Posting: Approve a resolution directing the City manager to develop and implement a targeted, commercial space, buy-down rental assistance program.

RESOLUTION NO.

WHEREAS, Austin's vibrance and economic resilience is strengthened by a diverse mix of businesses that reflect the character, culture, and entrepreneurial spirit of Austin; and

WHEREAS, locally owned small businesses contribute to Austin's economic vitality, create jobs, and bring unique products, services, and experiences to Austin's commercial districts; and

WHEREAS, Austin Economic Development established a three-year Economic Development Roadmap to be utilized as a framework to ensure the City leverages the abilities to grow its tax base and remain competitive; and

WHEREAS, the cost of commercial space in Austin can present a significant barrier to entry for small and emerging businesses, particularly businesses that may not have access to the capital or resources available to larger and more established enterprises; and

WHEREAS, supporting the establishment of locally owned businesses in Austin can help activate vacant or underutilized commercial spaces, increase foot traffic, and contribute to a unique and welcoming environment; and

WHEREAS, businesses that offer distinctive concepts and experiences that complement Austin's culture and identity can enhance the diversity of its commercial offerings while creating opportunities to attract residents, workers and visitors; and

WHEREAS, strategic economic development investments can leverage limited public resources to reduce barriers to entry for qualified businesses while

encouraging private investment and long-term occupancy of commercial spaces; and

WHEREAS, the City has an opportunity to develop a targeted commercial space assistance program that supports qualified legacy and/or local small businesses seeking to establish or expand their presence; and

WHEREAS, such a program could prioritize businesses that complement existing businesses, introduce new offerings to an area, demonstrate the potential for long-term viability, and contribute to the cultural and economic vibrancy of Austin; and

WHEREAS, a carefully structured program can provide temporary assistance and serve as an investment pipeline for long-term business success, to eligible businesses while maintaining appropriate safeguards, performance measures, and accountability for the use of City resources; **NOW, THEREFORE,**

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

The City Manager is directed to work with Austin Economic Development to develop and implement a targeted commercial space buy-down rental assistance program to support eligible local and or/legacy small businesses in establishing or expanding operations, subject to available funding.

BE IT FURTHER RESOLVED

The program should prioritize businesses that:

1. Contribute to Austin's cultural identity and economic diversity;
2. Demonstrate financial viability and a reasonable likelihood of sustaining operations following the conclusion of City assistance;

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3. Demonstrate the potential to contribute to corridor activation, including through increased pedestrian activity, visitation, or extended hours of activity;
4. Provide a unique or complementary offering that expands the diversity of goods, services, food, entertainment, or cultural experiences;
5. Complement, rather than directly compete with, existing businesses in the immediate surrounding area; and,
6. Are locally owned and operated, with preference for established legacy and/or local small businesses.

BE IT FURTHER RESOLVED

The City Manager is directed to establish appropriate eligibility criteria that reflect, at a minimum, the applicable General Eligibility criteria of existing Place-Based Enhancement Programs, as well as consideration or~~,~~ target sectors, funding limits, type and duration of assistance, performance requirements, and accountability measures to ensure that the program achieves measurable economic development and corridor activation outcomes.

BE IT FURTHER RESOLVED

The City Manager is directed to conduct stakeholder engagement, in alignment with Austin Economic Development's community engagement activities for the development of the new Economic Development Roadmap, with Austin business stakeholders and review complementary programming, including but not limited to the Downtown Austin Alliance's Downtown Space Activation program and efforts to preserve and enhance existing cultural districts.

BE IT FURTHER RESOLVED

The City Manager is directed to identify available funding sources and/or financing tools and return to Council with any recommendations for

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appropriations, programmatic changes, tenant improvement allowances, or other Council action necessary to establish the program.

BE IT FURTHER RESOLVED

The City Manager is directed to identify and select an eligible business to participate in the initial implementation of the program as a proof of concept, consistent with the eligibility criteria and priorities established herein, for the purpose of evaluating the program structure, assistance model, and anticipated economic development and corridor activation outcomes.

BE IT FURTHER RESOLVED

The City Manager is directed to establish a timeline, key milestones, performance goals, and a three-year pro forma budget and financial framework for the initial implementation and potential broader rollout of the program, including anticipated funding needs, sources of funding, program costs, performance measures, and criteria for evaluating the program's effectiveness and potential continuation or expansion.

ADOPTED: _____, 2026 **ATTEST:** _____

Erika Brady
City Clerk

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