



Economic Development Roadmap

Ensuring a Competitive City During Change

Austin Economic Development | March 20, 2026

“Great cities are not static; they constantly change and take the world with them”.

Edward Glaeser, Triumph of the City



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.

However, Its Operating Environment is in Flux



Austin currently operates in an environment of “slowing growth” and increased suburban competition.



As one of the nation’s most creative cities, Austin continues to drive investment and remains an attractive place to invest despite its environment but will need to be intentional about its future.



Austin’s physical environment is undergoing a massive transformation, often referred to as “re-urbanization” which involves constant construction, street closures.



Operating in a constrained resource environment, with change and disruption requiring recalibration.

Austin is in Recalibration Mode

Recalibration

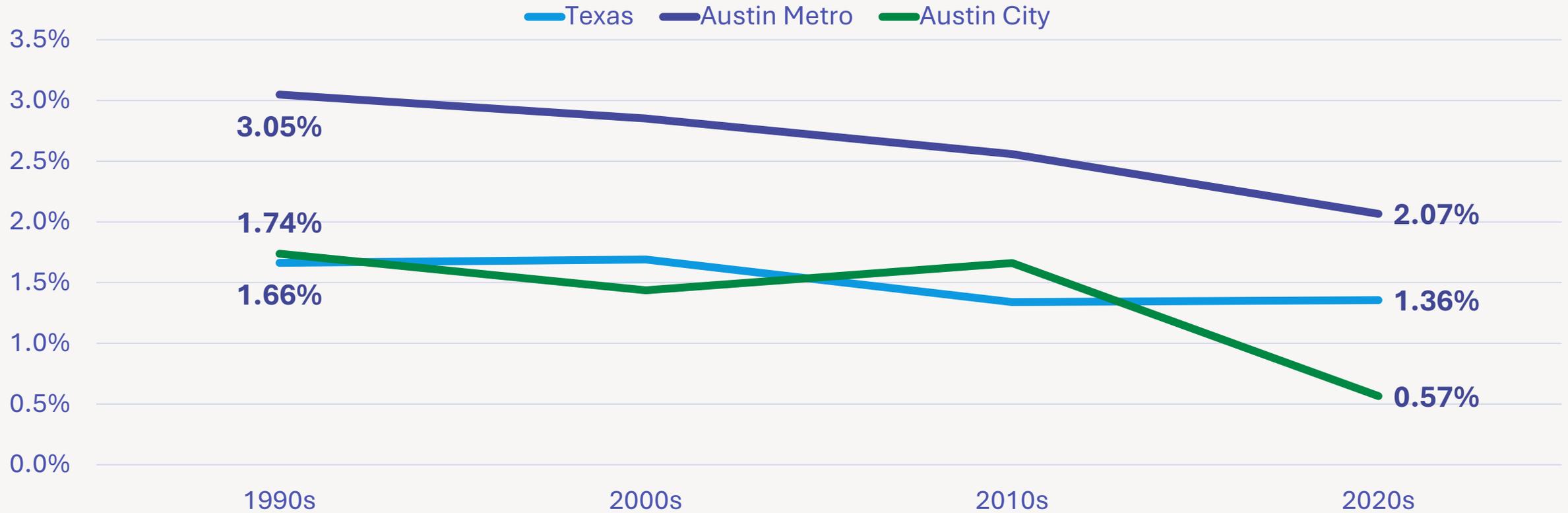
- Growth in Austin is indeed slowing down compared to the "hyper-growth" era of the 2010s and the pandemic boom.
- However, it's more accurate to call it a **recalibration** or a "return to earth" rather than a collapse.
- While Austin remains one of the most creative cities in the U.S., the breakneck pace that defined the last decade has cooled significantly.
- In fact, for the first time in decades, **Austin and Travis County experienced a net loss in domestic migration** (people moving from other parts of the U.S.) in 2024 and 2025.





Annualized Growth Rates

Austin and the Metro area continue to grow, but **recent growth rates are slowing**, especially in the city.



Source: Austin’s Demographer using Census Bureau Intercensal Population Estimates and Vintage 2024 Estimates.



Snapshot of Austin Area Growth

Location	2024 Population	Numeric Change 2023-2024	Percent Change 2023-2024
Austin-Round Rock-Georgetown, TX	2,550,637	58,019	2.3
Hutto, TX	42,661	3,681	9.4
Leander, TX	87,511	7,004	8.7
Manor, TX	21,500	1,175	5.8
Georgetown, TX	101,344	4,613	4.8
Kyle, TX	65,833	2,962	4.7
Austin, TX	1,035,002	9,334	0.9

Source: U.S. Census Bureau, 2024 Vintage Population Estimates. Austin estimates were produced by Demographer in Austin Planning;



Why Is Growth Slowing In Austin?



Pull to Push: Several "pull factors" that once made Austin an irresistible magnet have shifted into "push factors."



The Affordability Wall: Austin is no longer the "cheap alternative" to California or Seattle. While home prices have dipped about 15–20% from their 2022 peak, high interest rates and increased property taxes have kept the total cost of living high, pricing out middle-income families and service workers.



Tech Sector Cooling: The local economy is heavily tied to the "Information" sector. Recent layoffs and hiring freezes in Big Tech (Google, Meta, Tesla, etc.) have slowed the influx of high-earning professionals who previously fueled the population surge.



The "Suburban Siphon": People aren't necessarily leaving Central Texas; they are leaving **Austin proper**. Nearby suburbs like Georgetown, Kyle, and Leander are still booming because they offer more "house for the dollar."



Infrastructure Fatigue: Years of rapid growth have strained the City's infrastructure. Chronic traffic on I-35 and concerns over long-term water availability in Central Texas have made the "quality of life" trade-off less appealing for some.

Resource Recalibration



Revenue Trends: Austin vs. Suburbs (2023–2026)

The following highlights the "stalling" effect in the city center versus the suburban surge.

Category	Austin (City) Trend	Suburbs (Avg) Trend	Key Driver
Property Tax Trends	Decelerating	Stable/High	Local government is capped by state law (3.5% revenue limit), while suburbs benefit from massive "new property" additions to tax rolls.
Sales Tax Trends	Stalled	Outperforming	Retail migration; residents in suburbs are increasingly shopping and dining locally rather than commuting to the urban core.

What Does This Mean Going Forward?



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



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



Austin must move from a passive "wait and see or they will come" economic development approach to an aggressive stance towards economic development to strengthen the City's tax base and its competitive advantage.



Austin can no longer grow by accident; it must now grow by design establishing a new roadmap to accelerate our efforts to support growing the tax base.

Austin's Next Era:

An Economic Development Roadmap Preview

Roadmap Vision: Ensuring a Competitive City During Change

- Austin, Texas is widely regarded as one of the most **economically dynamic** cities in the United States.
- However, for Austin to thrive, during this time of change and disruption, we must leverage our abilities to grow our tax base and ensure Austin remains competitive today and into the future.
- The roadmap is 36-month framework that puts the city on that course.

"When given a choice, people move and remain in cities that meet their basic needs. Our challenge is to ensure that Austin is a city of choice."





Economic Development Roadmap

A clear, actionable roadmap that aligns City efforts, mobilizes partners, and repositions Austin as a leader in balanced economic growth.

A Clear North Star

- A shared vision to guide efforts to responsibly grow the tax base, create family-sustaining jobs, and expand pathways for economic opportunity.

Mobilized Ecosystem

- Reintroduce the City of Austin as a leader in balanced economic development and align external partners with City objectives.

A New Playbook

- Reset the economic development playbook with a strategy and operational foundation that leverages Austin's strengths and culture.

Targeted Implementation

- Guide implementation with a focus on delivering tangible improvements in the short and long term, delivering wins and building momentum for more.

Stakeholder Feedback



Select Themes from Stakeholder Feedback

We must do a better job of communicating – to outsiders and insiders.

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 Department and External Partner Working Groups



5 Sector Specific Focus Groups

Music, Arts and Culture, Real Estate, Childcare, Small Business, and Workforce



Roadmap Foundation: Economic Development Building Blocks



Open for business mantra re-establishing Austin as a place to invest and grow.



Establish speed and predictability in the city's development approval process.

Identify and remove process and regulatory barriers, work to minimize submission of incomplete plans, introduce innovation and utilization of third-party review contractors.



Leverage city resources and strategy with aligned stakeholders to accelerate efforts.



Reintroduce Austin economic development and strengthen economic development activities and building blocks to support economic growth.



Explore pilots & special initiatives to test strategy in real time. Leave no strategy untested.



Roadmap Foundation: Economic Development Building Blocks



Market the combined economic and cultural strength of Austin globally and strengthen international presence.



Establish annual development growth targets to support revenue generation Targeting "High-Value" Construction that generate high sales tax (like retail, hubs, sports complexes, etc.) or high property tax density (like mixed-use towers) to help grow the "taxable base" faster than the 3.5% cap on existing property.



Incorporate participation of local small businesses along with the **creative ecosystem** as a driving force for economic development in Austin.

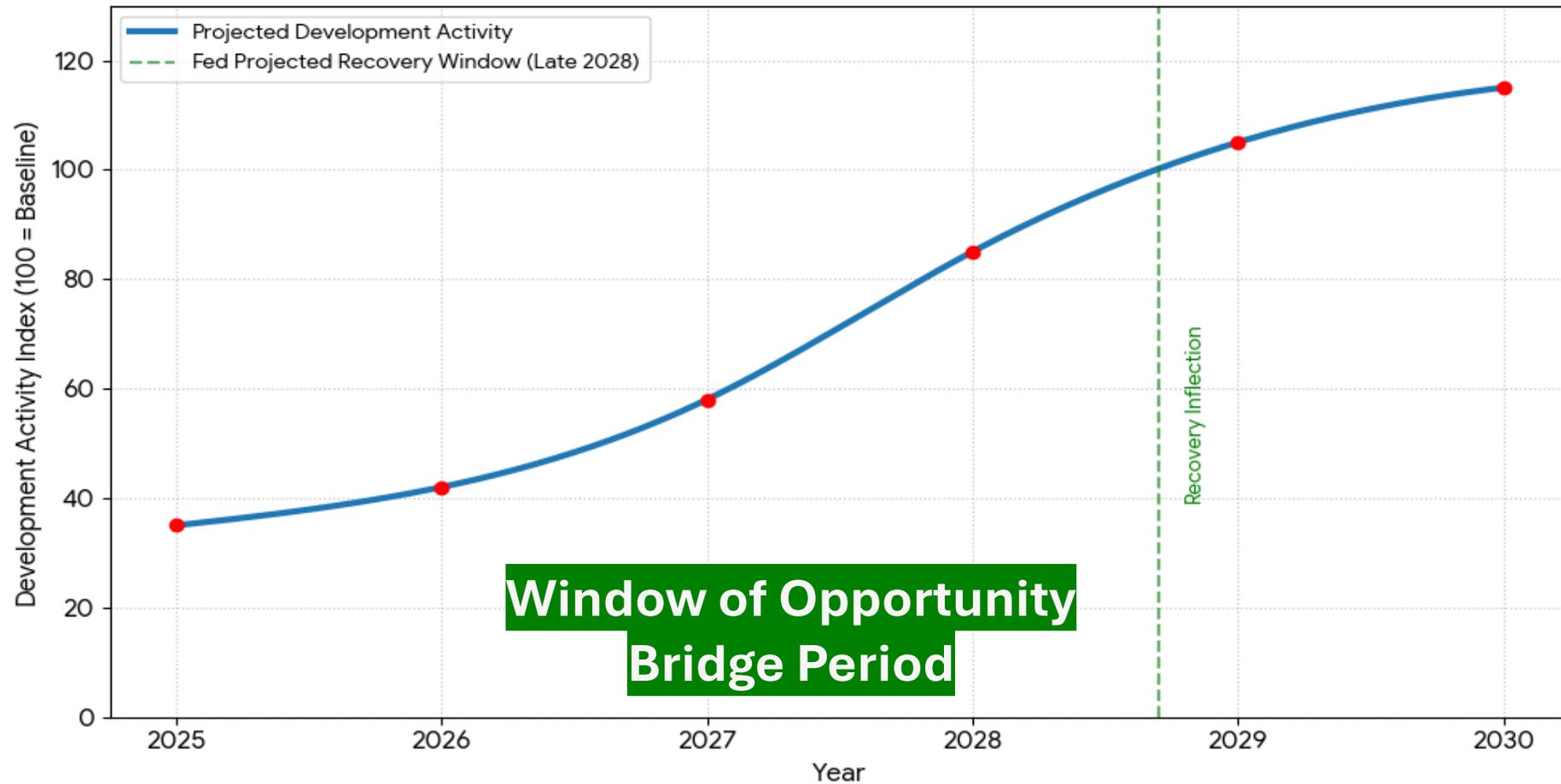


Alignment of workforce development strategies with stakeholders to meet the speed of opportunity.



Why Timing Matters For a Roadmap?

Projected U.S. Real Estate Development Recovery (2025-2030)



Managing the Bridge Period: What's Needed to Capture the Opportunity

Pipeline + Speed + Alignment of Elements

- A strong pipeline of **commercial, residential and transformational projects** are needed (entitlements and zoning) to enter the city's development process to build the base of development activity to be ready to emerge 2029/30 when the cycle course corrects.
- **Goal: Target Double**
The "Contribution target" from new development support to the general fund jumps from 0.75% (average past to five years) to **2.00% or above annual beginning in 2029/30.**
- **The establishment of longer-term elements that will support continued economic sustainability and balanced growth.**



Roadmap Elements Preview

Developed in coordination with stakeholders



Support a Competitive and Creative Economy

Support A Competitive And Creative Economy

Recalibrate business retention and expansion approaches to attract investment while balancing community benefits.

Build capacity and a strategy for international development.

Pursue catalytic revenue generating projects and business, community, and destination-based development projects that re-introduce Austin as the #1 community to live, work, and play by leveraging our cultural, creative, and real estate assets in coordination with public-private partnerships.

Create a powerful video that markets the economic strengths and competitive advantages of Austin.

Strengthen film and media creative ecosystem to foster career, business and economic growth



Expand Pathways For Small Business Success and Innovation

Expand Pathways For Small Business Success And Innovation

Expand access to capital and financing programs for small and local businesses.

Ensure small businesses and creatives have access to affordable commercial spaces.

Create strong programs to mitigate displacement in development corridors.

Launch an annual business plan competition in collaboration with local partners.

Collaborate with transit and development partners to implement a comprehensive construction mitigation program.

Implement a revolving loan fund program and retail/commercial buy-down program



Strengthen Talent And Workforce Systems

Strengthen Talent And Workforce Systems

Collaborate with academic institutions, workforce development providers, and State and local government to forecast and meet job needs of Austin employers.

Identify, build capacity for, and support critical priority industry sector job creation

Foster accountability across the workforce pipeline through the implementation of employer-first models and support Austinites in accessing quality jobs and achieving economic mobility through intentional program design.

Support access to childcare access and affordability and promote density through economic development and workforce programs.

Strengthen Infrastructure Academy ability to meet forecasted demand in the M&I sector.

Pilot the Skills Initiative in Austin, an employer-first model with high success rates in comparable cities.

Explore opportunities to integrate business attraction and retention initiatives with strong workforce development programs.



Invest In Strategies To Strengthen Community Sustainability

Invest In Strategies To Strengthen Community Sustainability

Ensure a strong core by investing in and revitalizing downtown.

Diversify investments for housing and commercial affordability and ensure alignment of policies and programs working towards affordability goals in tandem with community partners and community assets.

Support on-time successful delivery of infrastructure improvements and development projects.

Leverage the district planning framework and existing planning initiatives – including the Imagine Austin comprehensive plan update – to forecast, plan for, and influence future growth.

Work key partners to implement façade improvement programs and fill vacancies in commercial and office buildings.

Create a non-bond, affordable housing fund focus that captures low-cost debt/equity, NOAH grants, and support for public services.

Complete the Convention Center Expansion and Redevelopment, Airport Expansion Project, and transit-related projects including Project Connect.



Align Economic Systems To Deliver Lasting Benefits

Align Economic Systems To Deliver Lasting Benefits

Work City-wide to create an end-to-end predictable permitting and development process.

Identify opportunities to reduce regulatory and procedural barriers to doing business in Austin.

Refresh and strengthen relationships across the economic development ecosystem.

Realign the Austin Economic Development Department to foster support for economic growth.

Work to explore the creation of a dedicated resource to fund cultural, small business and creative industries economic growth.

Initiate a series of changes to simplify the City's development code.

Explore the utilization of third parties and technology tools that promise more efficient processing timelines.

Co-locate Departments and employees that play a role in the development process at the Permitting and Development Center fulfilling the commitment of the PDC being a "one-stop shop" for development-related needs.

Convene stakeholders in the economic development ecosystem regularly to define roles and responsibilities, solve shared problems, and identify gaps we can work towards solving together.



Roadmap Objectives and Timeline

Short-Term Objectives (1-12 months)

High priority immediate actions to generate economic spending and impact, foster transformation, and increase awareness, coordination, and engagement with stakeholders.

Long-Term Objectives (24-36 months)

Create strong building blocks to support actions that guide and build capacity for stability, creativity, and future social and economic advancement.



Mid-Term Actions (12-24 months)

Implementation of key initiatives, ongoing assessment, and prioritization of resources to advance strategic priorities.

Path Forward on Implementation

- **Alignment and buy-in of the Roadmap** by stakeholders serving as thought leaders and early drivers related to specific areas of the Roadmap.
- Staff will utilize a **project manager approach**, taking responsibility for execution of specific projects / initiatives outlined in the Roadmap.
- **Creation of coordinated cross departmental team** designed to cohesively implement specific elements of the Roadmap.



Measuring Progress and Success



Timelines

- Established for each initiative with clear milestones and deliverables.

Tracking & Transparency

- Progress monitored by master dashboards accessible for public review.

Data-Driven Adjustments

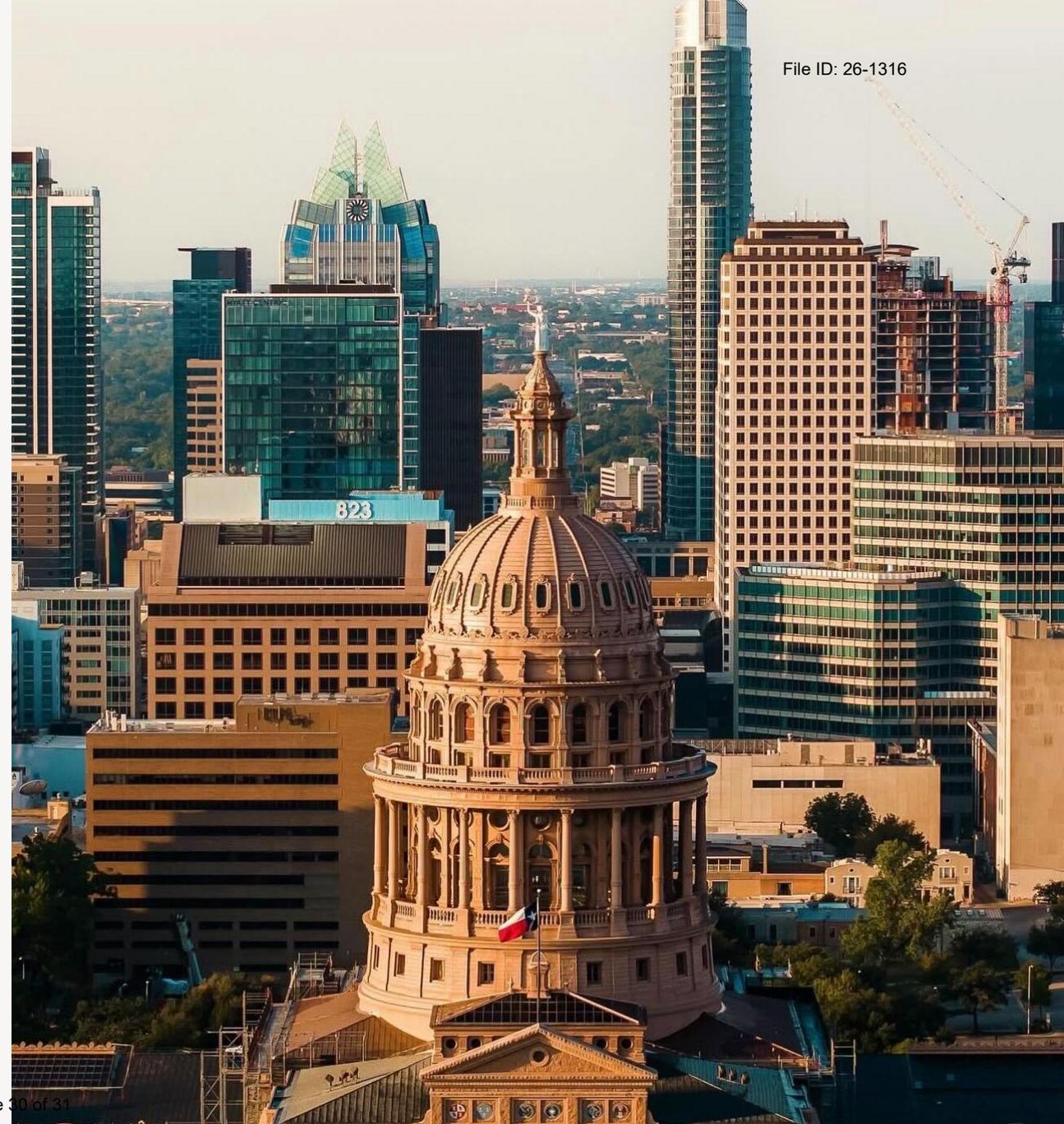
- Collected data helps identify challenges and appropriate responses.

Regular Briefings

- Updates at Council Work Sessions and Economic Opportunity Committee meetings at initiative intervals.

Next Steps

- **Continued alignment with stakeholders and staff** to further agility to implement
- **Establish clarity on short- and long-term priorities** in alignment with timelines to match window of opportunity
- Secure early wins
- Provide updates through the **Economic Opportunity Committee**
- Refine, implement, adjust and report on progress
- **Final report spring 2026**





Thank you!