



City of Austin

Recommendation for Action

File #: 24-4884, **Agenda Item #:** 7.

9/12/2024

Posting Language

Approve an ordinance amending Ordinance No. 20180830-057, which established the City's Business Expansion Program Guidelines which give high priority consideration of expansion projects that provide above industry standard compensation for middle-skill workers, maximize meaningful labor force participation, connect with small and local businesses with expansion opportunities, and yield benefits to the community beyond local tax base contribution, to update the requirements and elements of this program to improve the program eligibility criteria, refining the community benefits compliance metrics and improving the application process.

Lead Department

Economic Development.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

August 30, 2018 - Council passed Resolution No. 201808030-056, adopting the Economic Development Guiding Principles and the Economic Development Chapter 380 Policy, and Ordinance No. 20180830-057, enacting the Economic Development Business Expansion Program Guidelines.

For More Information:

Sylvia Holt-Rabb, Director, Economic Development Department, 512-974-3131; Arnie Jacob, Business Process Consultant, 512-974-7786.

Council Committee, Boards and Commission Action:

Staff provided an informational briefing and sought feedback from the following:

- Economic Prosperity Commission - May 15, 2024
- Construction Advisory Committee - June 11, 2024

Additional Backup Information:

The Economic Development Department requests Council consideration of an ordinance amendment to update the Economic Development Business Expansion Program Guidelines (Program). The Economic Development Chapter 380 Policy requires the Program be updated every five years. Staff is requesting approval of the revised Business Expansion Program guidelines under the Chapter 380 Program Policy Framework. The initial Program development was based on extensive community outreach and consultation. Staff approached the update as an exercise to refine and build on the principles adopted in the Chapter 380 Policy and Program, which utilized the wide-reaching feedback from the Program's original development.

As a part of the review process, staff engaged a consultant for an independent third-party analysis, performed numerous community focus groups and utilized data acquired administering the Program in developing recommendations for its revision. Eight distinct focus groups were engaged to obtain community input towards improving the Program eligibility criteria, refining the community benefits compliance metrics and improving the application processing.

One set of focus groups sought to enhance the Program's criteria for promoting community benefits. A second set of focus groups were conducted to refine eligibility criteria for the existing guidelines. Outcomes and findings from the review of the Program resulted in its reorganization into three broad categories for administration. Categories of incentives to be provided to program participants:

- Category 1: Existing Local Small Business Growth
- Category 2: Large Business Expansion
- Category 3: Internship Utilization

The Program and process resulting from the update will:

- Improve project scoring guidance and strengthen Program application by:
 - Developing more objective performance expectations and compliance metrics
 - Providing greater transparency in the updated application
- Update Existing Program to:
 - Address small business barriers to accessing the Program
 - Improve Program workforce development linkages to encourage greater Targeted Hiring outcomes
 - Strengthen corporate recruitment eligibility requirements