indefinite quantity contracts and increasing awareness of Small Businesses Enterprises to City departments for informal purchases.
4. Staff will promote the City's purchasing cooperative and encourage the use of the City's Small Business Enterprise certification to other local governments, which will increase the utilization of small businesses, empowering them to thrive in Austin's economy.

Recommendation 3: Continue to provide technical assistance, supportive services, and networking events to grow and expand small business opportunities.

Next Steps: ASMBR, AED, and AFS are committed to continue providing programs and services to assist the small business community to thrive in Austin. This includes curating program offerings that are tailored to their needs. ASMBR and AED routinely survey their customers, such as certified firms, local small businesses, and participants of programs/services to identify areas to build on existing and/or modify program offerings. Staff will continue and expand the number of workshops focused on marketing strategies and the City's permitting and development processes in response to feedback received from stakeholders.

AED is preparing to execute an agreement with the University of Texas at Austin's McCombs School of Business – Texas Entrepreneurship to launch a Small Business Needs Assessment in 2027. The purpose of the Needs Assessment is to further understand resource and program

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needs to best support the small businesses and entrepreneur ecosystem. The Needs Assessment Report is anticipated to be completed by Fall 2027.

Recommendation 4: Expand strategies providing small businesses with more access to capital, financial lending/loans, and grant funding.

Next Steps: In February 2026, AED launched the Kiva Microloans program which provides community-funded microloans to businesses up to \$15,000 with a 0% interest rate and no fees. Staff is currently marketing the program to small businesses and entrepreneurs. AED will seek City Council approval in the Fall 2026 to create two, new access to capital programs including a Loan Buydown Program and relaunch the HUD Section 108 lending program through a partnership. If the City Council is supportive of staff's recommendation, AED anticipates both programs will be implemented and operational in early 2027. These new programs create a continuum of service for small businesses as they grow from a micro-business to a larger scale operation with greater hiring needs.

As an additional avenue to offer insight into lending options, ASMBR will host a capital resources fair in early 2027 featuring a variety of lending organizations to meet with the small business community. In addition, staff is exploring expanding existing loan and financial enhancement strategies such as creating partnerships with lending institutions for quicker access to loan options, a Contract Loan Program, and Joint Checks which has been shown to support small businesses with payments related to construction projects.

Recommendation 5: Evaluate incentives for small businesses such as tax abatements, affordable parking, rebates, expedited permitting (lessen bureaucratic hurdles), review permitting fees, tenant buildout improvement assistance, and façade improvements.

Next Step: AED and Austin Development Services have collaborated with several city departments to review the utilization of fee waivers to support small businesses, specifically childcare facilities. On August 12, 2026, City Council adopted Resolution No. 20260212-016 directing the City Manager to further explore the use of fee waivers to support microbusinesses. Staff will conduct this review and develop recommendations as part of the Economic Development Roadmap and will bring forward recommendations in November 2026.

Recommendation 6: Develop a one-stop shop (Small Business Assistance Center or HUB) for a centralized location for small business to access resources and assistance.

Next Step: The Small Business Strong initiative reaffirmed the need for a Small Business Assistance Center for the small business community which will serve as a one-stop shop providing essential support to various small businesses and entrepreneurs seeking access to City resources and assistance. Implementation of this strategy is long-term as it will require planning, funds, development of communications for external and internal stakeholders, and multi-departmental coordination to ensure staffing and services are situated in a centralized location.

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Conclusion

With support from the City Manager's Office, staff has begun working on the six recommendations and are motivated to continue collaborating among various City departments with the goal of providing essential services to the small business community. Staff will brief the City Council's Economic Opportunity Committee to outline recommendations at their next meeting in Fall 2026. Staff greatly appreciates the opportunity to partner on this important initiative to strengthen City services and deliver premier customized service to Austin's small business community.

Should you have any questions or concerns, please contact Dr. Tamela Saldaña, Assistant Director of ASMBR at Tamela.Saldana@austintexas.gov, or Edward Campos, Director, ASMBR at Edward.Campos@austintexas.gov, or Mac Cummins, Director, Austin Economic Development at mac.cummins@austintexas.gov.

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