Austin

MEMORANDUM

To: Mayor and City Council

From: Dr. Eric Anthony Johnson, Assistant City Manager

Date: November 18, 2026

Subject: **Strategic Overview - Austin's 36-Month Economic Development Roadmap**

As Austin continues to experience rapid evolution, maintaining our core identity, environmental assets, and community values requires a proactive shift toward a structured economic readiness framework. The purpose of this memorandum is to provide a strategic overview of the attached **Economic Development Roadmap** presentation, which will be presented at the Economic Opportunity Committee on Wednesday, November 18, 2026. This strategy is framed around the City's core operational challenges, designed for public transparency, and details *why* the City must act now to safeguard Austin's long-term financial stability and high quality of life.

There is a profound sense of opportunity and excitement in the work ahead. By aligning municipal systems, building fiscal sustainability, empowering Austin's workforce, and leaning into bold, innovative economic development, Austin has an incredible chance to shape its future, turning modern challenges into historic steppingstones for all Austinites.

SYSTEM BUILDING & FISCAL SUSTAINABILITY

The rationale for the 36-month roadmap is rooted in two interconnected challenges:

Part One: Establishing and Refining Systems and Building Blocks

- Austin currently lacks the fully aligned institutional baseline elements to proactively drive economic development, such as a modern economic development policy, streamlined permitting pathways, innovative resource systems, active workforce coordination, and proactive business retention, whether large or small. These tools are needed to effectively navigate modern economic shifts.
- Without a coordinated 36-month Economic Development Roadmap Strategy encompassing the 47 foundational building blocks, the City remains vulnerable to fragmented internal coordination, administrative bottlenecks, and slow review velocities that hinder both small business growth and major commercial investments.

Part Two: Fiscal Sustainability and Revenue Constraints

- Under current state law, the City operates under a strict 3.5% property tax revenue growth cap. Without expanding the tax base, the result is continual fiscal challenges.
- Historically, Austin averages roughly $3.2 billion and peak years of $5.2 billion in annual new construction development property value. Aiming strictly for the historical average does not structurally mitigate a constrained resource environment, while permanent reliance on peak $5.2 billion cycles leaves the City vulnerable to macroeconomic shifts, high interest rates, and commercial real estate slowdowns.
- To fully maximize the 3.5% revenue cap without the exploration of raising tax rates on households, Austin must target between **$4.2 billion to $4.5 billion** in newly reviewed and permitted real estate development value annually.

THE STRATEGY: A 36-MONTH ECONOMIC DEVELOPMENT ROADMAP

To resolve these operational and fiscal challenges, the City is utilizing a comprehensive 36-month Economic Development Roadmap Strategy consisting of **47 foundational building blocks** grouped into five strategic pillars:

- **Economic Development Building Blocks (15 Elements):** Refining foundational elements, workforce alignment via the Infrastructure Academy and a six-institution higher education consortium, and re-establishing Austin's global brand for private investment.
- **New Initiatives (11 Elements):** Deploying emerging opportunities, such as a Solopreneur Academy, Kiva 0% microloans, revolving loan fund, commercial space buy-down program and non-tech business incubators to support small businesses and micro-entrepreneurs.
- **Catalytic Investments (8 Elements):** Leveraging City-owned real estate assets, advancing air service strategy (aerotropolis planning), updating *Imagine Austin*, building a catalytic investments pipeline, and investing in sales-tax-generating destination assets such as Waterloo Greenway Phase III and the Red River Cultural District.
- **Regulatory / Policy Modernization (7 Elements):** Enacting a modern economic development policy, implementing small business express permitting lanes, identifying and removing small business regulatory barriers, utilizing AI tools and third-party reviewers to dramatically accelerate plan review turnaround times, and establishing an economic development Ombudsman.
- **Program Refinement (6 Elements):** Optimizing existing municipal tools, establishing a public-facing Business Investment Dashboard for real-time clawback and performance tracking, and refining regional coordination with Opportunity Austin, Rally Austin, and regional chambers.

GOVERNANCE, ALIGNMENT & PROGRESS REPORTING

To ensure seamless execution, transparency, and accountability across the organization, the rollout of the Roadmap will be supported by ongoing communication and structured oversight:

- **Utilization of high-performance teams** anchored by Austin Economic Development in coordination with other City departments.
- **Economic Opportunity Committee (EOC) Updates:** Regular progress briefings and milestone reviews will be conducted through the City Council's Economic Opportunity Committee to track interval metrics tied to each respective strategic category.

- **Mayor, City Council Office & Staff Coordination:** Ongoing coordination meetings with the Mayor, City Council offices, and departmental staff will ensure alignment of implementation priorities and cross-departmental initiatives.
- **Targeted City Council Briefings:** Dedicated briefings will be provided to the full City Council as necessary to address major project milestones, policy adoptions, and program evaluations.

SUMMARY

We stand at a pivotal moment in Austin's trajectory. By choosing to move toward a foundational building block strategy and locking in a disciplined, structured economic readiness framework, the City has a unique opportunity to transform modern economic shifts into lasting community benefits. This strategy is more than a fiscal safeguard; it is a declaration that Austin will remain an authentic, welcoming, and resilient global city where families thrive, businesses start and scale, and community core values are actively protected for generations to come.

Should you have any questions or concerns, please contact Assistant City Manager Dr. Eric Anthony Johnson at Eric.A.Johnson@austintexas.gov.

cc: T.C. Broadnax, City Manager
Erika Brady, City Clerk
Jason Hadavi, City Auditor
Mary Jane Grubb, Municipal Court Clerk
Judge Sherry Statman, Municipal Court
CMO Executive Team
Department Directors

Attachment: Economic Development Roadmap Presentation

Economic Development Roadmap

Austin

Economic Opportunity Committee
November 18, 2026

Opportunity

Austin

The true measure of a great city is its resilience in the face of disruption. Rather than clinging to the past, enduring urban centers treat change as an invitation to innovate, transforming economic shifts and modern challenges into opportunities.

By embedding readiness and adaptability into their DNA, these cities constantly evolve their policies, spaces, and communities—ensuring they not only weather the storms of change, but continue to thrive as competitive, dynamic, and welcoming places to live and work for generations to come.

Austin’s Economic Foundation

Pillar	Strategic Lead	Key 2026 Drivers
Economic Diversity	**The "Full-Stack" Economy**	Balanced economy of tech, health care, government and higher education, creative sector drives balance.
Human Capital	**#1 Talent Magnet**	Highest millennial/Gen Z concentration (40%) and top-ranked "Best College Town" (UT Austin).
Infrastructure	**Emerging Total Connectivity**	$10B airport expansion (ABIA) and the $4.3B Project Connect light rail system breaking ground.
Market Resilience	**The Sunbelt Leader**	36.4% GDP growth since 2019—the highest in the U.S.—supported by a 3.2% unemployment rate.

Current Competitive Operation Context

Highest Cost Index Among Key Rivals

Austin

104.7

Cost of doing business index (U.S. average = 100)

4.7% above national average; 14.8% above Houston

Demand remains strong, but higher operating costs now test competitiveness.

Source: Moody's North American Cost Review benchmarks (indexed to a **100.0 national average**, where lower scores indicate lower operating costs).

Operating Cost Index

Austin Leads Rivals on Operating Cost

Austin runs 13.6%–14.8% above Dallas and Houston.



Source: Moody's North American Cost Review benchmarks (indexed to a **100.0 national average**, where lower scores indicate lower operating costs).

Why Knowing This Is Important?

- Austin prides itself as a community that values its people, culture, and authenticity. To maintain this valuable narrative, the City is going to have to strengthen its capacity and its ability to maintain it.
- In doing so, maintaining and expanding the tax base and strengthening the City's capacity to pursue economic development is vital in this quest.
- The City is transitioning to an active, structured economic readiness framework to drive the path forward.
- Over the next 36 months, the City is establishing the institutional baseline elements— an economic development (ED) policy, supportive data, and organizational alignment—required to increase Austin's capacity to strengthen its competitive advantage.

What Does This Mean Going Forward?



While the economic foundation of Austin is solid, Austin is navigating challenging times.



Combined, the slowing of growth, suburban siphoning, peer competition along with resource constraints, presents a formidable challenge now and into Austin's future.



Austin must move from a "they will come" approach to an aggressive stance towards economic development (ED) to strengthen the City's competitive advantage.



Austin must accelerate efforts to remove barriers, strengthen capacity, and refine systems to support growing the tax base.

While There Are No Absolutes, Strategy Matters Most

Austin

Navigating Austin's current fiscal landscape—defined by the state-mandated **3.5% property tax revenue cap**, requires an intentional recalibration of the City's development pipeline.

To bridge the gap between constrained traditional property tax yields, the development review engine must operate at a volume and structural scale to support the City of Austin.

Organic Growth

Austin

0%

Required tax rate increase when growing the tax base naturally.

Growing the tax base naturally through increased economic activity funds community needs without raising rates or placing burdens on households.

Setting a Strategic Target to Support Fiscal Stabilization

Austin

$4.2 - $4.5 Billion

in annual new construction development value

The Sweet Spot

$5.2 Billion

At its Peak

$3.2 Billion

Historical Average

Setting a Strategic Target to Support Fiscal Stabilization

Historically, Austin averages roughly **$3.2 billion** in annual new construction development value. Its peak reached **$5.2 billion.** Aiming strictly for the historical average results in fiscal contractions.

Conversely, maintaining a permanent $5.2 billion peak pace is unrealistic and is vulnerable to macroeconomic shifts, high interest rates, and cyclical commercial real estate slowdowns.

- **The Recommended Annual Target: $4.2 billion to $4.5 billion (Sweet Spot**) in newly reviewed and permitted real estate development value.

- **Why This Target Works as a Strategy:**
  - It outpaces the baseline $3.2 billion average by roughly 30% to 40%, injecting enough new value onto the tax rolls to offset the statutory 3.5% revenue growth cap without requiring rate hikes.
  - It captures organic property value appreciation and new construction growth to sustainably support fiscal stability without cannibalizing core municipal operations.

Optimal Project Scale & Typology Mix to Achieve Targets

$100M-$250M	Mid-to-Large Scale Mixed-Use Corridors
$30M-$80M	Scaled Workforce Housing
$300M+	Strategic Mega-Developments Public-Private Partnerships



Optimal Project Scale & Typology Mix to Achieve Targets

To achieve $4.2B–$4.5B annually, the City's review processes should prioritize a balanced mix of project scales.

1. Mid-to-Large Scale Mixed-Use Corridors ($100M – $250M per project)

- **The Sweet Spot:** Focus heavily on transit-corridor and vertical mixed-use (VMU) developments ranging from 150 to 400 units, paired with ground-floor retail or community spaces.
- **Operational Impact:** These projects move through the development review pipeline more predictably than mega-towers, yield high density per acre, and diversify the commercial/residential tax base. Securing roughly **10 to 15** of these projects annually provides a stable baseline of $1.5B to $2.5B in value.

2. Scaled Workforce Housing ($30M – $80M per project)

- **The Typology:** Missing-middle/ infill, workforce housing (such as scalable, repeatable neighborhood concepts).
- **Operational Impact:** Crucial for relieving housing affordability pressures while directly supporting the workforce that powers local non-profits and service sectors.

3. Strategic Mega-Developments / Public-Private Partnerships ($300M+ per project)

- **The Typology:** Master-planned innovation districts, transit-oriented developments (TODs) around Project Connect alignments, and P3 ventures leveraging public land assets.
- **Operational Impact:** Capturing 2 to 3 of these anchors annually provides the heavy lifting needed to cross the $4B threshold. Crucially, these large-scale projects must be paired with density bonuses that explicitly bake in community benefits, physical spaces for non-profits, or dedicated affordable housing units on-site.

Strategic Priorities for the Review Process Over the Next 36 Months

To turn this valuation target into reality under current capacity constraints, the City of Austin's development review processes should pivot toward:

- **Predictability and Speed Over Perfection:** Reducing review turnaround times is equivalent to a direct financial subsidy for developers, maintaining high-value pipelines even in tight credit markets.
- **Incentivized Social Infrastructure Integration:** Aligning expedited review tracks for projects that voluntarily incorporate community benefits, childcare facilities, or permanent supportive housing units into their baseline designs.
- **Systemic Standardization:** Expanding pre-approved building typologies (especially for middle-housing and modular construction) to bypass redundant review cycles entirely.
- **NOTE:** If 100% of the $4.2 to $4.5 billion is unattainable due to market conditions or localized fiscal friction, targeting **90% to 95% ($3.78B to $3.99B) serves as a viable break point level.**

Austin

The Roadmap is more than just increasing the tax base. While that aspect is crucial, the Roadmap is a mitigation strategy with a goal of establishing and refining the critical elements needed to strengthen the City's economic capacity to ensure Austin maintains its competitive advantage.

Austin’s Mitigation Strategy

A Roadmap Readiness Strategy

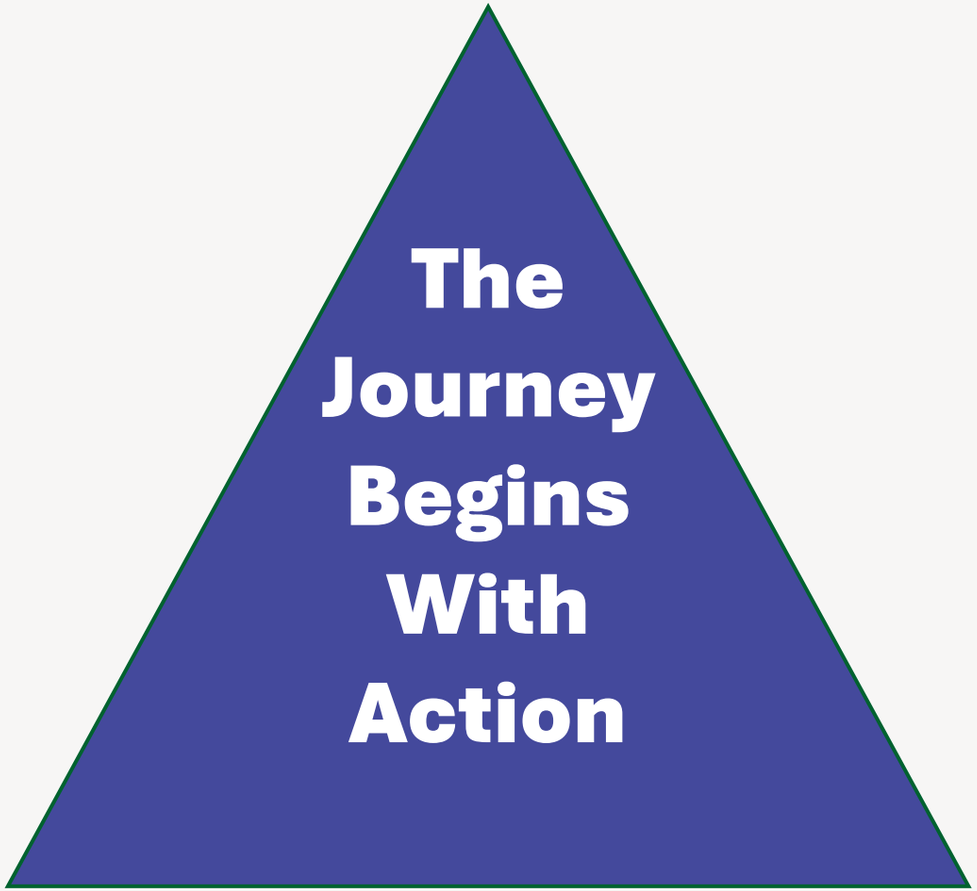
When an organization unites around a shared sense of alignment, individual efforts multiply, turning obstacles into stepping stones and allowing teams to truly move mountains.

Roadmap Vision

A Clear North Star	• A shared vision to guide efforts to strengthen the City's economic development capacity to responsibly grow the tax base.
Mobilized Ecosystem	• Strengthen the City of Austin as a leader in economic development.
A New Playbook	• Reset the economic development playbook with a strategy and operational foundation that leverages Austin’s strengths.
Targeted Implementation	• Guide implementation with a focus on tangible improvements in the short and long term, delivering wins and building momentum for more.

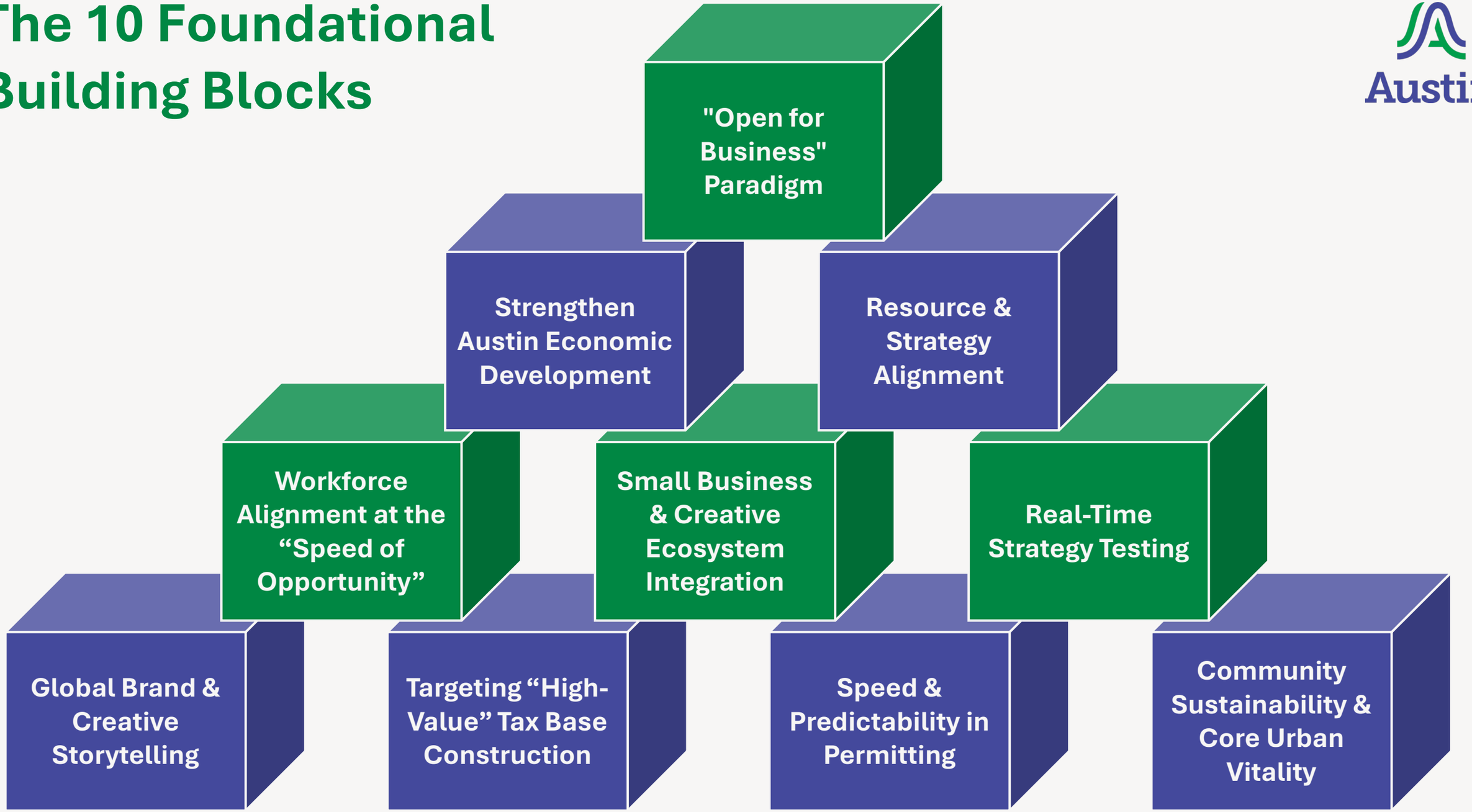


Why Do We Need a Roadmap?



- For Austin to continue to evolve, persevere, and thrive and to meet the needs of its residents, it must strengthen its economic development foundation.
- The Roadmap is designed to deploy a building block approach to strengthen the City's capacity to foster economic development while expanding the tax base.
- It is an action-driven, focused and aligned journey that re-envisions strategy, internal and external coordination, project prioritization, and external engagement.

The 10 Foundational Building Blocks



Roadmap Stakeholder Feedback

Select Themes from Stakeholder Feedback

We must do a better job of communicating to internal & external stakeholders.

Process reform could be one of our most powerful levers to improve our economic climate.

Better collaboration will help us have greater impact and make better use of available resources.



20+ Interviews
Across City Leadership and Ecosystem Partners



4 Working Group Sessions
Internal City Departments and External Partner Working Groups



5 Sector Specific Focus Groups
Music, Arts & Culture, Real Estate, Childcare, Small Business, and Workforce

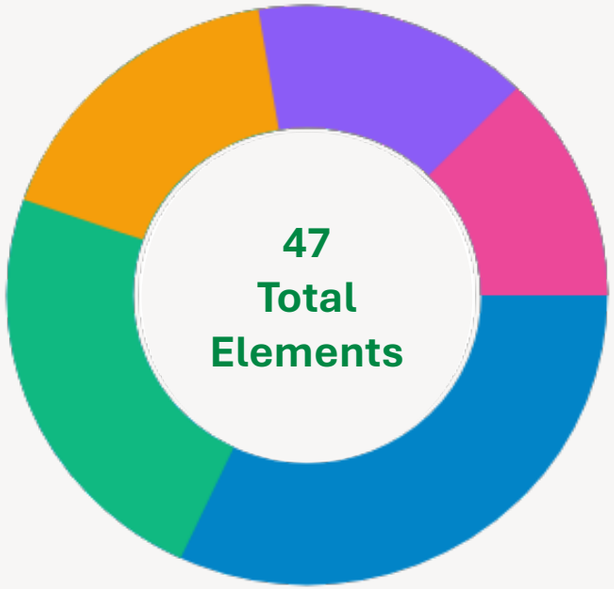
Roadmap Objectives

The 36-month Road Map aligns efforts for greater coordination, communication, and engagement when addressing areas of implementation, opportunity, and challenges.

Short-Term Objectives 12 Months	High-Priority immediate actions developed to set the stage to strengthen fundamental economic development elements, foster transformation, increase awareness, coordination, and engagement.
Long-Term Objectives 24-36 Months	A strong foundation to support strategy, actions, and guiding principles that foster economic growth while enhancing Austin's competitive advantage as a city.

Roadmap: Strategic Elements Breakdown

(47 Total Elements over 36 Months)



Economic Development Building Blocks	15 (31.9%)
New Initiatives	11 (23.4%)
Catalytic Investments	8 (17.0%)
Regulatory/Policy	7 (14.9%)
Program Refinement	6 (12.8%)

55% represent ED building blocks or new initiatives

Collective goal of the components are designed to strengthen the City's capacity to undertake economic development and enhance the City's tax base.

Strategic Elements Defined

Economic Development Building Blocks	• Foundational infrastructure • Workforce alignment • Core assets
New Initiatives	• Emerging opportunities • Innovation • Specialized support
Catalytic Investments	• High-impact capital deployment • Strategic projects to support economic growth/tax base
Regulatory / Policy	• Streamlining permitting • Reducing friction • Policy modernization
Program Refinement	• Optimizing and scaling existing municipal tools & services
FINAL DELIVERABLE	= COMPREHENSIVE 36-MONTH EXECUTION PLAN

Roadmap Elements



Element #1:

Small Business & Entrepreneurship

Strategic Intent: Small Business Readiness. Establish a coordinated, low-barrier citywide strategy that reduces administrative friction, expands capital access to enhance small businesses, local micro-enterprises, main street operators, and early-stage supply chain vendors so they can efficiently start, grow, stay, and thrive in Austin.

Element #1: Small Business & Entrepreneurship

Austin

Express Permitting & Administrative Relief

Multi-Tiered Capital Access

Solopreneur, Supply Chain & Entrepreneurship Pipelines

Small Business Ecosystem Leadership

Business Incubation

Construction & Corridor Mitigation

Small Business Displacement Support

Element #1: Small Business & Entrepreneurship

Initiative	Description	2027	2028	2029
Express Permitting & Administrative Relief	Small Business Express Permitting Lane, named Concierge Plan Reviewers, Pre-Approved Blueprint Library, and Code/Fee Audit for Small Business Operators to mitigate regulatory barriers to achieve greater efficiency.	**Launch fast-track review lane for micro-retail, salon suites, and change-of-use; publish pre-permitted building plans library.** **Initiate code/fee audit/regulations for small business operators to identify barriers to entry and operations.**	Expand blueprint library to common modular buildouts; institutionalize concurrent multi-department plan reviews and code reform waivers. Launch initiative to test impact of small business regulatory relief.	Sustain expedited turnaround commitments; integrate long-term code flexibilities for small businesses and adaptive reuse protocols across all permitting.
Multi-Tiered	Kiva Austin 0% Microloans, CDFI Revolving Loan Fund & Gap Financing and Commercial Lease & Space Buy-Downs for legacy small businesses.	**Modernize RLF partnerships with local CDFIs; maintain Kiva Trustee status to deploy matching microloans and gap funding. Program development of commercial lease buydown. Process of loan fund underway.**	Expand commercial rent subsidies and execute density-bonus agreements for deed-restricted below-market commercial leases. Launch commercial space buy down pilot. Loan fund up and running.	Evaluate loan pool performance and recapitalize revolving loan facilities; sustain long-term retail preservation and buy-down agreements for program execution.
Solopreneur, Supply Chain & Entrepreneurship Pipelines	Solopreneur & Home-Based Academy, Early-Stage Supply Chain On-Ramp, and Austin Business Plan Competition (UT McCombs/HBCUs).	**Design and host annual Business Plan Competition; structure plain-language compliance and LLC setup curriculum.**	Launch Solopreneur Academy with dedicated Kiva matching funds; deploy coaching and micro-grants for early-stage industrial supply chain vendors.	Scale supply chain vendor on-ramps to feed regional industrial clusters; expand business plan pitch competition awards.
Small Business Ecosystem Leadership/ Business Incubation	Demonstrating the City's leadership in small business ecosytem development and catalyzing growth through foundational system support.	**Aggregate and analyze market informed data including AED Small Business needs assessment. Release report. Begin process of incubator needs assessment and locations.**	Development of unified ecosystem strategy and identification of small business incubation needs/gaps.	Launch non-tech focused business incubator(s). Ongoing unified ecosystem leadership underway.
Construction & Corridor Mitigation/Small Business Displacement Support	Impacted Corridor Identification, Mitigation/Displacement Grants, Fee Waivers, and "Open During Construction" marketing designed to reduce negative impact to small businesses.	**Identify transit-impacted corridors and priority ZIP codes with Cap Metro, ATP, and Project Connect prior to construction. Creation of a small business displacement mitigation program.**	Deploy direct cash-flow grants, utility fee relief, and targeted corridor marketing escrowed from capital infrastructure budgets. Small business displacement program complete.	Evaluate and refine corridor mitigation/small business relief, update impact models, and institutionalize standard construction mitigation set-asides for future civic projects. Launch small business displacement program.



Element #2:

Workforce & Talent

Strategic Intent: Talent Alignment and Readiness. Build an employer-aligned, workforce system that connects Austinites to life-sustaining careers and integrates our higher education ecosystem to meet urgent industry demand at the speed of opportunity.

Element #2: Workforce & Talent

Austin

Employer-Led Pathways & Skills Initiative

Austin Infrastructure Academy

Refine, Scale, & Partner

Workforce Ecosystem Coordination

City-Led, Partner Executed Workforce Strategy

Higher Education Ecosystem Pipeline

Career Pathways & Wraparounds

Element #2: Workforce & Talent

Initiative	Description	2027	2028	2029
Employer-Led Pathways & Skills Initiative	Skills Initiative Austin; employer co-investment, work-based learning, internship stipends, and recruitment differentiation to strengthen support.	**Adopt and scale employer-first model; secure work-based learning and employer co-investment agreements. Enroll first cohort.**	Scale training, employer participation, and collaborate with wraparound supports.	Evaluate placement outcomes and retention rates to refine curriculum model.
Austin Infrastructure Academy – Refine, Scale, & Partner	Infrastructure Academy growth and sector talent development; "Employee-to-Owner" Trades Track; academic/workforce partner collaboration alignment.	**Align Infrastructure Academy capacity to forecasted trade and technical demand across the $25B public capital cycle.** **Through infrastructure/ACC, develop a speed to employment initiative based on growing employment sectors.**	Launch evening/weekend entrepreneurship track for trades; deploy "Tool & Truck" grants and procurement set-asides. Launch speed to employment initiative.	Track local hire counts on major civic sites & graduate-owned trade LLCs. Ongoing evaluation and refinement.
Workforce Ecosystem Coordination – City-led, partner executed workforce strategy	City-convened workforce coordination table, pipeline accountability, BRE/workforce integration, ecosystem leadership.	**Establish City-convened workforce coordination table, in collaboration with E3, ARMA, ACC and others. Identify shared priorities and establish data sharing.**	Track progress across partners and workforce pipeline, including Skills Initiative, Infrastructure Academy, and related programs and support services.	Report outcomes and adjust shared priorities.
Higher Education Ecosystem Pipeline	Six-Institution Higher Ed Consortium (UT Austin, Huston-Tillotson, St. Edward's, Concordia, ACC, Texas State) and university-to-industry research on-ramps to strengthen ecosystem.	**Convene the 6 higher-ed partners to negotiate formal partnership protocols and shared data/talent alignment frameworks. Examine best practices in the creation of a University Anchor Institution strategy.**	Execute MOUs to establish direct research collaboration, internship, and graduate recruitment pipelines with target sector employers. Execute MOU to establish Anchor Institution strategy among the City and the universities.	Institutionalize campus-to-industry recruitment tracks; track enrollment, graduation, and local retention of university talent. Launch Anchor Institution strategy.
Career Pathways & Wraparounds	Childcare, wraparound-supports, living wage/local hiring pilot, partner alignment, community benefit framework.	**Institute career pathway requirements with wage escalation milestones for all incentive recipients; design targeted hiring pipelines. Establish childcare loan fund.**	Roll out targeted hiring pipelines and training stipends with childcare & transit support. Launch childcare fund.	Enforce 100% agreement compliance & measure wage gains above living wage. On going evaluation of programs.



Element #3:

Economic Development Resource Alignment/Refinement

Strategic Intent: Resource System Readiness. Create of a new 10-year economic development policy. Treat every public incentive, and infrastructure commitment as a public investment; deploy a modernized, clawback-protected Chapter 380 toolkit; leverage state and federal economic tools; expand local tool base and enforce resource stewardship standards to ensure long-term fiscal and environmental health.

Element #3: Economic Development Resource Alignment/Refinement

Austin

Economic Development Policy Toolkit Refinement

State & Federal/Partner Strategy and Resource Alignment

Economic Development Bonds & Diversified Funds

Diversified Funding for Small Business & Cultural Preservation

Open Data Public Accountability

Element #3: Economic Development Resource Alignment/Refinement

Initiative	Description	2027	2028	2029
Economic Development Policy/Toolkit Refinement	Economic development policy creation, toolkit development and expansion, resource alignment and administration.	**Launch modernized Ch. 380 policy; Finalize toolkit and launch as part of Economic Development Policy.**	Administer performance agreements; enforce compliance reviews & pro-rata payouts based on Economic Development Policy guidance.	Audit active portfolio; enforce clawbacks for non-compliance; refine guidelines as needed. Annual report to City Council on economic development performance.
State & Federal/Partner Strategy and Resource Alignment	State partner engagement, TEZ policy alignment, resource alignment with partners, regular partner reporting. Federal resource mapping, priority alignment, funding decision process.	**Map state/federal and private partner capital sources; engage state partners and align TEZ policy with toolkit. Develop a strategic working framework with state and federal and private economic development partners.**	Pursue state-supported and federal/partner funding opportunities and partner reporting. Development of an annual economic development legislative priorities.	Evaluate leveraged non-City match funding and sustain intergovernmental pipelines. Refine as needed. Annual Economic development legislative priorities launch.
Economic Development Bonds & Diversified Funds	Pipeline planning for **Economic Development Bond** package & non-bond pools for small business/cultural preservation to strengthen community based economic development.	**The creation of a specific community based small business economic development bond program. Build internal project list and engage community.**	Partner with CDFIs on non-bond gap debt/equity pools for legacy small businesses & creative hubs. Prepare bond package and support election process.	Advance City Council-authorized bond election priorities; scale small business preservation funds.
Diversified Funding for Small Business & Cultural Preservation	Program/gap mapping, impact documentation, funding partnerships, dedicated fund exploration.	**Map funding gaps and engage funding partners via leverage approach. Completed report and strategy framework completed.**	Launch pilot partnerships utilizing dedicated funding tools.	Sustain funding model and evaluate impact and refine as needed.
Open Data Public Accountability	Public-facing **Business Investment Dashboard** tracking active agreements, community benefits, & clawbacks in real time.	**Build & launch Business Investment Dashboard on City's Open Data Portal.**	Publish annual incentive ROI reports & real-time clawback recovery enforcement actions.	Maintain 100% agreement transparency & automated performance reporting.



Element #4:

Business Retention & Expansion

Strategic Intent: Business Ecosystem Readiness. Deliver a predictable, highly coordinated economic development system; strengthen small business retention efforts, establish dedicated innovation tracks for homegrown university spinouts; and develop a proportional Community Benefit Framework that supports existing (small and large) employers while attracting global investment.

Element #4: Business Retention & Expansion

Austin

- Business Retention & Expansion Strategy and Business Resource Team
- Community Benefit & Resource Stewardship Standards
- Place-Based Economic Development & Downtown District Partnerships
- Target Sector & Innovation Strategy
- International Development Strategy
- Creative Economy Growth

Element #4: Business Retention & Expansion

Initiative	Description	2027	2028	2029
BRE Strategy & Business Resource Team	BRE strategy, account model, Business Resource Development Team, intake/referral protocols.	**Develop and complete BRE strategy, account model and intake process. Report complete.**	Implement strategy along with employer engagement and resource coordination.	Refresh retention strategies based on employer feedback and outcomes; sustain retention rate.
Community Benefit & Resource Stewardship Standards	Community Benefit Framework, resource stewardship criteria, compliance monitoring.	**Draft framework and evaluation criteria as part of economic development policy.**	Apply standards to agreements and review processes.	Monitor compliance and report annual outcomes.
Place-Based Economic Development & Downtown/District Partnerships	Place-based strategy, downtown revitalization, economic/cultural district partnerships, corridor and district action plans.	**Identify priority places, geographic areas, corridors and district needs, identification of business barriers and the creation of a strategy framework.**	Launch action plans, pilots and district support.	Evaluate outcomes and prioritize next-phase investments.
Target Sector & Innovation Strategy	Operational sector innovation track, company pipeline, research/industry partnerships.	**Via the economic development policy, confirm target sectors and engage industry/research partners and strategy framework established.**	Launch strategy and build company pipeline and sector partnerships.	Review sector performance and refine recruitment strategy.
International Development Strategy	Establish and maintain an active international economic development posture and position Austin as an international destination for business.	**Strengthen staff and stakeholder capacity, develop international recruitment performance targets. Report completed evaluation and partnership engagement.** **Explore locations for the creation of an International Business welcome center.**	Launch outreach for inbound foreign firms; lead targeted global trade missions. Bring forth 2-3 three locations, costs and strategy to establish. Strategy developed and locations identified international HUB.	Expand FDI capital & job recruitment; Annual Review and ongoing implementation. Lauch of International HUB.
Creative Economy Growth	Strengthen services and partnerships the support Austin's creative economy.	**Engage Creative Ecosystem to identify growth opportunities.** **Establish operating framework and identified projects.**	Implement projects and partnerships.	Program Delivery and Evaluation; evaluate creative media/cultural fund impacts.



Element #5:

Economic Development Ecosystem Building

Strategic Intent: Economic Development Ecosystem Readiness. Align, empower, and foster internal and external stakeholder relationships to deliver an agile, accountable, and values-driven economic development that supports Austin as a full, active economic actor in the economic development ecosystem.

Element #5: Economic Development Ecosystem Building

Austin

- Strategic Ecosystem Partnerships / Research
- Permitting & Process Improvement
- Regulatory Barrier Reduction
- Regional & State Coordination Protocol
- Stakeholder Problem-Solving



Element #6:

Catalytic Investments

Strategic Intent: Setting the readiness stage for tax base growth. Leverage redevelopment efforts, major transit infrastructure, and public real estate assets as strategic economic differentiators; establish a pre-entitled, shovel-ready site framework; and drive high-value, revenue-generating catalytic developments that expand the municipal tax base.

Element #6: Catalytic Investments

Austin

Strategic Real Estate Assets Inventory

Redevelopment Readiness

Annual Development Value Targets

Air Service Strategy

Global Economic Development Connectivity

Transformative Planning, Mobility & Transit Investments

Destination Assets

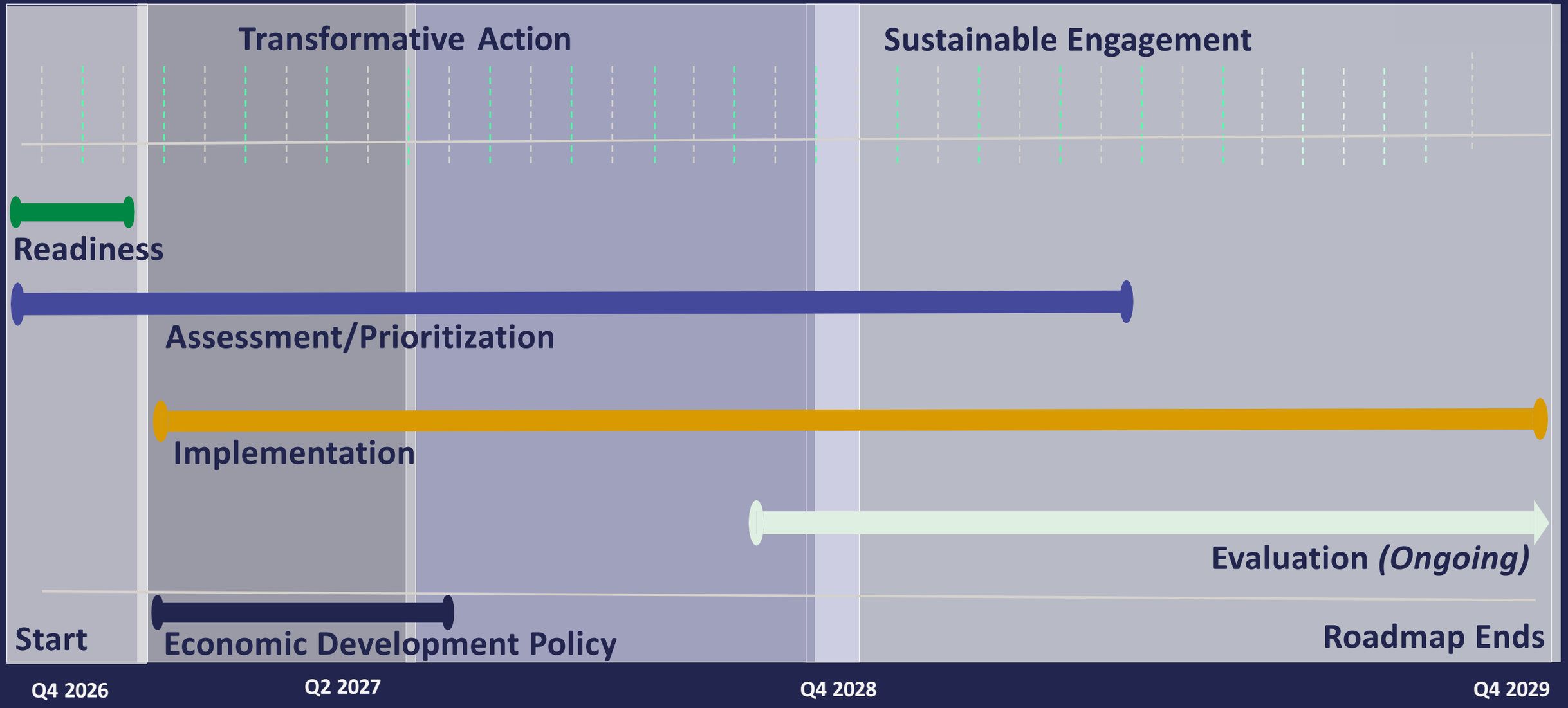
and

Sales Tax Generators

Element #6: Catalytic Investments

Initiative	Description	2027	2028	2029
Strategic Real Estate Assets Inventory and Redevelopment Readiness	Develop real estate strategies to leverage and expand redevelopment opportunities, economic development and tax base growth.	•Refine City-owned land/assets inventory & highlight City asset development priorities •Begin process to refine city redevelopment strategies and analysis to maximize partnership opportunities •Begin process of development agreement refinement •Begin refinement of RFP process to support partnerships	Advance implementation planning and partner alignment; leverage assets as part of redevelopment strategy. Site shovel ready status. Model development agreement and refined RFP complete.	Move priority real estate opportunities forward Model development agreement in practice Redevelopment partnership framework in place.
Annual Development Value Targets	Annual Development Value Target **$4.2 billion to $4.5 billion** in newly reviewed and permitted real estate development value to support enhanced tax base expansion.	•Refine annual development typology to drive annual development performance & establish strategic priorities for the development review process over the next 36 months •Refine development review process and teams •Establish development performance tracking tool annual metrics •Launch ramp up process to identify pipeline projects	Pipeline development underway Ongoing strengthening review process for predictability and velocity in reducing review turnaround times continues. Annual performance metrics established with development tracking tool launching	Implementation of development review recommendations Pipeline projects begin to emerge Annual development performance report is provided to the City Council.
Air Service Strategy & Global Economic Development Connectivity	Align air service strategic planning with economic development goals to strengthen Austin's ability to attract and grow routes and target industry target attraction.	Evaluate air service strategy with alignment of: • Targeted growth industries • Explore aerotropolis planning to drive opportunities for cargo and economic growth surrounding AUS along with identifying funding source to fund Aerotropolis	Support global connectivity and business attraction opportunities. Aerotropolis work underway.	Complete aerotropolis planning, track connectivity outcomes and adjust strategy. Aerotropolis work completed and evaluation of strategies underway.
Transformative Planning, Mobility & Transit Investments	Imagine Austin update, Center City District Plan, Great Streets, Project Connect, and transit-oriented economic development opportunities.	•Develop short and long-term shared objectives -sustain existing businesses through construction •Begin the creation of a corridor economic development strategy •Imagine Austin update underway, Great Streets complete, Central City District Plan complete	Develop strategies focused on enhancing transit, walkability, access to business and housing. Economic development strategy complete. Imagine Austin update complete.	Advance implementation as projects move forward and on-going evaluation.
Destination Assets and Sales Tax Generators	Focusing on sales tax generators is one of the most efficient ways to generate economic spending. Waterloo Greenway Phase III, downtown/catalytic investments, Red River Cultural District, sports Investment Infrastructure, UT Dell Medical Center, enhanced cultural events, downtown retail strategy, preservation and strengthening legacy music venues.	•Initiate final funding strategy for the completion of Waterloo Greenway •Refine downtown revitalization in alignment with DAA •Refine strategy to strengthen the Red River Cultural District. •Refine program to strengthen and preserve legacy businesses and live music venues in Austin •Begin the development of sports infrastructure strategy •Begin the process of developing a downtown retail strategy in alignment with DAA	Strategy frameworks completed Implementation begin of identified strategies with partner alignment.	Advance strategies and investments and begin process to measure impact.

Projected Roadmap Timeline



Measuring Progress and Success

- Timelines directly tied to each project and initiative have been established.
- Tracking and transparency of progress will be monitored by master dashboards accessible for public review.
- Data collected from the dashboard will help to identify challenges and how to address them.
- Regular briefings at Council Economic Opportunity Committee (EOC) meetings will provide updates on initiative intervals tied to each respective category.
- Milestone interval briefings for the overall implementation will be presented to the City Council.



Major Roadmap Highlight

Economic Development Policy

Economic Development Policy

Austin

ECONOMIC DEVELOPMENT POLICY = **MORE INFORMED STRATEGY**

- **BALANCED APPROACH**
- **SUPPORTIVE FRAMEWORK**
- **COMMUNITY ENGAGEMENT**

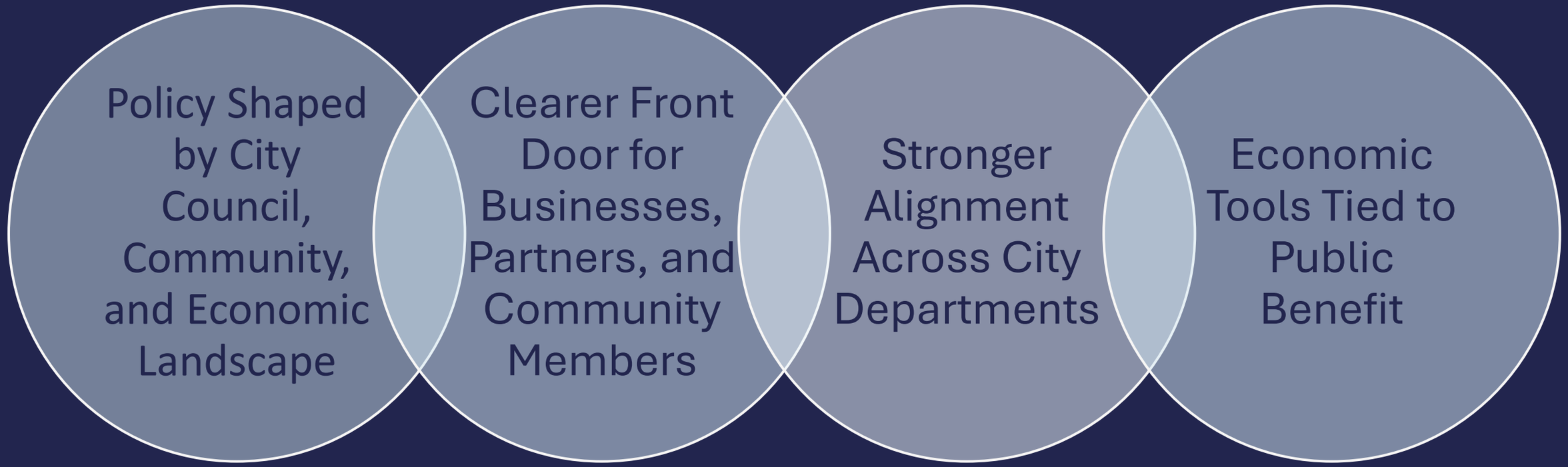
Community Input Will Shape the Policy

Austin

October 16, 2026	• Online Survey Launched
Q4 2026	• **Mayor & City Council** Priorities Identified
Q1 2027	• Virtual & In-Person Listening Sessions
Q2 2027	• **Economic Development Policy Adoption** Engagement findings accompany policy

The Outcome We Are Building Toward

A city that is easier to do business with and more intentional about how growth expands the tax base and creates public value.



Next Steps

Readiness/Launch

- Creation of high-performance teams across departments linked to initiatives and projected timelines
- Economic development policy community engagement and policy development and adoption
- Align and coordinate partner participation to include, but not limited to, Rally Austin, DECA Chambers, Opportunity Austin, Colleges & Universities, Downtown Austin Alliance, RECA, community-based organizations, legacy businesses, and artist and live music stakeholders
- Identify and categorize metrics / measures
- Build framework for dashboard launch
- Continue to engage stakeholders for feedback (ongoing)
- Secure early wins and drive success
- Ongoing evaluation and refinement



The Roadmap Implementation Begins

NOW



Roadmap Journey Destination, 2029



By the end of the 2029 timeframe, the City—through the systematic implementation of the roadmap elements, including a newly established 10-year economic development policy—will have significantly enhanced its capacity to undertake economic development, expand its tax base, successfully navigate a constrained fiscal environment and ensure its competitive advantage as a great community to live.



Austin

Questions?