



MEMORANDUM

TO: Economic Opportunity Committee

THROUGH: Dr. Eric Johnson, Assistant City Manager, City Manager's Office

FROM: Anthony Segura, Interim Director, Economic Development Department

DATE: July 3, 2025

SUBJECT: Update on the Place-Based Enhancement Program

The purpose of this memorandum is to provide an update on the Chapter 380 Program Place-Based Enhancement Program (PBEP). This program incentivizes real estate investments that provide affordable commercial space and other community benefits for local small businesses, creative spaces, and community-serving facilities.

Background

Per [Ordinance No. 20240926-012](#), City Council adopted guidelines for the Place-Based Enhancement Program (PBEP), which offers economic incentives related to investment in real estate for affordable leases, gap funding, and anti-displacement support. The PBEP includes four (4) categories:

- *Category I - Affordable Space:* Incentives to developers of new mixed-use or commercial construction projects to include affordable commercial leases for arts and music venues, local, small businesses, and community development projects.
- *Category II – Community Impact:* Gap funding incentives for owner-occupied construction of high-impact community development or improvement projects including arts and music complexes, grocery stores in food deserts, childcare facilities, industry hubs and incubators, or for major tenant improvements approved by property owners.
- *Category III – Cultural Preservation:* Incentives to support retention and improvement of existing music venues, creative spaces, legacy businesses, nonprofits, and co-ops.
- *Category IV – Transformational Infrastructure:* Flexible support for the provision of infrastructure elements, including transportation solutions, sustainable development, and utilities, that furthers the transformational delivery of a City-led redevelopment initiative.

Council approved this program with [Ordinance No. 20180830-058](#), directing staff to develop an incentive program focused on commercial affordability for tenants of commercial space with a unique focus on small, local, heritage businesses, non-profits, cooperatives, and those in the creative sector.

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Implementation

Following PBEP's adoption, staff focused on preparing for a Spring 2025 program launch through administrative operations and community engagement. Staff held over twenty, one-on-one Q&A sessions with prospective applicants between February and June. Staff also conducted five workshops throughout Austin in different locations, including one virtual, in April 2025; workshops included presentations and question opportunities for both the PBEP and the Business Expansion Program (BEP).

EDD also presented at major stakeholder events, such as the Urban Land Institute's January breakfast. Additionally, staff attended the Small Business Division's Office hours at the Economic Development Offices, Southwest Library, and African American Cultural and Heritage Facility. PBEP was also highlighted in the Housing Department's newsletter.

PBEP began accepting requests for applications on a rolling basis in May 2025. Approximately ten applicants have already requested application materials, and interest spans across all three categories. We anticipate bringing several competitive applications for City Council consideration in the fall.

Next Steps

The Economic Development Department will continue to support community engagement around PBEP through the Small Business Division's bi-monthly office hours, EDD's social media accounts, and in collaboration with community organizations. Staff will also provide an update in the fall with results and lessons learned from the first six months of this program, including recommendations for any adjustments or refinements to program guidelines.

Should you have any questions or concerns, please contact Donald Jackson, Business Process Consultant in the Global Business and Expansion Division of the Economic Development Department, by e-mail donalde.jackson@austintexas.gov or by phone (512) 974-2214.

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