



Economic Potential Evaluation of the Future of Hillsborough County Comprehensive Plan

Case Study No. 2: Austin/Travis, Texas

FINAL
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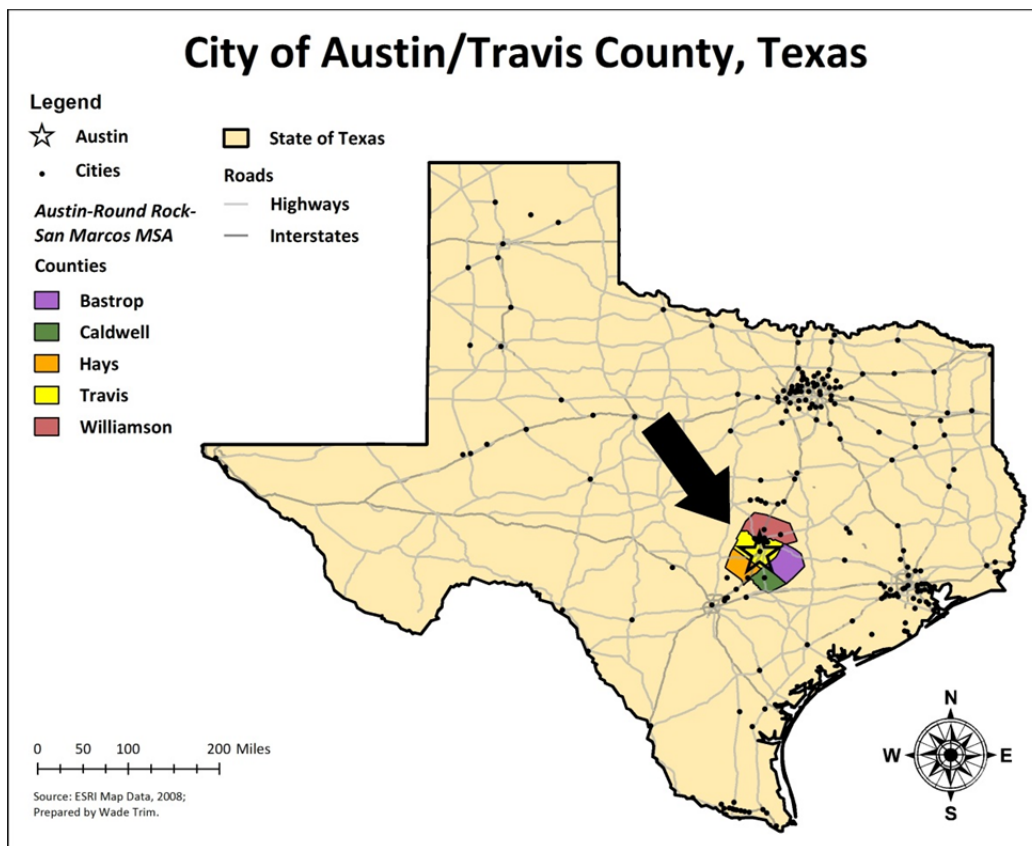
Representative Case Studies

Case Study No. 2: City of Austin/Travis County, Texas Austin-Round Rock-San Marcos MSA

BACKGROUND

Located in the greater Austin-Round Rock-San Marcos Metropolitan Statistical Area (MSA) in Central Texas (see Map 1, below), the Austin area can be considered an economic rival to the Tampa Bay area. As of the 2010 U.S. Census, the MSA ranks No. 35 out of the top 50 largest MSAs in the nation. The MSA includes five counties: Williamson, Travis, Hays, Bastrop and Caldwell. Austin is the largest city in the region, the Travis County seat and capitol of Texas.¹

Map 1: Location



Austin is renowned for its attractiveness to young professionals seeking both cutting-edge employment and a high quality of life. The Austin area is similar to Hillsborough County in terms of its population growth and demographic characteristics, its proximity to major universities, as well as its humid, subtropical climate; however, the Austin area was selected as a case study more for its differences.

¹ Note: City of Austin is home to the Texas State Capitol, which employs approximately 150,000 employees statewide, although the majority work in the Central Texas region (Source: Texas State Auditor's Office, *Summary of the Texas State Workforce*, FY 2006).

Uniquely, Austin area has capitalized on a quality of life ethos coupled with an economic development framework focused on attracting “location-less” (e.g. headquarters and internet-based) businesses that are less dependent on land availability. As such, the Austin area has focused on performance based incentives over land development regulations. Moreover, the City of Austin actively enforces a Desired Development Zone (DDZ), comparable to an urban service area or urban growth boundary, which supports complementary redevelopment at the urban core.

COMMUNITY PROFILE

Population

The 2010 population of the City of Austin was 790,390, Travis County was 1,024,266 and the MSA was 1,716,289. The population of the City of Austin grew by approximately 20 percent between 1990 and 2010; whereas the population of Travis County grew by approximately 26 percent. Like Hillsborough County, more population growth has occurred in the unincorporated County than in the City. In contrast, Travis County has a slightly younger population than Hillsborough County. Median age is 33, whereas Hillsborough County’s is 36.

According to the U.S. Census, the population density of Travis County was approximately 1,035 persons per square mile in 2010, whereas the population density of Hillsborough County was 1,170 persons per square mile. In contrast, the population density of the City of Austin was more than double that of the Travis County, at 2,610 persons per square mile in 2000. The City of Tampa, Hillsborough County’s largest city, had a population density of 2,707 persons per square mile in 2000.

Race/Ethnicity

Sixty-nine percent of Travis County’s population reported as white during the 2010 U.S. Census. Approximately nine percent reported as black or African-American and six percent reported as Asian. Less than one percent reported as American Indian/Alaska Native or Native Hawaiian/Pacific Islander. Another 12 percent reported as some other race than those identified above. Thirty-four (34) percent of Travis County’s population reported as Hispanic or Latino compared to 25 percent of Hillsborough County’s population. Like Hillsborough County, this population has grown since 2000. The Hispanic or Latino population of Travis County grew by five percent from 2000 to 2010, compared to Hillsborough County which grew by seven percent.

Income

According to the American Community Survey (ACS) for 2005-2009, median household income in the City of Austin is estimated to be \$50,236 (City of Tampa’s is \$43,215). Travis County’s median household income is slightly higher at \$54,044, whereas Hillsborough County’s is \$49,594. According to Kiplinger’s Best Value Cities 2011, the Austin-Round Rock-San Marcos MSA had an index of 93 (Tampa-St. Petersburg-Clearwater MSA had an index of 92) on a Cost of Living Index, with 100 being the national average.

Education

There are a number of colleges/universities located in the Austin-Round Rock-San Marcos MSA, with the largest being University of Texas (UT) at Austin with 51,000 students. UT at Austin receives \$644 million

annually in research funding, and boasts seven museums and 17 libraries on its campus. According to U.S. News and World Report, UT at Austin ranks 45th in academic reputation and 13th among public schools. UT at Austin's business, engineering, and law programs are ranked in the top 20 nationwide. Texas State University also has a campus in San Marcos, and there are a number of private colleges in the region, including St. Edwards and Concordia. Austin Community College rounds out the MSA's educational offerings. In total, approximately 130,000 students attend colleges or universities in the MSA.

In terms of degree attainment, 86 percent of persons age 25 and older living in Travis County are high school graduates and 43 percent have a bachelor's degree or higher.² When compared to Hillsborough County, the percentage of high school graduates is similar (85 percent); however, only 29 percent of persons age 25 and older living in Hillsborough County have a bachelor's degree or higher. It is unknown whether this disparity results from fewer students entering college or from a "brain drain" of college graduates leaving Hillsborough County to seek employment opportunities elsewhere.

Government

Texas county governments focus primarily on the judicial system, health and social service delivery, law enforcement and corrections, and upkeep of county maintained roads. In contrast to other states, Texas counties seldom have responsibility for schools, water and sewer systems, electric utilities, and commercial airports. County governments in Texas have no ordinance-making powers other than those explicitly granted by state legislation. The State's 254 counties have similar organizational features: a governing body (Commissioners Court) consisting of one member elected countywide (County Judge) and four Commissioners elected from geographically unique precincts. The County Judge is so named because he or she often has actual judicial responsibility. In Travis County, the Commissioners Court and County Judge are the chief policy-making and administrative branch of government.

In contrast, the City of Austin practices a Council-Manager form of government. The Mayor and Council appoint the City Manager, who serves as the Chief Administrator of the City organization. The entire Council is elected at large by the voters of the City. Unlike Hillsborough County, Travis County and the City of Austin do not have a City-County Planning Commission. The City of Austin and its Planning and Development Review Department assume responsibility for most planning activities in the Austin area.

Relevant to economic development, Austin's government prides itself on being a unique place to live and work. The City of Austin is a unique municipal operation because of its multi-faceted revenue sources that reflect the many businesses that make up the City. According to the City of Austin's *FY 2010-2011 Approved Budget* document, Austin has the goal of being the nation's "Best Managed City" and includes business partnerships in this goal:

[Excerpt]

To achieve the vision of making Austin the most livable city in the country and to support the City Council's policies and initiatives, the employees of the City – whether they be executives, managers, or front-line service providers – have the singular mission of making the City of Austin the best managed city in the country. The City Manager and his executive team are committed to creating an environment that fosters creative thinking and innovation in the workforce to tackle today's challenges

² American Community Survey (ACS), 2005-2009.

and those we will face in the future. Highlights of the Best Managed Initiatives undertaken this past year include:

Innovative & Creative Thinking. *Successfully helped bring jobs to Austin by facilitating recent business relocations, including Facebook, Legal Zoom, Hanger Orthopedic, Yingli Green Energy, as well as a \$3.6 billion expansion by Samsung.*

...

Dedication to Customer Service. *The Austin Bergstrom International Airport was ranked Best Airport in North America and 2nd best in the world for airports its size by Airport Service Quality. This recognition is an indication of the strong commitment of the workforce to customer satisfaction and the airport's strong ties with business partners that operate the airport.*

...

Community Outreach. *The many planning efforts underway by Planning & Development Review – including the Austin Tomorrow Comprehensive Plan – have been built around community and stakeholder engagement, including the innovative Meeting-in-a-Box.*

...

Sustainability & Environmental Initiatives. *Austin Water Utility's Hornsby Bend Biosolids facility continues to produce the award winning Dillo Dirt, and with \$32 million in Federal Stimulus funding, has begun work on a plant expansion and upgrade that will reduce the carbon footprint of the facility by 6,500 metric tons of CO₂ per year.*

[Source: City of Austin FY 2010-2011 Approved Budget Document, pages 21-22]

Geography

The Austin-Round Rock-San Marcos MSA is ideally located both central to the State of Texas and central to the continental United States. The MSA's position in the Central (CDT) time zone makes it ideal for companies looking to serve both the east and west coasts. The MSA is also within easy reach of 80 percent of the State's population, being situated within the Dallas, San Antonio, and Houston triangle. According to the City of Austin, in 2011, the land area of the City was 308 square miles, while the land area of Travis County was 1,020 square miles. Travis County's land area is similar to Hillsborough County, which covers 1,050 square miles. The larger Austin-Round Rock-San Marcos MSA covers approximately 4,286 square miles.

Similar to Hillsborough County, the Austin area has a humid, subtropical climate, characterized by hot summers, mild winters and prevailing winds from the Gulf of Mexico. Snowfall is rare. Although the area has some unique topography, including portions of Texas Hill Country, frontage on the Colorado River and a number of large lakes, proximity to specific natural resources is not a driver for the region's economy. Risk of natural disaster is generally limited to tornado activity, wildfires and potential flooding from the Colorado River, although the area's proximity to the Gulf of Mexico includes the risk of hurricane activity. Recently, a prolonged drought and associated wildfires have impacted the greater Austin-Round Rock-San Marcos MSA, resulting in economic losses, including both agricultural and personal property damage.

Intermodal/Infrastructure

Interstate 35, running north/south, is the chief intermodal component of Austin's economy. This interstate traverses North America, connecting Mexico to Canada. Additionally, U.S. Highway 183, U.S. Highway 290 and State Highway 71 crisscross the region. These roadways create a virtual box around the City of Austin, which is the largest City in the U.S. to be served by only one Interstate Highway. Interstate 35 is the primary connection between Austin, San Antonio and Dallas-Ft. Worth, Texas. Highway 290 and State Highway 71/Interstate 10 are the primary connections to Houston, Texas.

Austin's intermodal transportation facilities include the Austin-Bergstrom International Airport. Austin-Bergstrom is a multi-use facility serving general aviation, commercial aviation, and the Texas Army National Guard. The airport has nonstop service to 38 destinations in the U.S. and Mexico and Austin-Bergstrom served 8.7 million passengers in 2010. The airport's focus is primarily passenger, with some air cargo. According to Austin-Bergstrom, the demand for air cargo declined from January thru April 2011, while aircraft operations (including commercial and military) increased. Austin-Bergstrom has ranked No. 3 nationally and No. 5 internationally for service quality among airports of its size (5 to 15 million passengers). Austin-Bergstrom's competitor, George Bush Intercontinental Airport in Houston, is among the nation's busiest airports and ranks No. 3 nationally among airports with scheduled non-stop domestic and international services (over 170 destinations).

Capital Metropolitan Transportation Authority [Capital Metro] operates public transportation in the MSA. As mentioned previously, Austin is served by a single Interstate Highway (Interstate 35) and consequently the City has been forced to focus on multimodal alternatives. For example, Capital Metro is in the process of adding "MetroRapid" lines to carry hi-tech buses, similar in appearance to trains, to reduce urban traffic congestion. MetroRapid is federally funded, one of 27 transit projects nationwide to receive such funds. Capital Metro has already opened a 32-mile commuter rail system called Capital's "MetroRail," which was constructed on existing freight rail lines. Although limited to urban Austin at present, Capital Metro plans to extend this system to the large MSA, including Round Rock. The Austin area is also served by Amtrak and Greyhound Lines, which connect to San Antonio and other regional cities.

Austin also owns its electric and water utilities: Austin Energy and Austin Water Utility, which allows for direct coordination through the development review process. Austin Energy delivers reliable energy to over 400,000 metered customers in its 437 square mile service area, including 206 square miles in the City of Austin. Austin Water Utility provides water and wastewater services to over 211,000 customers within Austin and surrounding areas.

Workforce/Economy

Despite the nationwide economic downturn, the Austin-Round Rock-San Marcos MSA is thriving. Austin continues to top the charts of many quality of life reports. For example, Relocate America just named Austin No. 1 in its 2011 "Top 10 Overall Places to Live" and Round Rock made the "Top 100" in that same report. The Brookings Institution recently ranked Austin the No. 1 "U.S. City for Best Economic Recovery" and No. 26 worldwide.

Approximately 89 percent of workers who live in Travis County work in Travis County, inclusive of the City of Austin. Only 11 percent of Travis County jobs are held by non-county residents. According to the

American Community Survey, 61 percent of workers spend less than 30 minutes commuting one-way and 21 percent spend less than 15 minutes commuting one-way.

According to the *2010 Workforce Analysis* document produced by Austin's Economic Growth and Redevelopment Services Office (EGRSO), the official labor force of the City was 432,986 in 2009 with 26,918 unemployed (6.2 percent). According to the EGRSO, in actuality this number is closer to 37,829 people (8.7 percent). According to the *2010 Workforce Analysis*, the area has a large number of undocumented and unemployed migrants, which contributes to these numbers. In contrast, Travis County had a higher unemployment rate, with a labor force of 564,698 and 37,464 unemployed.

Annually, the Austin Chamber of Commerce conducts a survey of companies, representing approximately 40,000 workers. According to the Chamber's 2010 survey, the top three (3) regional issues are workforce/talent (66 percent), traffic/transportation (49 percent) and regulatory (14 percent).

PLANNING POLICY FRAMEWORK

Comprehensive Planning

Travis County has a very limited role with regard to planning. The County's Transportation and Natural Resources Department oversees land development review and permitting, but the County does not participate in a routine comprehensive planning process. Travis County does, however, conduct specific regional plans when necessitated by overarching regional issues. For example, Travis County and the City of Austin, with technical assistance from the Lower Colorado River Authority, recently teamed to prepare a Colorado River Corridor Plan that covers 30,000 acres and coordinates planning to facilitate the protection of environmental, economic, recreational, and cultural resources in the region over a 25 year period. The Corridor Plan also addresses issues of annexation. It includes very broad objectives for improved protection of local bio-diversity, preservation and restoration of floodplains and natural areas; the creation of parks, open spaces and greenways; enhancement of Corridor quality of life through the long-term restoration and reclamation of mined sites; and enhancement of mobility through capital project development and new design alternatives.

Long-range comprehensive planning is primarily an activity of the City of Austin due its prominence in the region and focus on growth. The Austin Planning and Development Review Department assumes this role. Austin's current comprehensive plan³ is titled, "Austin Tomorrow." Austin's current goals, objectives and policies (GOPs) focus on eight areas: Urban Design; Economic Development; Environmental Management; Government and Utility Services; Housing, Neighborhoods, and Community Development; Parks, Open Space, and Recreational Facilities; Transportation Systems; and Health and Human Services. Economic Development goals and objectives are as follows:

³ The "Austin Tomorrow" Comprehensive Plan was originally adopted in 1979 and was updated in 2008. Austin Tomorrow can be accessed on the City's website: http://www.imagineaustin.net/comp_plan_interim_update.htm. Austin Tomorrow includes an Economic Development Element (Chapter 2, page 29). While this document is still effective, the City is in the process of developing a new comprehensive plan, "Imagine Austin," which will also include an "Economy Element." More information about Imagine Austin can be accessed on the City's website: <http://www.ci.austin.tx.us/compplan/theprocess.htm>

[Excerpt]

GOAL 210.0 *Austin's economy should provide a stable, high level of employment and fully utilize human resources while maintaining natural and cultural preservation.*

- Objective 211.0* *Develop a municipal economic policy that is consistent with the community's desire to manage growth and its effects.*
- Objective 212.0* *Anticipate and control the environmental impact of economic growth.*
- Objective 213.0* *Encourage full employment of all segments of Austin's population.*
- Objective 214.0* *Reduce the number of economically disadvantaged persons through greater utilization of human resources*
- Objective 215.0* *Provide relief from the constraints of low incomes through innovative utilization of existing public resources and services.*
- Objective 216.0* *Continue expansion of economic opportunity through the elimination of racial, ethnic, and sexual discrimination.*

The City is currently in the process of updating its comprehensive plan through a two year planning process that began in 2009, "Imagine Austin," similar to Florida's Evaluation and Appraisal Report (EAR) and EAR-Based amendment process. The process is focused on community engagement, sustainability and implementation. The City has just finished its vision and plan framework and is now in the throes of updating the actual comprehensive plan. Relevant portions of "A Vision for Austin's Future" reflect the City's continued focus on economic prosperity:

[Excerpt]

Austin is Prosperous:

Austin's prosperity exists because of the overall health, vitality, and sustainability of the city as a whole-including the skills, hard work, and qualities of our citizens, the stewardship of our natural resources, and developing conditions that foster both local businesses and large institutions. Development carefully balances the needs of differing land uses with improved transportation to ensure that growth is both fiscally sound and environmentally sustainable.

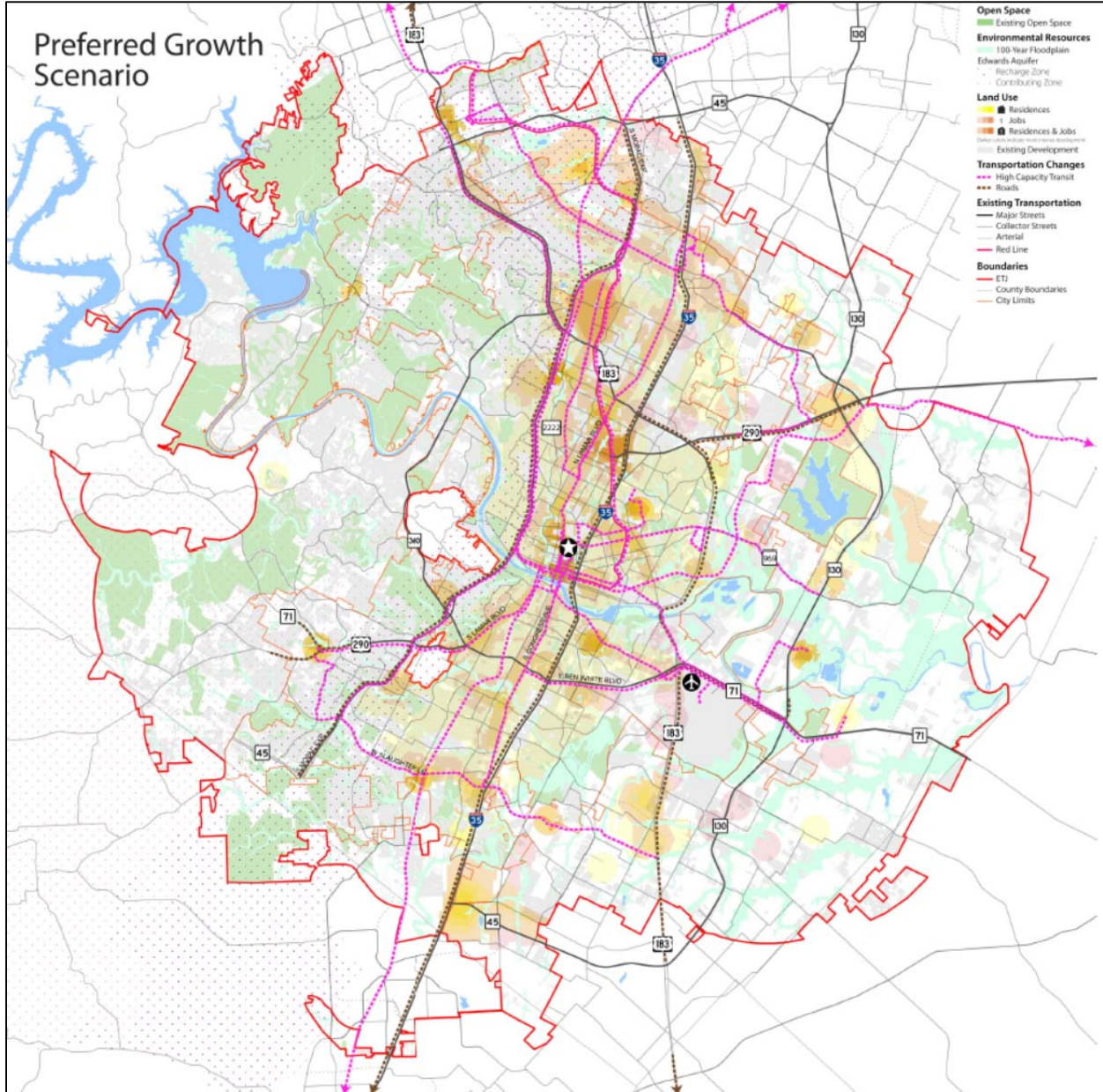
- *Our economy is resilient and responsive to global trends thanks to its diverse and thriving mix of local entrepreneurs, large and small businesses, educational institutions, government, and industry.*
- *Innovation and creativity are the engines of Austin's economy in the arts, research and development, and technology.*
- *Our ecology is integrated with our economy-the preservation of the environment and natural resources contribute to our prosperity.*
- *Equitable opportunities are accessible to all through quality education, training, and good jobs.*

As the City updates Imagine Austin, the Comprehensive Plan will include 14 plan elements, grouped into seven themes, or “building blocks.” The plan framework will make connections between these building blocks and Austin’s vision, including strategic directives to achieve the Vision. The following is the proposed format for the updated Image Austin Comprehensive Plan:

<i>Building Block</i>	<i>Plan Element</i>
<i>Land Use & Transportation</i>	<i>Future Land Use Urban Design Transportation</i>
<i>Housing & Neighborhoods</i>	<i>Housing</i>
<i>Conservation & Environmental Resources</i>	<i>Conservation & Environmental Resources</i>
<i>Economy</i>	<i>Economy</i>
<i>City Facilities & Services</i>	<i>Water, Wastewater, Drainage, Solid Waste, Recreation and Open Space, Public Buildings, Facilities and Services</i>
<i>Society</i>	<i>Health and Human Services Children, Families and Education</i>
<i>Culture</i>	<i>Arts, Culture and Creativity Historic and Cultural Preservation</i>

Three of Austin’s seven building blocks correspond to economic and/or quality of life directives: economy, society, and culture. Moreover, the City’s preferred growth scenario includes an assessment of these features. Map 2, below, shows preferred growth scenario associated with the above plan framework, identifying not only future transportation networks, but also residence and job relationships (see orange and yellow nodes).

Map 2: Preferred Growth Scenario, Imagine Austin Plan Framework⁴

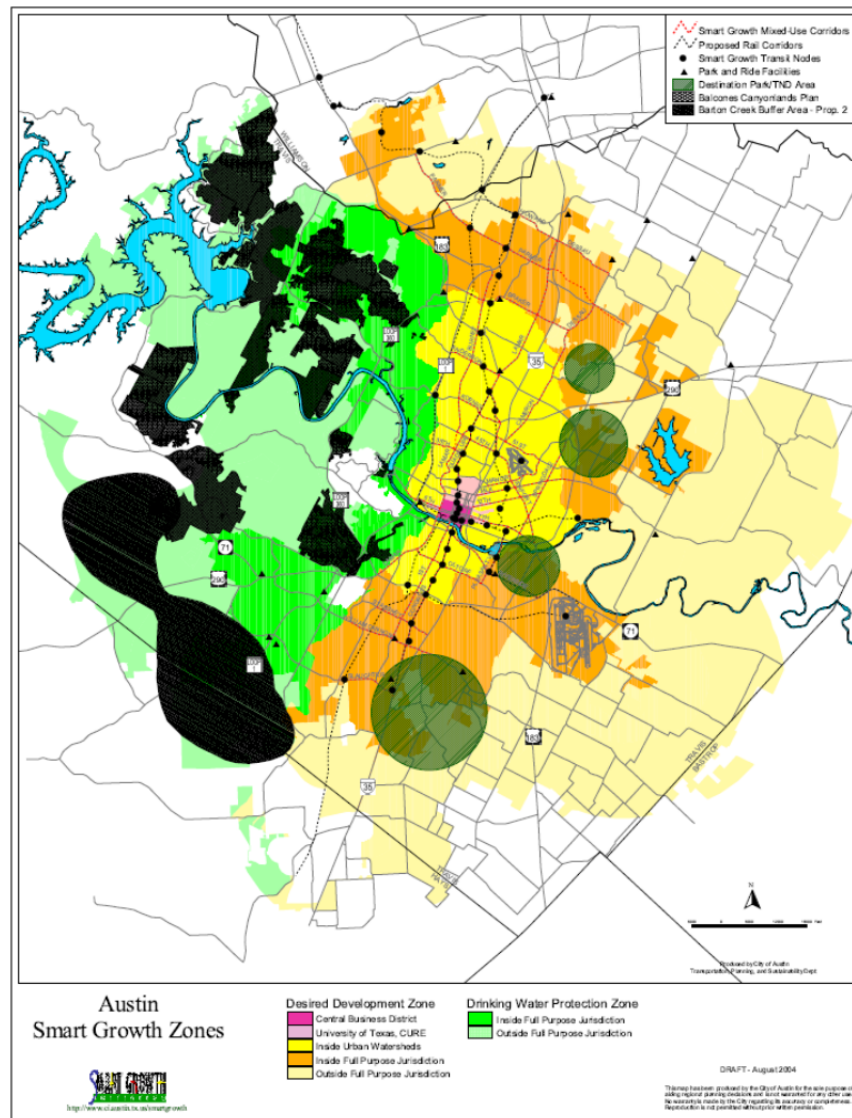


⁴ For more information regarding the preferred growth scenario associated with Imagine Austin, please visit: <http://www.ci.austin.tx.us/complan/plan-framework.htm>. Map 2 can also be viewed from the City's website: http://www.ci.austin.tx.us/complan/downloads/iacp_preferredgrowthscenario_20110209-2.pdf

Land Development Regulations/Implementation

On the ground, the City of Austin actively enforces a Desired Development Zone (DDZ), comparable to an urban service area or urban growth boundary. The DDZ has been both beneficial and problematic. The City is not permitted to allow incentives for development outside of the DDZ, which presents obstacles to businesses looking to locate at the suburban edge to the west of the City. That said, the DDZ has encouraged redevelopment in the urban core, utilizing incentives including but not limited to Tax Increment Financing (TIF) and other redevelopment tools. One of the greatest benefits of the DDZ is that it has successfully increased occupancy within vacant buildings. Austin’s Economic Growth and Redevelopment Services Office (EGRSO) recognizes that new construction depreciates property values through simple supply/demand economics – which is ultimately bad for Austin, particularly when office and commercial space sits vacant. A map of the DDZ, as of August, 2004, is shown in Map 3, below.

Map 3: Desired Development Zone Map



To attract companies that are prepared to bring jobs but do not need to construct a specialized facility (e.g. web-based companies, corporate headquarters, etc.), EGRSO utilizes WebLOCI™ fiscal analysis software to calculate the net economic benefit of that company's arrival and negotiates incentives on a performance basis. For example, a prospective company would provide the City with an estimated number of jobs and corresponding salaries, and the City would then calculate a corresponding incentive based on the net economic effect of that employment. Each project is evaluated using a standard set of criteria adopted by the Austin City Council including: fiscal impact, linkages to the Austin economy, impact on city services, character and number of jobs, quality of life, environmental initiatives, project investment and other related items.

By "performance based", these receiving companies are held to Chapter 380 agreements, which require compliance with specific and tangible goals before providing an incentive. Chapter 380 of the Local Government Code provides legislative authority for Texas municipalities to provide a grant or a loan of city funds or services in order to promote economic development.

Recent Chapter 380-related agreements are listed below:

- Advisory Board Company
- eBay
- Sun Power
- Facebook
- Friday Night Lights
- LegalZoom
- Hanger Orthopedic Group
- Hewlett Packard Data Center
- Samsung 300mm Fabrication Plant
- Home Depot Austin Technology Center

ECONOMIC DEVELOPMENT FRAMEWORK

Economic Partnerships

The primary economic partnership for the region is the Austin Chamber of Commerce and its "Opportunity Austin" initiative. Projects directly assisted by the Austin Chamber in 2010 include:

- Accruent
- Banker's Toolbox
- Cinsay
- Environmental Systems Corp.
- Facebook
- Hanger Orthopedic Group
- Host Gator
- Ihiji
- INCISENT Technologies
- Legal Zoom
- National Scooter Co.
- New Media Learning
- Pain Therapeutics
- Pioneer Surgical Technology
- RRE Austin Solar (RRE Power)
- Samsung Austin Semiconductor
- Soundcheck Austin
- SunPower
- Vermillion

In 2010, the Austin Chamber brought-in 28 new firms and created 3,112 new jobs in the Austin-Round Rock-San Marcos MSA, with an economic impact of \$756,462,268. Corporate expansions created 2,370 new jobs with an economic impact of \$506,992,478.

The Chamber's Opportunity Austin unifies the five-county region and fills a leadership role with regard to economic development. Opportunity Austin was launched in 2004 and "aimed to create 72,000

regional jobs and increase regional payroll by \$2.9 billion.”⁵ As part of the initiative, the regional business community invested \$14.4 million. Surprisingly, Opportunity Austin exceeded its expectations, producing an estimated 123,400 regional jobs and increasing regional payroll by \$5.6 billion. This success is expected to continue over the next five-years using the same strategies, with a potential 117,000 jobs and \$10.8 billion in payroll.

Opportunity Austin is focused on three components of economic prosperity: skilled workforce, quality of life, and business climate, and is focused on target-related infrastructure developments that support science and technology, such as medical schools and research labs. For example, Samsung Austin’s semiconductor operation was motivated to locate in Austin due to its access to highly trained professionals in such industries. In fact, 81 percent of the region’s employees, or 34,964 people, work in technology-based companies (versus 19 percent in non-technology-based companies).

Annual expenses are near \$3,437,107 to operate Opportunity Austin. This includes education, business retention and expansion, investor relations, fundraising campaigns, economic diversification, opportunity fund, and the “Keeping Greater Austin Great” program. The initiative is a true public-private partnership between local governments and businesses throughout the five-county MSA. Advisory boards serve as the platform for advocacy at the City of Austin and Travis County. Policy areas considered by the advisory boards include Austin’s comprehensive plan, city or county bond and charter amendment elections and regulatory climate.

Some of the goals utilized by Opportunity Austin over the past few years are focused on those same three components mentioned above (skilled workforce, quality of life, and business climate) of economic prosperity. The goals⁶ of Opportunity Austin as cited in *Opportunity Austin 2.0: Taking it to the Next Level* are as follows:

[Excerpt]

⇒ *Economy*

- Fully leverage greater Austin’s key public and private leaders and their networks of relationships.
- Improve coordination and capacity of small business, entrepreneur, and technology-commercialization services.
- Refine and enhance business retention and expansion efforts.
- Strategically market greater Austin.
- Fund and staff a comprehensive international development program at the greater Austin chamber.
- Increase greater Austin’s competitiveness for new and existing businesses.

⇒ *Skilled Workforce*

- Greater Austin will implement a comprehensive talent recruitment and retention initiative.
- Ensure that the Austin region’s k-12 school systems effectively prepare all students for future success.

⁵ Austin Chamber of Commerce, *Overview: Opportunity Austin* <http://www.austinchamber.com/the-chamber/opportunity-austin/>

⁶ Opportunity Austin’s strategies were developed in part by Market Street Services, Inc., a consulting firm focused on economic development efforts. Strategies cited are from the report, *Opportunity Austin 2.0: Taking it to the Next Level*, prepared in 2007.

- Leverage greater Austin's two- and four-year colleges for optimal regional benefit.
- Optimize regional [education] assessment and certification processes.

⇒ *Quality of Life*

- Be a key partner in effectively and comprehensively addressing greater Austin's transportation crisis.
- Make greater Austin a best practice model of sustainable growth and development through proactive planning and collaborative regionalism.
- Pursue viable means of ensuring greater Austin maintains quality housing opportunities for residents of all incomes.
- Support policies that sustain greater Austin's environmental integrity and protect its unique sense of place.

Understanding that it is not enough to focus on long-term, "big picture" goals, Opportunity Austin has also set its sights on short-term actions⁷, such as:

[Excerpt]

- Securing the construction of a medical school in Greater Austin
- Increasing small business and technology incubator space and capacity
- Cultivating relationships overseas
- Engaging state leadership to better position Texas in the global marketplace
- Coordinating and facilitating implementation of Envision Central Texas
- Realizing Capital Metro transit enhancements and expansion of regional toll roads
- Developing potential water, sewer, utilities or telecommunications infrastructure upgrades
- Constructing an Austin-San Antonio high speed rail line
- Developing a multi-billion dollar international airport between the Greater Austin and San Antonio regions (modeled after DFW International)

These goals are representative of what Hillsborough County could achieve with its Future of Hillsborough County Comprehensive Plan should it pursue a deeper focus on economic prosperity through a separate Economic Development Element. It is important to note that nearly half of Opportunity Austin's short-term actions focus on intermodal and infrastructure improvements, including water, sewer, utilities or telecommunications infrastructure upgrades, transit enhancements, high speed rail, and a major international airport.

Other economic development partnerships serving the Austin-Round Rock-Sans Marcos MSA include the Multi-Ethnic Chamber Alliance, the Austin Technology Council, Skillpoint Alliance, and the Central Texas Regional Center of Innovation & Commercialization.

Additionally, the City of Austin is proud of its relationship with the University of Texas' Austin Technology Incubator (ATI). ATI "works with early stage companies to provide them expert assistance and guidance through funding rounds to get ideas from concept to market and increase their chances of success by reducing overall time-to-market."⁸ Its focus is on grass roots, start-up ventures, including

⁷ Ibid.

⁸ "Economic Development and Employment Trends" Chapter of the *Imagine Austin Community Inventory*

those related to clean energy, information technology (IT) and wireless, and biotechnology. The ATI is internationally-renowned as a successful model.

Primary & Targeted Industries

The Austin-Round Rock-San Marcos MSA's has been heralded for its efforts to attract the creative class⁹, a population on the cutting edge of science and technology while media-savvy. As such, its primary industries include semi-conductor (incorporated within convergence technologies, i.e. cellular/wireless), software engineering and development, headquarters operations, creative media, and advanced manufacturing.

According to the City of Austin's EGRSO, targeted industries continue to include convergence technologies, corporate and professional operations, creative media, and advanced manufacturing, but the City is also actively marketing to green/clean energy industries, health care and life sciences, and nanotechnology.

LESSONS LEARNED

Opportunity Austin's and City of Austin's planning and economic development efforts include several strategies worthy of recognition and potential applicability to Hillsborough County:

- The inclusion of an Economic Development Element in the "Austin Tomorrow" Comprehensive Plan, which was first drafted in 1979 and maintained through the 2008 Comprehensive Plan update. The planning framework for the new, "Imagine Austin" Comprehensive Plan, in process, is expected to include a similar "Economy Element."
- Direct ties between comprehensive planning and a vision for economic prosperity, as well as quality of life directives related to society and culture.
- "Desired Development Zone" where incentives are concentrated, has both positive and negative effects. Strict urban service area focuses companies to search for vacancies within urban core, but also limits companies looking to build at suburban edge.
- Focus on job creation, performance-based incentives over land development regulations, understanding that a thriving economy is supported by jobs and not by new construction.
- Use of Web-LOCI software to facilitate calculation of incentives for prospective businesses considering location in the City of Austin.
- Partnership with the University of Texas' Austin Technology Incubator (ATI)
- Political will and County support for City- and Chamber-initiated economic development activities.
- Regional collaboration through the greater Opportunity Austin (Chamber of Commerce) initiative. Through the strong leadership of this organization, the five-county region is able to successfully share Austin's success, understanding that job creation has region-wide effects.

It is important to note that when site location and function are not limiting factors, the form of the community can be emphasized without economic detriment. Because of the type of industries that Austin has chosen to attract, Austin has been able to promote quality of life with great success. These industries are not deterred by land development regulations that would otherwise influence the

⁹ Term cited by Richard Florida in the book, *Rise of the Creative Class*, published in 2002.

decisions of location-dependent industries that require proximity to specific markets and/or intermodal/infrastructure.

To illustrate this principle, consider that siting parameters differ depending on the type of company. When siting headquarters, companies seek elements of form (e.g. visibility, landscaping, walkability, etc.) that are typically associated with quality of life, whereas when siting “back office” operations, companies are more concerned with function (e.g. parking availability, loading docks, etc.). Thus, emphasizing form benefits the economy if form is also a siting parameter of the target industry. If form is not a siting parameter of the target industry, other factors such as location and cost become driving forces, not necessarily quality of life. It is not that emphasis on community form in and of itself is detrimental, but form is not a competitive factor for all types of companies. Promoting quality of life works for Austin because quality of life aligns with the siting parameters of its target industries.

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 - Opportunity Austin Website: <http://www.austinchamber.com/the-chamber/opportunity-austin/>
 - Opportunity Austin, *2010 Annual Report*
 - "Economic Development and Employment Trends" Chapter of the *Imagine Austin* Community Inventory
- Market Street Services, Inc.
 - *Greater Austin, Texas Competitive Realities Report (Opportunity Austin 2.0)*, 2007
 - *Taking it to the Next Level (Opportunity Austin 2.0)*, 2007.
- Telephone Interviews:
 - Brian Gildea, City of Austin, EGRSO, August 3, 2011