



OPPORTUNITY AUSTIN 4.0 STRATEGY AND IMPLEMENTATION GUIDELINES

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INTRODUCTION

This draft of the Opportunity Austin 4.0 Strategy and Implementation Guidelines is derived from extensive input and research guided by the Opportunity Austin Steering Committee from February – August 2017. It is organized into the following five sections:

1. Opportunity Austin: The History
2. Stakeholder Input: Implications for Opportunity Austin 4.0
3. Opportunity Austin 4.0: The Platform
4. Opportunity Austin 4.0: The Portfolio
5. Implementation Guidelines

The first section presents a brief overview of the history and evolution of the Opportunity Austin program from Opportunity Austin 1.0 (2004 – 2008) to Opportunity Austin 3.0 (2014 – 2018).

The second section presents a summary of key stakeholder and Steering Committee input throughout the process that has informed refinement to the Opportunity Austin platform, messaging, and potential strategic recommendations.

The third section presents an overview of the recommended new Opportunity Austin 4.0 strategic framework: the platform and key messages that frame strategic recommendations.

The fourth section includes a set of ten key initiatives that comprise the Opportunity Austin 4.0 portfolio.

The document concludes with a set of Implementation Guidelines: brief commentary on implementation priorities, implementation capacity, engagement, and performance metrics.

OPPORTUNITY AUSTIN: THE HISTORY

Since 2003, the Opportunity Austin program has facilitated the emergence of Greater Austin as one of the most prosperous and rapidly-expanding metropolitan economies in the country. Through implementation of three five-year strategic plans, Opportunity Austin has helped support the creation of more than 300,000 jobs and \$20 billion in new payroll from 2003 – 2016, spanning a time when much of the country was mired in the worst recession in nearly 70 years. Each iteration of Opportunity Austin has been different from the last, reflecting the ever-changing needs of the region, its business community, and its workers. The following sections provide brief overviews of the first three Opportunity Austin economic development strategies, beginning with OA 1.0 (2004 – 2008) and ending with OA 3.0 (2014 – 2018).

OPPORTUNITY AUSTIN 1.0 (2004 – 2008)

OA 1.0 was framed by four primary goals related to the creation of a comprehensive economic development program. Each goal contained a set of action steps, examples of which are included in this summary. The strategy's four goal areas related to economic development were also accompanied by a set of recommended action steps to address three primary issues identified in the research phase which inhibited the overall regional competitiveness for job creation: workforce quality, transportation systems and infrastructure, and permitting and the regulatory climate.

Goal 1: Capitalize on Existing Strengths

- Included the development of a business retention and expansion (BRE) outreach program; advocating for legislation of importance to existing sector strengths; and nurturing relationships and partnerships of value to existing sector strengths and industry clusters (such as partnerships to help advance the development of a new medical school).

Goal 2: Recruit and Target Specific Sectors

- Included tactics focused on supplier recruitment; partnership development in emerging sectors; and advocacy for economic incentives and investments that help improve recruitment prospects.

Goal 3: Entrepreneurship and Small Business

- Included tactics focused on the advancement of public-private research partnerships; technology commercialization; export promotion assistance; advocacy for legislation to improve the capital environment; and support for developments that helped advance innovation and entrepreneurship in emerging sectors, notably the development of a medical school.

Goal 4: Marketing

- Included regional branding; a new prospect-facing economic development website; and organizational messaging, stakeholder engagement, and capacity building to increase relevance, impact, and credibility.

Regional Competitiveness: Additional Tactics

- **Workforce Quality:** initial support for a data-driven approach to education/talent programming
- **Transportation Systems and Infrastructure:** advocacy for key infrastructure projects and priorities
- **Permitting and the Regulatory Climate:** improving the ease and speed of permitting processes

OPPORTUNITY AUSTIN 2.0 (2009 – 2013)

OA 2.0 marked the evolution of the strategy into a more comprehensive program that more heavily emphasized components previously captured in the “Regional Competitiveness” section of OA 1.0. The various tactics, programs, and investments contained within the four primary goals of the OA 1.0 were captured by a single goal – Economic Diversification – in the OA 2.0 strategy. Goal 2 (Talent Development, Recruitment, and Retention) and Goal 3 (Keeping Austin “Great”) focused on improving the quality of the workforce and the quality of the place, respectively, elevating issues previously contained in the “Regional Competitiveness” section of OA 1.0. These three goals were abbreviated for simplicity and ease of communication, becoming known more commonly as Economy, Talent, and Community.

Goal 1: Economic Diversification (aka “Economy”)

- Included programming related to corporate recruitment; economic development marketing; existing business retention and expansion; international economic development; small business development and entrepreneurship; and advocacy efforts impacting the business climate.

Goal 2: Talent Development, Recruitment, and Retention (aka “Talent”)

- Included programming related to talent attraction, talent retention, and talent development (K-12 education, higher education, and workforce training)

Goal 3: Keeping Austin “Great” (aka “Community”)

- Included programming related to four core issues: transportation, city and regional planning, housing, and the environment.

OPPORTUNITY AUSTIN 3.0 (2014 – 2018)

OA 3.0 represented a refinement of the OA 2.0 goals and associated actions, focusing on core competencies and impactful program areas that emerged in the first two implementation cycles. The three primary goal areas of OA 2.0 (Economy, Talent, and Community) were updated to Economy, Talent, and Place. Nine objectives were defined within the three goal areas:

Goal 1: Economy

- Support high-value growth in the Austin region’s existing businesses.
- Showcase Austin in targeted domestic and international markets.
- Capture opportunities to build clusters in emerging target business sectors.
- Foster a world-class support system for technology startup and commercialization activities.
- Become a leading voice for policies and programs that enhance Greater Austin’s competitive position.

Goal 2: Talent

- Effectively prepare Greater Austin students for college and careers.
- Optimize Greater Austin’s workforce capacity.

Goal 3: Place

- Continue to aggressively pursue multi-modal transportation development to mitigate traffic congestion in Greater Austin.
- Foster regional dialogues on the benefits and positive impacts of Greater Austin’s development.

At the Steering Committee’s kickoff meeting (February) and subsequent meetings to review the findings of the Regional Assessment (March and April), the Committee discussed the most concerning challenges facing the Greater Austin region at present. These discussions focused on a few key themes:

- Development policy and regulation
- Traffic congestion and mobility
- Affordability and housing
- Income inequality and upward mobility
- Skills gaps and career readiness
- Relationships and engagement
- Diversity and inclusion
- Capital access and the startup ecosystem

These themes capture many other related issues or concerns. For example, “skills gaps and career readiness” and “income inequality and upward mobility” both capture discussions related to improving educational and economic outcomes for English language learners.

BIGGEST OPPORTUNITIES

During its April meeting, the Steering Committee discussed opportunities on the horizon that should be considered for inclusion in the Opportunity Austin 4.0 strategy and its associated implementation phase (2019 – 2023). Committee members were also asked to share their personal opinions regarding such opportunities in the survey distributed after the April meeting. The following opportunities were highlighted multiple times during the Steering Committee’s conversation and/or noted by multiple survey respondents:

- Supporting the development of the Innovation Zone surrounding the Dell Medical School
- Facilitating the expansion of high-growth companies (particularly headquarters operations)
- Commercialization of next generation technologies
- Targeted international economic development
- Air service expansion
- Promotion of tourism and the cultural economy
- Organizational messaging
- Engagement of more diverse stakeholders
- Expansion of higher education capacity
- Investing in efficient and effective mass transit solutions
- Advancing agenda related to social issues
- Promoting career readiness in addition to college readiness
- Improving outcomes for residents in and around East Austin, and other disadvantaged populations
- Corridor development and effective implementation of CodeNEXT
- Articulating the “voice of business” and role of the business community in addressing challenges

EVALUATING THE OA 3.0 STRATEGIC FRAMEWORK

The Steering Committee survey distributed after the April meeting also asked if Committee members felt that changes were warranted to the Opportunity Austin strategic framework based on the Committee's discussions and the research completed to date. Specifically, following a brief recap of the three historical goal areas of Economy, Talent, and Place from OA 3.0, Committee members were asked: *"Do you believe that any substantive changes should be made to the overarching goal areas and/or the manner in which we communicate the Opportunity Austin program's strategic focus areas?"*

- ✓ **57% of respondents indicated that:** *"Yes, some changes could be warranted."*
- ✓ **43% of respondents indicated that:** *"No changes are necessary; the historic goal areas of Economy, Talent, and Place are appropriate."*

On the surface the survey results appear to demonstrate a lack of consensus. The majority indicated that some changes to the strategic framework (Economy, Talent, and Place) could be warranted. However, many who voted for changes to the framework clarified in their comments that they support a *realignment* of investments within the existing areas of Economy, Talent, and Place. Specifically, many called for heightened investment in the areas of Talent and Place, reflecting a recognition or belief by some that the challenge which birthed OA (a need for economic diversification and aggressive job creation) has been surmounted in by concerns born from the region's rapid growth (notably traffic congestion, reduced affordability, disparities in educational and economic outcomes, and reactionary policies that could be harmful to business growth). Others expressed a need to more heavily emphasize programming within Economy, notably heightened investment supporting innovation and/or existing business retention and expansion (BRE). In addition, it appears that Committee members are particularly concerned with *messaging and communication*; specifically, what many perceive to be a disconnect between what/who Opportunity Austin truly supports through its investments and what/who it is perceived to support by some in the community.

A few examples of these clarifying quotes from Steering Committee members are provided below:

"While I believe Economy, Talent and Place should remain our goal areas, I believe we can do a better job of communicating the features and benefits of OA to the broader community."

"Inclusiveness would be a better descriptive goal in addition to affordability."

"There needs to be more emphasis on business retention and expansion in the next iteration of OA...I can think of nothing more motivating than to have our current business citizens extolling the virtues of our "Business Advocacy" services to other businesses considering a move to Austin."

"Rather than changing the overarching goal areas, I believe we should focus on how they are communicated."

"We have to find a message or manner to better explain the benefits for everyone in the community. There appears to be a perception that our efforts are for a select few or groups in the community when the reality is that the entire community benefits from our efforts."

REALIGNING THE MESSAGE

At the Steering Committee's May 17th meeting, small groups reviewed the input summarized herein and discussed how this input influences their long-term vision for the Opportunity Austin program. These groups then discussed how this input and their vision should be incorporated into the messaging associated with Opportunity Austin 4.0. Specifically, small groups were tasked with concisely defining the key message(s) or "elevator pitch" associated with the Opportunity Austin program and the manner in which those messages should be realigned and communicated through Opportunity Austin 4.0. The quotes below are a sample of the key messages identified and transcribed by the Steering Committee on May 17th related to the Opportunity Austin program and its intended or desired evolution:

"Through Opportunity Austin, we're working together as an inclusive community for a healthy economy. We do this by connecting our neighbors to opportunities such as good jobs and education. For example, our work to bring a medical school here delivers on the promise of a stronger community through better health care and good jobs."

"Opportunity Austin is the collective stewardship of Austin's businesses to improve its economy, workforce, and community."

"Emphasize the focus on businesses that are already here – enhancing the 'business climate.' Give investors the confidence that the Chamber is doing deep analytical research into the City's problems and vetting possible solutions. Empower the business community to achieve what they want to achieve and the workforce to take advantage of those opportunities. Have the Chamber be the catalyst for collaboration to solve community issues and enhance long-term economic vitality."

"Competition never stops. Your business success depends on staying ahead of the game and connected to opportunity. Through OA 4.0, we're investing in what makes Austin special: our people, business leaders, and policymakers must work together to make this happen."

"(Opportunity Austin represents) a cross section of business and community leaders investing and working on a five county regional economic development initiative because we are passionate about making this a great community for everyone. We are tackling the biggest challenges with a plan to diversify our economy, improve talent, affordability, connectivity, and opportunity for all."

At its June and July meetings, the Steering Committee reviewed potential messages, mission statements, and strategic initiatives that respond to the research findings and input summarized above. The pages that follow detail the new Opportunity Austin 4.0 platform and portfolio.

OPPORTUNITY AUSTIN 4.0: THE PLATFORM

Opportunity Austin invests in a portfolio of initiatives that support job creation, employability, and economic opportunities for all.

At its core, Opportunity Austin is a program that supports job creation and economic prosperity. These are enduring objectives and outcomes that have and will continue to characterize the program’s reason for existence. But through stakeholder input it is evident that investors, partners, and the business community at large view Opportunity Austin more broadly as a catalyst of opportunity. More specifically, as they look to the future of the Greater Austin region and the Opportunity Austin program that supports its growth and prosperity, these stakeholders value and expect that Opportunity Austin will serve as a catalyst in the identification, evaluation, and pursuit of opportunities that promote and support:

1. an **economy** that is *inclusive* and *innovative*
2. a **workforce** that is *educated* and *employed*
3. **communities** that are *affordable* and *accessible*

An economy that is inclusive and innovative. A workforce that is educated and employed. Communities that are affordable and accessible. **This a region that creates opportunity for all.**

And when supported by partnerships characterized by strong working relationships and common goals, it is a **connected** region that is *efficient, effective, and engaging*.



This unifying theme of **connectivity** cuts across the three historical goal areas of the Opportunity Austin program. It is both a defining attribute of Opportunity Austin’s strategic approach and a desired outcome of its strategic endeavors: a connected **economy** where relationships nurture new technology development, new company formation, existing company expansion, and new company recruitment; a connected **workforce** where graduates, the unemployed, and the underemployed are connected to education, training, and job opportunities that are intentionally cultivated to meet their needs, and; connected **communities** where people and goods can move freely with minimal congestion between a network of employment centers that enable choice, livability, and diversified, regional economic growth.

Cultivating an *inclusive* and *innovative* **economy** is not a single person’s job nor a single department’s responsibility; the same applies to **workforce** and **community**. For example, the economic development department supports the advancement of an *educated* and *employed* **workforce** by engaging employers to understand their specific labor needs, and by making connections to other departments and institutions that can take appropriate responsive action. This is a better connected program, a better connected organization, and a better connected region – one that is more efficient, effective, and engaging in its strategic endeavors.

OPPORTUNITY AUSTIN 4.0: THE PORTFOLIO

The Opportunity Austin 4.0 strategy is characterized by a **portfolio of investments**. Ten key initiatives have been identified by the Steering Committee to comprise this portfolio. Each initiative includes a discussion of potential investments and activities that can serve as a starting point for the development and execution of annual work plans that activate the strategy during its implementation (2019 – 2023). The discussion of potential investments and activities is intentionally presented in a more narrative manner than past strategies which often appeared in the form of a strategic checklist. This narrative approach is intended to support greater flexibility and acknowledge the dynamic nature of Opportunity Austin implementation; the Austin Chamber is a strategic organization that is constantly in the process of refining its strategic priorities and realigning resources to capitalize on new opportunities.

This Opportunity Austin 4.0 strategy includes the following 10 key initiatives, presented in priority order of importance according to Steering Committee evaluations (see Implementation Guidelines; Priorities).

1. "Connect First" Existing Business Outreach Program
2. Targeted Corporate Recruitment
3. College and Career Readiness and Placement (CCRP)
4. Mobility Agenda
5. Innovation Agenda
6. Affordability Agenda
7. Innovation Zones and Regional Employment Centers
8. Game Changers
9. International Economic Development
10. Opportunity Studio

Contrary to past Opportunity Austin strategies the initiatives contained herein are not grouped or categorized by goal area. Rather, these initiatives intersect all three goal areas and the various departmental functions that support them, reinforcing the notion that **connectivity** is a defining attribute of Opportunity Austin's programming. For example, efforts to recruit (#2) and grow (#5) more headquarters operations will be enhanced by airport expansion (#8) and efforts to enable continued production of top talent (#3 and #8). And the benefits of this tactic can accrue across our region through efforts to develop regional employment centers (#7) and enhance employment prospects of recent graduates (#3). Similarly, efforts to improve mobility (#4), maintain affordability (#6), and enhance capital availability (#5) should help preserve an environment that is conducive to existing business expansion (#1).

The ten initiatives listed above are discussed in the pages that follow, with each containing three subsections:

- ✓ **The Opportunity: What Does the Research and Input Tell Us?**
- ✓ **The Potential Investments and Activities: Where Should We Focus?**
- ✓ **The Outcomes: What is Our Desired Impact?**

Following the presentation of these initiatives in the Opportunity Austin 4.0 strategy is a set of Implementation Guidelines that briefly discuss implementation priorities, marketing and engagement, capacity and resources, and performance measurement.

1. “Connect First” Existing Business Outreach Program

Recommit to existing business retention and expansion (BRE) as the cultural core of Opportunity Austin’s approach to economic development and strategic initiatives.

THE OPPORTUNITY: WHAT DOES THE RESEARCH AND INPUT TELL US?

A wealth of evidence has emerged over the course of recent decades regarding the contributions of existing businesses to economic growth; the evidence suggests that existing businesses are responsible for the majority of job creation in a given region, with most estimates ranging from 70 to 80 percent of total job creation in a given year. As concerns grow that affordability, congestion, and other issues could threaten the advantages that have supported business attraction to Greater Austin, many stakeholders have expressed a desire to see existing business outreach intentionally reinforced. To quote a Steering Committee member: *“There needs to be more emphasis on business retention and expansion in the next iteration of OA...I can think of nothing more motivating than to have our current business citizens extolling the virtues of our Business Advocacy services to other businesses considering a move to Austin.”*

THE POTENTIAL INVESTMENTS AND ACTIVITIES: WHERE SHOULD WE FOCUS?

As mentioned in the preceding section, connectivity is both a defining attribute of Opportunity Austin’s strategic approach, and a desired outcome of its strategic endeavors. Connect First represents a comprehensive, intentional approach to existing business outreach and care that is predicated upon:

- ✓ strong connections between staff support and the existing business community,
- ✓ strong connections between staff support and various partners, and
- ✓ strong connections among staff support and between departmental units.

The Connect First program could serve two primary purposes:

A. Business Retention and Expansion (BRE)

The Connect First program could serve as an extension to and evolution of OA’s existing approach to business retention and expansion, currently characterized by a limited number of site visits and surveys completed annually. With intentionality and frequency, the Connect First outreach program could help develop a culture of service where regional businesses view staff supporting Opportunity Austin as an extension of their company’s team. It could efficiently increase engagement of existing businesses while improving the synthesis of information and the process of reacting to this information that is collected informally yet daily by both staff and volunteers.

B. Nurturing Relationships that Support and Focus Our Strategic Initiatives

Connecting with the region’s existing business community could serve as the foundation for Opportunity’s Austin’s approach to many other strategic endeavors; it becomes to backbone of operations and the cultural core of the program. The conversations that staff have with existing businesses, and the conversations that business leaders have with one another, must be captured, analyzed, and utilized effectively to inform Opportunity Austin’s approach to various strategic initiatives. Conversations with existing businesses can

help identify potential corporate recruitment prospects (see #2). They can shape the approach to international economic development by helping to establish and advance new relationships with potential international investors (see #9). They can constantly inform our legislative agenda and advocacy efforts, and refine our approaches to workforce development (see #3). And they help identify the next game-changing investments on the horizon (see #8).

A variety of potential tactics and investments can help advance these objectives:

- ✓ **Develop a system to improve informal information capture within Connect First:** The Connect First program should seek to improve the information capture emerging from countless informal, individual conversations and other formal conversations (board meetings, committee meetings, etc.) that are not presently connected to Opportunity Austin’s existing business retention and expansion (BRE) program. During the course of a day, it would not be uncommon for staff across various departments supporting Opportunity Austin to collectively have hundreds of interactions with existing businesses each day. These interactions and the information that emerges from them is often captured informally and isolated to the individual receiving that information. A system could be developed whereby staff and volunteers are trained to ask a few key questions to determine if the executive or company has any immediate needs or assistance, expansion plans, or other action items that deserve follow-up from the economic development team or any other relevant staff member. This information could be compiled and updated weekly by staff through shared customer relationship management (CRM) technology. Basic information on the individual or company, their needs, and the necessary follow-up should be recorded and assigned. Potential exists to create a simplified form – as opposed to a CRM software package – to be used by staff, with a designated staff member assigned to the compilation and data entry associated with staff-submitted contact information. The platform chosen should be aligned with work that is currently underway to modernize customer relationship management (particularly as it relates to membership) across the Austin Chamber.
- ✓ **Develop a system to expand responsibility for company follow-up within Connect First:** In executing the aforementioned system, potential exists to drive a greater number of qualified “leads” to the economic development team: specific companies that require more careful and focused attention from experienced economic development team members to support expansion plans. It could also result in assignments for follow-up with individual companies by staff members that have not previously been responsible for “existing business retention and expansion” (BRE). A wide range of issues could emerge that need follow-up from team members outside of economic development, from workforce to advocacy to innovation. Using the CRM system, team members can check their follow-up assignments on a weekly basis. Similarly, team members can check the CRM when entering individual meetings, committee discussions, board meetings, and other gatherings to ensure that they are up-to-date on the latest connections and needs identified by the individuals with which they will be meeting. Team members from various departments can also be assigned to the management of the conversation series’ described in the next bullet.
- ✓ **Intentionally target specific sectors and companies through a Connect First conversation series:** Connect First should be aligned with the region’s target sectors, its regional outreach efforts, and its other strategic objectives, from an innovation agenda to a mobility agenda. Specific constituent

groups could be identified for targeted and focused feedback. Potential exists to develop a Connect First conversation series whereby Opportunity Austin hosts small group conversations among shared interest groups to improve connections within the group, improve understanding of individual company needs, and improve understanding of collective needs and concerns to inform and refine strategic endeavors. For example, conversation series' could include "Connect First: Digital Media" (aligned with a target sector); "Connect First: Top Executives" (key leadership); "Connect First: San Marcos" (regional employment center), or "Connect First: Austin A-List" (an existing program).

- ✓ **Expand existing businesses connections through regional partners:** The Connect First program should effectively engage the various regional partners in economic development that are helping (or could help) implement a series of site visits, deploy a series of surveys supporting BRE, or start a series of annual Connect First "conversations" (see following bullets) with executives from individual communities/counties. This could include efforts to expand usage of shared BRE software used to deploy and track survey information, potentially through sponsorship or local partners' subscriptions to such software; an effort could be made to minimize barriers to regional partner adoption and assistance with BRE deployment. A list of target companies for direct, in-person outreach through site visits and Connect First "conversations" could be developed. This list could ideally identify specific companies by county/community, target sector, and/or growth stage. While Opportunity Austin has been appropriately deferential to local economic development partners in deployment of existing business outreach, Opportunity Austin should attempt to fill gaps that may exist in the region geographically with respect to existing business care.
- ✓ **Empower the existing business community to help increase connectivity:** Potential exists to also leverage volunteers in the process of improving connectivity and individual business care. Specifically, Connect First could seek to train volunteers – specifically, active investors in Opportunity Austin – to always ask their peer executives and members of the existing business community one simple question at the conclusion of a conversation: *Is there anything you need, or anybody that I can help connect you with, to support your company's success here in Greater Austin?* A secure, online portal can be created to allow volunteers to confidentially enter any connections or follow-ups that are needed with the team supporting Opportunity Austin.
- ✓ **Implement a feedback loop for Connect First through publications and events:** Each year, Opportunity Austin could develop a publication that summarizes the activities and inputs collected by the Connect First program that year. It should highlight successes: existing business expansions, companies that received assistance with a regulatory issue, etc. It should also summarize feedback for key consistent groups (i.e. summarizing the Connect First conversation series) and share with investors the ways in which their feedback is going to influence ongoing and future investments made by the Opportunity Austin portfolio. This publication could support an existing or new event.

THE OUTCOMES: WHAT IS OUR DESIRED IMPACT?

Directly assist at least 500 companies with expansions in the Greater Austin region over five years, supporting 25,000 net new jobs from existing business expansions.

Other potential performance metrics associated with this initiative are referenced in the Implementation Guidelines.

2. Targeted Corporate Recruitment

Realign and refocus the regional approach to corporate recruitment.

THE OPPORTUNITY: WHAT DOES THE RESEARCH AND INPUT TELL US?

At the genesis of the Opportunity Austin program in 2003, the regional economy was mired in a sluggish recovery from the bursting of the tech bubble that helped fuel Austin's expansion in previous years and decades. More than 25,000 jobs were lost from 2000 to 2003 and real per capita income declined by 4.5 percent. The region lacked capacity to aggressively target and recruit new businesses that could diversify the regional economy, insulate it from future shocks, and aggressively sell the attractiveness of the region and its business climate to prospective new companies.

Suffice it to say, it is no longer 2003. The Opportunity Austin program has grown substantially in influence and impact over the last 13 years into a program where considerable resources

are devoted to lead generation and the identification of corporate relocation prospects. Meanwhile, the region's attractiveness and reputation has ushered in an era where prospective companies interested in relocating to Greater Austin are requesting information from staff and partner organizations at a rate that is difficult to keep up with; the pipeline of active prospects facing Economic Development staff is, at present, impressive and overwhelming. This is a problem that economic developers around the country yearn for; they spend entire careers attempting to help build an asset base that is sufficiently attractive to prospective companies such that companies seek out their region, rather than the region seeking out companies. While no place is perfect, Greater Austin is the envy of economic developers around the country for this very reason. With limited resources, there is a need to constantly focus on the highest possible return on investment.

"A hypothetical 100-job medical instrument manufacturing project would generate 100 direct jobs at \$108,883 average earnings and an additional 168 indirect or induced jobs at \$52,671 average earnings. By comparison, a 100-job warehouse and distribution project that might provide more direct jobs of appeal to those with less formal higher education would generate a total of just 150 jobs with average earnings of roughly \$50,000 (100 direct jobs at \$50,192 and 50 indirect or induced jobs at \$49,641)."

- OA 4.0 Regional Assessment

THE POTENTIAL INVESTMENTS AND ACTIVITIES: WHERE SHOULD WE FOCUS?

Identify leads through existing businesses: Through the Connect First outreach program (see #1), anchor employers in the region's target sectors can be identified and prioritized for outreach to identify potential relocation prospects with strong connections that could potentially benefit from locating in the region.

Reduce travel and associated lead generation: Serious consideration should be given to reducing the number of domestic mission trips that are taken annually by economic development staff. These trips are exceptionally time-consuming in terms of preparation but produce relatively few quality leads. Nine different trips are budgeted for 2017; eliminating those that have produced the lowest returns and number of quality leads could provide necessary resources for other endeavors supporting targeted corporate recruitment or other programmatic priorities. Lead generation and mission trips ideally remain a core component of the Opportunity Austin program – they provide opportunities to meet with site selection consultants, national

brokers, and the headquarters of existing companies as well – but consideration could be given to reducing expenditure and focusing on the highest value opportunities.

Develop capacity to sufficiently respond to prospects and requests for information: Expenditure and time that is saved from reduced planning and execution of mission trips can be devoted to enhanced responses to unsolicited prospect inquiries that required relatively little or no previous time or expenditure to generate.

Recruit headquarters from markets without a hub airport: Much discussion has taken place among stakeholders regarding the desire to cultivate, attract, and retain more headquarters operations, and specifically to see those headquarters actively engaged in the betterment of the region and the Opportunity Austin program. Given the relative importance of hub airport status (see #8) to headquarters' locations, recruitment efforts could specifically target markets which lack a current hub or focus city designation.

Recruit gazelles from their startup locations: Stakeholders have also expressed a desire to see greater connections between the program's focus on innovation (see #5) and its approach to corporate recruitment. Potential exists to focus lead generation efforts associated with high-growth firms on those which have yet to expand within or relocate from their startup location (often before Series B according to stakeholders).

Target and incentivize trade shows in partnership with ACVB: Trade shows, conference, and other industry-specific events attract thousands of decision-makers, investors, and startups to the Austin region each year. A partnership with ACVB to specifically target and perhaps incentivize trade shows, conferences, and other events that align with target sectors could greatly enhance the pool of prospects that come to Austin and the opportunities to efficiently connect with prospects when they are able to experience the region first hand.

Enhance regional marketing efforts and revive the "Human Capital" campaign: Regional partners, staff supporting Opportunity Austin, and investors have called for additional resources devoted to regional marketing and messaging in support of corporate recruitment efforts. Some have called for a return to or reinvestment in the "Austin: The Human Capital" campaign. Others have called for search engine optimization (SEO), greater use of social media, refreshed marketing collateral that better promotes the entire region and the specific attributes of individual communities and counties in the metropolitan area. Investors also want to ensure that target sectors remain aligned with broader objectives (notably regionalism).

Ensure that product enhancements are a component of local advocacy agenda: Economic developers often talk about product – the assets they are able to market to potential prospects, most notably industrial land, office space, and incentives. Stakeholders have emphasized concerns regarding the evolution of the City of Austin's incentives policies, while others have noted that land may need to be acquired by the City of Austin to increase its inventory of marketable industrial properties available to enable growth in sectors and occupations that it wishes to support with its incentive policies and workforce development investments.

THE OUTCOMES: WHAT IS OUR DESIRED IMPACT?

Directly assist at least 300 companies with relocation projects over five years, supporting the addition of at least 30,000 direct new jobs in Opportunity Austin's target sectors and 75,000 indirect and induced new jobs in a variety of complementary middle-skill occupations.

Other potential performance metrics associated with this initiative are referenced in the Implementation Guidelines.

3. College and Career Readiness and Placement (CCRP)

Establish a new College and Career Readiness and Placement (CCRP) initiative to encompass the existing Direct-to-College (DTC70) initiative and a new Direct-to-Work (DTC30) initiative.

THE OPPORTUNITY: WHAT DOES THE RESEARCH AND INPUT TELL US?

The Direct-to-College Achievement Plan, commonly known as DTC70, is an existing collaborative effort between chambers of commerce and school districts, led by the Austin Chamber, to ensure that 70 percent of graduating classes are enrolled directly in postsecondary education. The Plan is supported by multiple programs and initiatives, including but not limited to: surveys of college intentions to be used by counselors and chamber partners; text message reminders of impending application deadlines for college and financial aid; individualized tutoring and counseling for those most in need, and; a Financial Aid Saturdays program that provides hands-on assistance to families in completing FAFSA applications.

Support for the Plan and the Education Progress Reports that accompany it has historically been strong, but some districts are beginning to distance themselves from the Plan's objectives and their corresponding Progress Reports. There is concern among some stakeholders that college matriculation has flatlined in most districts and that changes in the DTC70 programming will be needed to make another leap. Meanwhile, Opportunity Austin investors have noted that the message associated with DTC70 could give the impression that the Austin Chamber's efforts related to education and workforce are strictly focused on college matriculation. There is concern that this message is not only inaccurate and not reflective of the scope of the Chamber's programming, but also, that it stands in conflict with the prevailing discourse in recent years that the Austin region needs to collectively focus more heavily on the unemployed, underemployed, and those seeking greater upward mobility for their families and future generations. Simply put, there is concern that "DTC70" reinforces a falsehood that college matriculation is the be-all, end-all.

THE POTENTIAL INVESTMENTS AND ACTIVITIES: WHERE SHOULD WE FOCUS?

Consideration should be given to realigning the DTC70 Plan and associated programming as a component of a larger "College and Career Readiness and Placement" initiative (CCRP). The CCRP initiative would include two components: the existing DTC70 programming that seeks to promote college matriculation for 70 percent, and a new Direct-to-Work Plan (DTW30) that seeks to promote career readiness and job placement for the remaining 30 percent without immediate postsecondary intentions. It would communicate that rather than focusing on 70 percent *matriculation*, the Chamber's strategic focus is 100 percent *readiness* and *placement* – either college readiness and placement or job readiness and placement. Opportunity Austin investors have communicated that this message, programming, and corresponding accountability measures could be more widely supported by superintendents across the region. While 100 percent college matriculation or career placement among all students entering high school is an unrealistic objective, near 100 percent college matriculation or career placement for those students who have effectively progressed to their senior year is a reasonable aspiration.

1. Direct-to-College (DTC70)

A variety of national studies in recent years have estimated that at least 65 percent of jobs in the United States in 2020 will require some form of post-secondary education. Austin Chamber research demonstrated that in recent years, roughly 70 percent of job openings in the region required at least an Associate's degree. Accordingly, it is important that the region remain focused on generating a homegrown pipeline of college graduates by encouraging the seamless transition of high school graduates into college; cultivating and retaining highly-educated young talent remains an appropriate focus for Opportunity Austin given that the region's new Austin Metro Area Master Community Workforce Plan is specifically focused on "improving economically disadvantaged residents' access to these middle-skill jobs." But concerns among stakeholders that college matriculation has flatlined or is approaching a peak in certain districts implies that consideration should be given to realigning DTC70 programs and initiatives to support another surge in matriculation rates. Various tactics could be considered:

- ✓ **Explore regional partnership opportunities to efficiently deploy education resources:** Stakeholders have repeatedly emphasized that Opportunity Austin must effectively partner with specific organizations in the region – notably the Austin Area Research Organization (AARO) and Austin Partners in Education (APIE) – to most effectively deliver programming related to college and career readiness. With limited resources for the entire Opportunity Austin portfolio, it will be necessary to find partners that are interested in able in engaging in conversations about shared objectives and efficient resource deployment across organizations. Potential exists to work with AARO or others to execute survey-based research and reporting on student outcomes. Potential also exists to work with APIE on volunteer coordination and deployment in support of Financial Aid Saturdays and a potential new Career Placement Saturdays (see subsequent bullets).
- ✓ **Explore new funding opportunities from national foundations supporting education:** Consideration could be given to the pursuit of grant opportunities to enable continued deployment of existing programming and expansion to new programming, potentially seeking foundations that may be interested in replicating the region's efforts elsewhere in the country. The Austin Chamber and its partnering school districts have developed a successful and replicable model for enhancing college matriculation through technology deployment, data usage, and supportive programming; in this regard, it has successfully "piloted" a program and demonstrated results. This history and record of success should appeal to a variety of foundations with complementary missions such as the Ford, Gates, and Lumina Foundations.
- ✓ **Evolve text messaging to target populations with historically low matriculation rates:** Repositioning and retargeting programs to specifically reach certain populations with historically low matriculation rates such as English Language Learners (ELL). Consideration could be given to ways in which initiatives such as the text-messaging system and Financial Aid Saturdays can specifically targets parents of ELL students (such as Spanish language text messages targeting parents).
- ✓ **Use data to identify best practices within the region:** Researching the relationship between socioeconomic attributes and college matriculation rates at the individual high school level to help identify those with potential best practices to be emulated. Potential exists to emulate the best

practice Neighborhood Nexus data visualization system (also known as Weave) developed in metro Atlanta.

- ✓ **Develop new methods to track and measure long-term outcomes:** Utilize technology to continuously engage and track graduates after their college matriculation to measure enrollment retention and career placement.

2. Direct-to-Work (DTW30)

The new DTW30 component could adopt similar programming and initiatives to the DTC70 Plan, specifically targeting those without immediate postsecondary intentions. Potential DTW30 tactics could include:

- ✓ **Evolve text messaging to intentionally target those who aren't matriculating to college:** A complementary text message communication platform targeting those without college intentions to connect them to immediate job openings or other short-term training and credential opportunities.
- ✓ **Advocate efforts for Career Readiness and Industry Certifications:** The region's various career and technical education (CTE) programs (career academies, career cluster programs, etc.) largely support the achievement of industry-recognized certifications and credentials for students that are not moving directly to college. As part of college and career planning across all districts in the region, potential exists to advocate for the adoption of a standard career-readiness credential that is distinct from industry-specific credentials. Such a certification could be developed in partnership with the Texas Success Initiative (analogous to the College Readiness Assessment) and/or in partnership with ACT whose National Career Readiness Certificate (NCRC) could provide an appropriate foundation. Ultimately, school districts should be encouraged to ensure that all students who are not on a pathway to college matriculation be required to receive one of more certifications related to a specific industry or overall career and workplace readiness.
- ✓ **Expand access to dual enrollment opportunities that lead to industry certifications:** Students that are not pursuing a two- or four-year college degree need early access to dual enrollment opportunities that can provide industry credentials for careers that are in-demand and provide attractive wages.
- ✓ **Develop a "Career Placement Saturdays" program:** A "Career Placement Saturdays" program could be analogous to Financial Aid Saturdays but could convene volunteers to help high school seniors that have obtained or are working towards an industry credential to prepare resumes, practice interview skills, and connect to prescreened job openings that may fit their interests and skills in alignment with their chosen career pathway or credential.
- ✓ **Develop an Austin Works program:** Potential exists to develop a new program – Austin Works – that encourages and recognizes employers that provide funds for continuing education, professional development, and leadership development for employees, and/or Employer-Assisted Housing programs (down-payment assistance) to support affordability, homeownership, and talent retention. It could also recognize employers and organizations that actively align their workforce efforts with the Austin Metro Area Master Community Workforce Plan (fulfilling the "Talent Champions" component of the Workforce Plan; see next subsection).

3. Austin Metro Area Master Community Workforce Plan

Workforce Solutions Capital Area recently completed and released the Austin Metro Area Master Community Workforce Plan (heretofore referred to as “the Workforce Plan”) in June 2017. The Austin Chamber was a partner in its development and has a critical role to play in its implementation.

- ✓ **Advance partnerships for Opportunity Austin initiatives that satisfy Workforce Plan objectives:** Many of the Workforce Plan’s recommendations reflect initiatives that are already underway as a component of OA 3.0 programming or have been mentioned as potential components of OA 4.0 programming. For example, recommendations in section 2.3 and 2.4 of the Workforce Plan call to “grow the availability of and educate potential students about financial aid, including state and federal programs, scholarships, and employer-sponsored tuition assistance;” to “expand options for students with basic skills/English barriers or economically disadvantaged backgrounds,” and; to “adopt the use of evidence-based models for improving persistence among economically disadvantaged students.” Stakeholders have emphasized that Opportunity Austin is exceptionally positioned to support job placement as its primary role in Workforce Plan implementation. Others have emphasized that it must take a leadership role in convening and connecting the various partners identified in the Workforce Plan’s “Implementation” section. Specifically, opportunity could exist to coordinate the employer-driven “Talent Champions” within the potential Austin Works program (see preceding subsection).

“...in 2016, approximately 17,500 working residents lived in East Austin (zip codes 78702 and 78722) while almost 21,000 jobs existed within the neighborhood. As a result of this mismatch, 3,500 net workers flow into the neighborhood to fill employer demand. And specifically, demand for low- to medium-skill occupations by employers located in East Austin exceeds residential supply. This implies that efforts to promote middle-skill job creation in East Austin may simply induce additional worker inflow and/or demand for housing and further exacerbate concerns of residential displacement. Efforts to promote upskilling to improve the qualifications of East Austin residents for jobs that already exist in the area may be more appropriate.”

- OA 4.0 Regional Assessment

THE OUTCOMES: WHAT IS OUR DESIRED IMPACT?

Ensure that 100 percent of high school seniors from regional school districts have enrolled in college (70 percent) or received a credential supporting their career pathway (30 percent) upon graduation.

Other potential performance metrics associated with this initiative are referenced in the Implementation Guidelines.

Educate the public regarding the role of development patterns in mobility: Through support for the development of regional employment centers (see #7), support for appropriate implementation of CodeNEXT, and support for the implementation of a Strategic Housing Blueprint that seeks to help workers stay in neighborhoods that are proximate to employment centers and transit access points, a foundation could already exist for the encouragement of appropriate development patterns that help mitigate congestion and enhance mobility (i.e. corridor development, densification in targeted areas, planned mixed-use developments). A focus on development patterns could also be inherent in the Affordability Progress Reports (see #6). Potential also exists to replicate the analysis of the East Austin neighborhood (see Regional Assessment) to other parts of the region to help identify areas where targeted economic development could improve resident access to jobs that match their skills, thereby reducing the distance of commutes. The Opportunity Austin program could take a leadership role in educating local government partners, the development community, and the public at-large regarding the role of development patterns in the region's congestion and mobility. This could be supported by intentional and targeted communications efforts, media relations, Chamber publications, and new messaging related to Opportunity Austin 4.0 investments and activities supporting improved mobility by way of thoughtful development patterns.

Promote changes in workplace policies and human behavior to improve mobility: The Mobility Agenda could be supported by a renewed Mobility Challenge, an existing Chamber program that encourages employers to adopt flexible workplace policies that help mitigate congestion. Potential exists to rebrand this initiative as “Austin Moves” with messaging and events that are consistent with the existing “Austin Gives” program. Opportunities may also exist to work with social service providers, local governments, and CapMetro to develop specialized fare programs for income-eligible participants to encourage ridership, and/or to utilize social media creatively to encourage changes in resident behavior.

THE OUTCOMES: WHAT IS OUR DESIRED IMPACT?

Reduce the percentage of workers with an average commute time of 30 minutes or greater by three percentage points (from 39.3 percent to 36.3 percent in 2023) and increase the percentage of workers with an average commute time of 15 minutes or less by three percentage points (from 22.5 percent to 25.5 percent in 2023).

Other potential performance metrics associated with this initiative are referenced in the Implementation Guidelines.

5. Innovation Agenda

Develop and advance an innovation agenda that supports the continued evolution, growth, and diversification of the Greater Austin economy.

THE OPPORTUNITY: WHAT DOES THE RESEARCH AND INPUT TELL US?

Just as the Opportunity Austin program is in the midst of defining an international strategy, so too is it defining a new approach to innovation-driven economic development. Much of the interest in a renewed approach to regional innovation and its role in the Opportunity Austin program can be traced to a persistent concern that some homegrown headquarters operations are not particularly attached to or engaged in the Greater Austin community, while other high-growth companies started in Greater Austin are difficult to retain due to exit strategies, the pull of investors in other markets, or otherwise. Others have expressed concerns that despite a relative abundance of seed capital the region lacks the late-stage capital necessary to help take companies through their growth stage and into maturity. These concerns have been met with new research covering the availability of capital and specific gaps that exist in the Austin region, notably the Capital Sources Study supported by the Austin Chamber and the Austin Technology Council.

These concerns have also led to the assemblage of a working group that is engaged in crafting an agenda to help nurture more homegrown headquarters companies in Greater Austin. This parallel effort is wholly supportive of a larger innovation agenda; the Opportunity Austin 4.0 strategy can appropriately incorporate the outcomes of this working group into the Innovation Agenda that follows. At present, the group is focused on potential investments and activities in six broad categories: money (capital access and availability), revenue growth and customer acquisition, talent and workforce needs, leadership development (mentorship), city support (regulatory environment), and research. The potential investments and activities that follow can be considered alongside those generated by the aforementioned working group's efforts.

THE POTENTIAL INVESTMENTS AND ACTIVITIES: WHERE SHOULD WE FOCUS?

Develop a continuum of care for the Austin A-List: The Connect First program (see #1) establishes existing business connectivity at the forefront of all strategic endeavors; the organization's approach to innovation should be no different. One potential method to focus business assistance efforts is already in place: the Austin A-List. A-List companies have already been prescreened for their growth potential and each year a new alumni class emerges. An intentional effort to remain engaged with A-List Alumni through targeted assistance (customer acquisition, investor identification and matchmaking, mentorship, etc.) could support a continuum of care that accompanies A-List companies from the point of nomination through their growth and maturation in the Austin region. A team of staff and volunteers should be identified to provide this intentional, continuing care to A-List alumni. Through effective execution, the Austin A-List becomes an intentional, ongoing economic development initiative as opposed to a more episodic event.

Implement intentional outreach to high-growth firms: Potential also exists to focus and segment the Connect First program's approach to existing business outreach and care according to business size and/or maturity. While economic development staff supporting existing business retention and expansion in well-

resourced organizations is often segmented by target sector, ensuring that staff develops competencies and deeper understanding of sector-specific issues. Consideration could be given to segmenting staff responsibilities for outreach by business size and/or maturity, with one staff member responsible for outreach to high-growth firms at some threshold of maturity or employment, with other staff focused on existing business retention and expansion outreach to larger, mature firms. The program could seek to specifically engage small but high-growth firms that are likely to have a variety of needs associated with their potential expansion; this period of expansion is a time for Opportunity Austin to demonstrate its value. It could also seek to identify any high-growth firms that could potentially leave the region during expansion, inhibiting Greater Austin from developing the core of homegrown headquarters operations that it desires.

Heighten engagement and influence among startups and innovators through Opportunity Studio: Stakeholders, including entrepreneurs and small business owners, have expressed a desire to see greater engagement of the startup community among Opportunity Austin’s investors and volunteer leadership. Opportunity Studio (see #10) can provide another vehicle for increasing engagement and relevance to the startup community by using it as a forum to invite new voices to Opportunity Austin conversations and enable those individuals with resources to take action on issues of relevance to the startup community in collaboration with other Opportunity Austin investors and partners.

Recruit gazelles from their startup locations: As referenced in the discussion of the program’s approach to targeted corporate recruitment, stakeholders have expressed a desire to see greater connections between the program’s focus on innovation and its approach to corporate recruitment. Potential exists to focus lead generation efforts associated with high-growth firms on those which have yet to expand within or relocate from their startup location (often before Series B according to stakeholders).

Conduct research of value to the innovation community: Investors and partners indicate that they look to Opportunity Austin to produce relevant research that heightens understanding and helps advance solutions to the region’s challenges. An example could be social network analysis that seeks to identify those individuals (investors, executives, serial entrepreneurs, board members, etc.) that are most heavily networked within specific sectors and markets: the “dealmakers” as termed by Dr. Ted Zoller at University of North Carolina. Dr. Zoller has used this analysis to identify gaps in networks that could lead to valuable relationships – connectivity – in other markets. For example, his research determined that 98 percent of serial entrepreneurs and investors in Silicon Valley know one another (as measured by LinkedIn connections). In other innovative regions such as the Research Triangle, Zoller has found that this ratio is roughly 60 percent.

Develop an “Austin Buys” program: Potential exists to develop a new Chamber program that encourages businesses to source products and/or services from local startups to support revenue growth at the company level and reduce expenditure leakage at the regional level. The program could be connected to and focused on Austin A-List companies or could be supported by a searchable “matchmaking” database.

THE OUTCOMES: WHAT IS OUR DESIRED IMPACT?

Increase the number of companies with \$500 million and \$1 billion valuations (aka “unicorns”).

The aforementioned working group convened around homegrown headquarters should validate or refine this metric. Other potential performance metrics associated with this initiative are referenced in the Implementation Guidelines.

6. Affordability Agenda

Seek commitments from regional partners to advance an Affordability Agenda that ensures adequate housing stock is supplied for the region's existing and prospective future workforce, encouraging incentives and removing regulatory barriers to developments that meet the needs of the workforce and the objectives of the communities in Greater Austin.

THE OPPORTUNITY: WHAT DOES THE RESEARCH AND INPUT TELL US?

Stakeholders throughout the Greater Austin region remain concerned about cost pressures resulting from the region's immense growth coupled with an inadequate supply of housing and commercial real estate to keep pace with demand. Rising real estate prices, especially in the region's core, are stoking concerns that long-time residents are being pushed out of their communities. From 1995 to 2015, the median existing single-family home price appreciated by 156 percent across the Austin-Round Rock metropolitan area. Median household income rose by just 86 percent. Although similar erosion in housing affordability has been experienced nationwide and across many competing metropolitan areas, homeowners in the region (and across the state) are particularly susceptible to rising home prices and associated property tax burdens given the relatively large share of revenue generated from property taxes. Lease rates for office space are relatively high compared to competing markets and have risen more rapidly in recent years. In addition to the impacts on existing residents and businesses, there is concern that deteriorating affordability could erode one of the region's long-standing advantages in the competition to attract talent and corporate investment.

THE POTENTIAL INVESTMENTS AND ACTIVITIES: WHERE SHOULD WE FOCUS?

There is an expectation that Opportunity Austin 4.0 will help advance an Affordability Agenda that has been a work in progress by the Austin Chamber and various partners across the region. While the Agenda could remain focused on workforce development to improve the income side of the affordability challenge, there are a variety of components that could specifically focus on the cost side.

Support timely implementation of the City of Austin Strategic Housing Blueprint and CodeNEXT: The City's recently released Blueprint calls for the addition of 135,000 homes over the next ten years to accommodate projected demand, of which it has deemed that 60,000 units should be affordable to those earning 80 percent or below the median family income. Meanwhile, the City continues to work through various drafts of its new land development code, CodeNEXT. The final code is anticipated to be completed in 2018 before the start of Opportunity Austin 4.0 implementation and it will be important for the strategy to incorporate appropriate support for changes that help advance affordability. Similarly, it will be important to ensure that adequate housing is being constructed, tracking progress towards the City's established goals and advocating for adjustments to those goals as new growth projections necessitate.

Develop Affordability Progress Reports: Analogous to the Austin Chamber's Education Progress Reports, a set of Affordability Progress Reports could be produced annually and provide information on key metrics that influence or reflect the affordability of housing and commercial real estate in various communities and/or counties around the region (e.g. permits issued by housing type, average permit times, number of

new units constructed, average lease rates for Class A space, median home prices, housing affordability indices, etc.). Progress reports could also track and report on code, policies, and incentives that support affordable housing development.

Provide education on Employer-Assisted Housing Programs: As a component of the potential Austin Works program (see #3) the Affordability Agenda could devote resources to research, education, and marketing surrounding the development of Employer-Assisted Housing programs that provide forgivable down-payment assistance to qualified employees that purchase a home in a qualifying neighborhood in close proximity to the employer.

THE OUTCOMES: WHAT IS OUR DESIRED IMPACT?

Maintain single-family and rental housing markets that are more affordable than the average American community and more affordable to the average resident in 2023. Associated goals:

- ✓ *Housing affordability index (ratio of median sale price to median income): 4.0*
- ✓ *Percentage of renters spending more than 30% of income on rent: 45 percent*

Other potential performance metrics associated with this initiative are referenced in the Implementation Guidelines.

7. Innovation Zones and Regional Employment Centers

Advance development of the Austin Innovation Zone and the purposeful establishment of additional innovation districts and employment centers around the region.

THE OPPORTUNITY: WHAT DOES THE RESEARCH AND INPUT TELL US?

Throughout the strategic planning process, Steering Committee members and other stakeholders frequently mentioned the development of the Austin Innovation Zone – anchored by the Dell Medical School and the Dell-Seton Medical Center – as the most exciting and promising long-term opportunity to be advanced in the coming years. At the same time, stakeholders have recognized that the region’s development patterns have in part exacerbated congestion; in the last ten years, suburban non-core counties in the Austin MSA (Bastrop, Caldwell, Hays, and Williamson) have captured roughly 50 percent of the region’s population growth but just 30 percent of its employment growth. As of 2016, almost three-fourths (73.7 percent) of all jobs in the metropolitan area are located in Travis County. While efforts to develop a vibrant innovation district focused on life sciences and translational medicine in and around downtown Austin should remain a high priority, potential also exists to support and advance the intentional development of additional innovation districts and regional employment centers throughout the metropolitan area. Such efforts can reinforce the regional scope of the Opportunity Austin program, advance the attractiveness and marketability of individual communities throughout the region, and improve connectivity between workers and employers.

THE POTENTIAL INVESTMENTS AND ACTIVITIES: WHERE SHOULD WE FOCUS?

A. Austin Innovation Zone

Redevelopment of the UMC Brackenridge campus will advance in the years to come in alignment with a Master Plan that was recently completed for the Central Health property. Moving forward, a broader master planning process for the larger Innovation Zone will be necessary to provide a roadmap for potential future development. This larger master planning process could consider the role and plans of other anchor institutions (such as the potential redevelopment of the Erwin Center) and the types of redevelopment tools (such as the viability of a potential new TIF district) and incentives that can help advance strategic objectives related to innovation, affordable housing, community health, and others. Capital City Innovation was formed by the various anchor institutions to advance planning and implementation with Zone. Opportunity Austin can continue to support the Zone’s development in a few key ways, including but not limited to:

Program inter-city visits: facilitate inter-city visits to study successful elements of other innovation districts

Research redevelopment tools and incentives: conduct research on the types of redevelopment tools and incentives that could effectively advance the Austin Innovation Zone’s objectives

Advocate for appropriate redevelopment tools and incentives: advocate for legislation or policies that enable the implementation of such tools and incentives

Support and influence the Austin Innovation Zone master planning process: aid Capital City Innovation and its partners with the master planning process to ensure that adequate real estate (i.e. office and research space such as wet, dry, biohazard laboratory space) is developed to support employment growth

B. Regional Innovation Districts and Employment Centers

Potential exists to work with other communities within the metropolitan area to evaluate their interest in advancing a series of innovation districts (or alternatively-focused regional employment centers) throughout the region. A network of incentivized innovation districts could provide greater choice for prospective businesses and workers throughout the region, while also encouraging development patterns (notably denser, mixed-use developments) that support clustering, improve the viability of transit connectivity, and provide a host of other benefits. San Marcos is working to direct innovative activity to the 58-acre Science, Technology and Advanced Research (STAR) Park, home to Texas State's commercialization and business incubation efforts, with a long-term goal of creating an innovation corridor that connects the San Antonio and Austin regions. An entertainment district could emerge in Round Rock around Dell Diamond and the planned Kalahari Resort. Potential exists for Opportunity Austin to work with local governments to identify current and potential future employment centers (or innovation districts), research their attributes and the successful elements of similar planned developments, and articulate a vision for these nodes of activity.

Conduct research to guide regional employment centers: Partnerships with local governments, economic development organizations, chambers of commerce, regional planning entities, and/or research organizations and centers could be established to produce research and publications that can be used to A) identify current and potential future employment centers around the region, and B) help guide future development patterns, incentives, and other attributes of these centers. This could include:

- ✓ current economic composition (jobs by place of establishment) and workforce composition (occupational employment by place of residence) to measure imbalances between jobs provided and resident skill sets
- ✓ current residential attributes (types of housing, price points, measures of affordability, etc.) and the degree to which they align with the wage levels and average earnings of workers in the employment center
- ✓ current commercial and industrial real estate attributes and the degree to which they support the vision for each center and the employment needs of surrounding residents
- ✓ current policies, incentives, regulations, and other attributes influencing the development environment that can support or inhibit further densification and concentration of economic activity

Use Opportunity Studio to advance visioning efforts related to regional employment centers: Potential exists to utilize Opportunity Studio (see #10) to help articulate of a vision for a new innovation district or regional employment center in the region. Potential exists to replicate the planning model advanced by the Atlanta Regional Commission's Livable Centers Initiative (LCI) via a partnership with the Capital Area Metropolitan Planning Organization (CAMPO). The LCI program in metro Atlanta has leveraged federal transportation dollars to support intentional planning of "livable centers" of economic activity that more closely link transportation and land use planning for broader community and economic objectives.

THE OUTCOMES: WHAT IS OUR DESIRED IMPACT?

Attract and nurture the development of 1,500 direct new jobs in health and life sciences in the Austin Innovation Zone and elevate employment to population ratios in suburban counties and communities by supporting the emergence of other regional employment centers.

Other potential performance metrics associated with this initiative are referenced in the Implementation Guidelines.

8. Game Changers

Advance major investments and opportunities that have the potential to reinforce and enhance the long-term competitiveness of Greater Austin.

THE OPPORTUNITY: WHAT DOES THE RESEARCH AND INPUT TELL US?

A program focused on advancing opportunities in Greater Austin is, not surprisingly, constantly evaluating regional needs to uncover potentially game-changing investments that could reinforce its competitiveness as a leading metropolitan economy in the United States and the world. Investors and partners frequently cite the Dell Medical School as the most prominent example of such an opportunity identified through research and pursued intentionally by the Opportunity Austin program and its strategic partners.

There is an expectation that each iteration of Opportunity Austin will be appropriately focused on identifying and advancing such opportunities. The recommended “Opportunity Studio” program is one potential avenue for such opportunities to be identified, studied, and elevated on a more intentional and ongoing manner throughout the implementation cycle of Opportunity Austin 4.0. However, a few key opportunities have emerged through the input and research phases of the Opportunity Austin 4.0 strategic planning process.

THE POTENTIAL INVESTMENTS AND ACTIVITIES: WHERE SHOULD WE FOCUS?

A. Austin Innovation Zone

See #5 for discussion of the Austin Innovation Zone and its development in the context of a network of regional employment centers.

B. Expansion of Austin-Bergstrom International Airport (ABIA)

Andrew Shapiro, managing director of site consultant Biggins Lacy Shapiro & Co., noted that “*global headquarters can almost never afford to be far from a major hub*” while Mark Sweeney, senior principal of site consultant McCallum Sweeney Consulting, remarked that “*It is difficult for headquarters projects to pull themselves away from major hub airport cities.*” At present, only four metropolitan areas in the United States are larger than the Austin region and also lack hub or focus city status among the major carriers. By various estimates of projected population growth, the Austin and San Antonio metropolitan areas will be the two largest metropolitan areas in the country in 2030 without a hub or focus city designation, and they are separated by just 80 miles. Ongoing expansion at Austin-Bergstrom will add nine new gates and accommodate growth to 15 million passengers but it is anticipated that these new gates will reach capacity by 2025. Continued expansion will be necessary to support economic growth, and potential to secure a stronger position within a major carrier’s network would greatly enhance the region’s ability to attract and retain headquarters operations. According to Site Selection Magazine, airport hub cities have 70 percent more headquarters employees per capita than their non-hub counterparts. Consideration could be given to new models that enable efficient expansion of the airport’s infrastructure.

C. College and University Expansion

From 2010 to 2015, the college-aged population (ages 18-24) declined substantially as a share of total population in the region (-1.6 percentage points). Meanwhile, per capita degree production from the region's colleges and universities has declined by 5.1 percent over the same five-year period as compared to 23.5 percent expansion in degree completions per capita nationwide. Collectively, these two trends foretell a region that is increasingly reliant on talent attraction to support a growing economy at a time when many are concerned that the region's advantage in talent attraction could be threatened by eroding affordability. Despite immense enrollment figures at Austin Community College, certificate and Associate's degree production per capita is relatively low in the region, potentially threatening efforts to improve employment prospects for those that are unemployed and/or lacking marketable skills.

Consideration can be given to ways in which the region can increase production of these credentials to support its economic and workforce development objectives. Data indicates that undergraduate enrollments at the region's two largest four-year institutions (University of Texas and Texas State University) have reached or are approaching their limits in capacity. The region will need to give consideration to ways in which it can support additional bachelor's and advanced degree production to, at a minimum, support the region's continued growth through a homegrown talent pipeline, and to minimize the region's reliance on talent attraction to support a growing economy. Consideration could be given to the role that a new institution could play in supporting the needs of the region's residents and the thousands of high school graduates that are encouraged to pursue college through the program's Direct-to-College Achievement Plan (DTC70).

THE OUTCOMES: WHAT IS OUR DESIRED IMPACT?

- A. *Austin Innovation Zone: Attract and nurture the development of 1,500 direct new jobs in health and life sciences in the Austin Innovation Zone.*
- B. *Expansion of Austin-Bergstrom International Airport: Attract new nonstop domestic and international nonstop destinations while increasing frequency of service to key markets at Austin-Bergstrom International Airport (ABIA), potentially inclusive of hub or focus city designation.**
- C. *College and University Expansion: Develop new certificate and degree granting capacity sufficient to keep pace with population growth, stabilizing the number of per capita degree completions at or near 15.0 completions per 1,000 residents.*

**Specific metrics for growth in destinations served should be developed in partnership with ABIA*

Other potential performance metrics associated with this initiative are referenced in the Implementation Guidelines.

9. International Economic Development

Commit to a cost-effective and highly-focused international economic development program that complements other strategic objectives.

THE OPPORTUNITY: WHAT DOES THE RESEARCH AND INPUT TELL US?

International economic development – be it the recruitment of foreign direct investment or the promotion of trade relationships – has been included in some form in every Opportunity Austin strategy. It is often a component of the program that is not pursued fully when resources are constrained. While this is certainly appropriate in the short-term when facing resource constraints, Opportunity Austin investors acknowledge that international economic development and the relationships that support an effective program take many years to effectively develop and even longer to see results. Accordingly, it is important to be narrowly-focused on those opportunities that have the greatest potential return on investment while also being consistent in pursuit of those high-value opportunities over time.

THE POTENTIAL INVESTMENTS AND ACTIVITIES: WHERE SHOULD WE FOCUS?

Intentionally engage the existing foreign-owned business community: Through systematic outreach efforts coordinated by the recommended Connect First program (see #1), a set of inquiries to foreign-owned companies can seek to determine a variety of pieces of information that can guide and support international economic development efforts: why they are located in Greater Austin, how they made the decision, what advantages are derived in Greater Austin, what challenges they have faced, their interest in Opportunity Austin activities, and their interest in becoming ambassadors for the region with their international providers, customers, and board and senior management relationships. This information can be combined with an assessment of existing foreign-owned corporate presence in the region (see next subsection).

Define target markets and associated target sectors for international efforts: The international program could be heavily informed by and responsive to the connections that exist within the existing businesses community. A short list of target markets/countries and associated target sectors could be compiled, with a goal of identifying one or two markets and associated sectors upon which the program could focus in its first few years of operation. Consideration could be given to locations with existing or planned passenger air connectivity, notably Germany (Frankfurt) and England (London), as well as markets that have produced a high number of prospect inquiries in recent years. Another reasonable starting point is to examine the number of foreign-owned establishments by country (as reported by the Austin Chamber): United Kingdom with approximately 55 companies; Canada with approximately 30 companies; Japan with approximately 30 companies; Germany with approximately 26 companies, and; Ireland with approximately 11 companies and its consulate and investment office (IDA) in Austin.

Leverage South by Southwest (SXSW) and other regional events for international recruitment: In 2017, more than 70,000 individuals attended SXSW; 24 percent (roughly 17,000) self-identified as “ultimate decision makers” at their company, two-thirds (47,000+) indicated that their primary reason for attending was to find business opportunities, and 12 percent (8,000+) indicated that their primary purpose was to seek

investors. More than 22 percent (15,000+) came from 94 different countries. It is powerful, existing opportunity to cultivate international investment. Consideration could be given to developing a program in partnership with an airline to attract investors from a specific target market to attend SXSW and experience the region through meetings with other executives and investors from the target country. A partnership targeting London-based businesses would be a reasonable place to start based on initial research. Similar programs could be developed for the Formula One Grand Prix and/or the Lone Star Le Mans races.

Host high-value delegations: Numerous international delegations visit Greater Austin each year but Economic Development staff reports that few leads and no projects have resulted from delegation hosting. Consideration could be given to ways in which delegation hosting by staff and volunteers can be increasingly focused and aligned with the markets and sectors selected for the aforementioned short list.

Pursue a limited number of international mission trips: As relationships are developed and prospects identified, consideration could be given to conducting one or more mission trips to European destinations to help advance certain opportunities. Mission trips could also provide opportunities to meet with ownership of establishments located in the region, and this could be the most appropriate focus for initial mission trips. Such trips do not appear to have been a priority for the state or regional economic development.

Develop international collateral: When developing new marketing collateral to support targeted corporate recruitment, customized collateral for targeted international audiences and cultures could also be developed.

Leverage alumni and the Center for Global Business to support international connectivity: Alumni networks and alumni engagement trips that are hosted by the University of Texas and other institutions of higher education could be a source of new relationships and foreign direct investment opportunities. Consideration could be given to leveraging these alumni engagement trips to reintroduce potential investors, entrepreneurs, and business owners to investment opportunities in the region. The Center for Global Business at the McCombs School of Business often hosts executives – including alumni – for a speaker series, and potential exists to develop and maintain relationships with visiting executives and/or alumni over time.

Advocate for enhancements to international passenger air connectivity: The Austin region currently enjoys direct flights to London, Toronto, Frankfurt, Mexico City and three other cities in Mexico. The London flight on British Airways flies into Heathrow, one of the world's major hubs. Toronto is the primary business center of Canada, the largest trading partner of the United States. And Frankfurt is the financial center of Germany. All three countries are among the top five countries identified above in terms of corporate presence (number of establishments) in the Austin region. Continuing to develop and strengthen relationships with current and prospective carriers of international service is a critical component of future success for investment and trade; regular and routine contact with these carriers is important. Direct flights can play an important role in determining a global player's decision to invest in a particular location.

THE OUTCOMES: WHAT IS OUR DESIRED IMPACT?

Intentionally cultivate at least 50 qualified prospects across targeted international markets to support future foreign direct investment, resulting in at least 10 new international projects and investments over a five-year period.

Other potential performance metrics associated with this initiative are referenced in the Implementation Guidelines.

10. Opportunity Studio

Develop a new core program – Opportunity Studio – to strengthen organizational connectivity, advance collaborative solutions to emerging challenges, capitalize on emerging opportunities, and ensure that Opportunity Austin remains a living strategy and dynamic program.

THE OPPORTUNITY: WHAT DOES THE RESEARCH AND INPUT TELL US?

With Greater Austin's growth and success has come a new set of challenges, but so too an ever-increasing set of opportunities. Investors are interested in a program that demonstrates commitment to and influence over a variety of different issues affecting the existing business community, the workforce, and the economy at large. But they also want to ensure that the program remains grounded in its primary mission – job creation – and acknowledge that the Opportunity Austin program cannot and should not attempt to be everything to all audiences or lead on all issues. Resources are limited and there must be focus. That being said, investors recognize that Opportunity Austin, and the staff and volunteers that support its implementation, serve a critical role as a convener and connector in the region.

THE POTENTIAL INVESTMENTS AND ACTIVITIES: WHERE SHOULD WE FOCUS?

A studio is a place for study and exploration but also a place of production.

Opportunity Studio is a potential new program allowing Opportunity Austin to dedicate finite resources to the study of specific challenges or opportunities, and the production of collaborative solutions.

Each individual Opportunity Studio could begin with an end in mind: a timeline and resource plan to either intentionally “spin-off” the resulting effort or byproduct of the Studio as self-sustaining initiative, or dissolve upon completion of the Studio's objectives. In this regard, each Opportunity Studio would be a catalyst and incubator; it would convene and connect stakeholders around a specific issue or opportunity, provide limited resources for a predetermined period of time to study the issue or opportunity and develop collaborative solutions, and subsequently incubate a new standalone endeavor (if warranted).

Studios could be designed to last two years with a predefined budget (potentially in the range of \$75,000 - \$150,000 per studio for each two-year term) sufficient to support expenditures on items such as research, inter-city travel to view best practices, the production of a publication, and other items related to convening relevant partners and identifying solutions. The first year of each Studio could be focused on engagement, evaluation, and planning. The second year could be focused on execution with the end in mind that two outcomes are possible at the conclusion of the second year of each Studio: the initiative will become self-sustaining through its own revenue streams or it serves its purpose and dissolves. The Opportunity Austin program could support one or two Studios each year.

A variety of potential topics are viable candidates for a Studio; it is important that studios focus on topics that are aligned with Opportunity Austin's mission and strategic objectives (i.e. capital formation or next generation transportation technologies). The Connect First existing business outreach program can help identify appropriate Studio topics each year. Potential exists to create a dual-track where one studio focuses

on a social issue and another on innovation. These tracks could be supported by cooperative agreements with local governments (advancing new public-private partnerships) and/or with institutions of higher education (advancing new business-academic research partnerships).

Opportunity Austin and the Austin Chamber has a legacy of resourcing, incubating, and/or spinning-off initiatives and new organizations, from Leadership Austin to Capital Factory's coworking space. It also has a legacy of devoting a limited pool of resources – its Opportunity Fund – to support new opportunities as they emerge throughout an implementation cycle. Opportunity Studio can serve as an evolution of the Opportunity Fund, applying intentionality to opportunity identification throughout the implementation cycle and extending the aforementioned legacy as a creator of new capacity in the region.

The program can initially be advanced by a few specific activities in the early stages of implementation:

- ✓ Identify priority Studio topics of interest to existing businesses and regional partners
- ✓ Identify appropriate staff to manage Opportunity Studio and develop an operational plan
- ✓ Launch the first Opportunity Studio

THE OUTCOMES: WHAT IS OUR DESIRED IMPACT?

Host at least five Opportunity Studios to catalyze collaborative new investments and initiatives supporting Opportunity Austin's mission and the collective economic development objectives of its many partners.

Given the nature of the proposed program it is appropriate for each Studio to define a set of core metrics specific to its objectives, operations, and desired outcomes.

IMPLEMENTATION GUIDELINES

The following Implementation Guidelines complement the preceding strategy by discussing the capacity and resources needed to effectively implement the strategy, the manner in which performance will be measured, and the manner in which the program can effectively communicate its strategy and investments to maximize engagement and impact. These Guidelines are organized into the following sections:

1. Implementation Priorities
2. Marketing and Engagement
3. Capacity and Resources
4. Performance Measurement

Implementation Priorities

Steering Committee members have shared their feedback on implementation priorities throughout the course of the process, including small group conversations during review of various drafts of the strategy. Specifically, Steering Committee members were asked to evaluate the ten initiatives that comprise the Opportunity Austin 4.0 portfolio according to their relative *importance* – which initiatives are most essential to fulfilling the mission and should be prioritized when resources are constrained.

Although the ten initiatives and the various potential investments and activities supporting each are not grouped by “goal area” (economy, workforce, community) in the Opportunity Austin 4.0 strategy, they have been categorized in this section by goal area to support the annual budgeting processes carried out by staff guiding Opportunity Austin implementation.

Initiatives that would typically be categorized within the **ECONOMY** goal area are color-coded in **blue font**. Those typically categorized within the **WORKFORCE** goal area (historically “talent”) appear in **green font**. Those typically categorized within the **COMMUNITY** goal area (historically “place”) appear in **orange font**.

Initiatives #9 and #10 (Game Changers and the Opportunity Studio) appear in **gray font** as they reflect strategic initiatives that have historically been supported by Opportunity Austin’s “Opportunity Fund.”

The results of the Steering Committee’s prioritization exercise are as follows:

Priority #1: “Connect First” Existing Business Outreach Program

Priority #2: Targeted Corporate Recruitment

Priority #3: College and Career Readiness and Placement (CCRP)

Priority #4: Mobility Agenda

Priority #5: Innovation Agenda

Priority #6: Affordability Agenda

Priority #7: Innovation Zones and Regional Employment Centers

Priority #8: Game Changers

Priority #9: International Economic Development

Priority #10: Opportunity Studio

These general guidelines can help partners and staff supporting Opportunity Austin to understand Steering Committee priorities in terms of *importance*, and inform the development of implementation priorities in terms of *timing* when establishing annual, departmental work plans and budgets. Staff and volunteers that are actively engaged in the implementation effort will define annual work plans supporting the Opportunity Austin 4.0 strategy – which specific activities and investments need to be made in a given month or year to advance implementation and make progress towards desired outcomes (the goals of our performance metrics). These Implementation Guidelines intend to provide staff and volunteers with a starting point for conversations related to budgeting and annual planning required to effectively and efficiently transition the Opportunity Austin program and its portfolio of investments from OA 3.0 (2014 – 2018) to OA 4.0 (2019 – 2023).

Accordingly, the subsections that follow segment the “potential investments and activities” referenced in the Strategy’s ten initiatives by placing them into three tiers:

1. **TIER ONE:** Tier One captures potential investments that are high priorities in the minds of stakeholders and/or activities that require immediate attention to support efficient and effective implementation throughout the Opportunity Austin 4.0 implementation cycle. These investments and activities likely need to be initiated as part of a transition into the OA 4.0 implementation cycle and budgeted for pursuit in the first year of OA 4.0 implementation (2019).
2. **TIER TWO:** Tier Two captures potential investments that are implementation priorities but that are not necessarily viewed as urgent in terms of timing and/or activities that must logically wait until other activities are executed. These investments and activities likely need to be pursued in years two and three (2020 and 2021) of the OA 4.0 cycle.
3. **TIER THREE:** Tier Three captures potential investments that are not high priorities and/or activities that must logically wait until other activities are executed or milestones achieved. These investments and activities likely cannot or do not logically need to be pursued until later stages of the implementation cycle (2022 and 2023).

Assignment of potential investments and activities to various tiers has been done by the Market Street Services team with consideration given to the stakeholder input received to date (including Steering Committee prioritization), Market Street’s objective advisement regarding priorities to support necessary program evolution, and the timing required for efficient and effective implementation of specific activities. Within each tier, potential investments and activities are simply listed in the order that they appear within the strategy; there is no further embedded prioritization within the tiers.

For simplicity and brevity, Market Street has included only the bold subheadings associated with various potential investments and tactics referenced throughout the strategy’s ten initiatives. Staff can reference the accompanying paragraphs within the strategy for more detailed potential tactics when developing budgets and annual work plans.

The same color-coding system has been applied to potential investments and activities throughout to assist in the budgeting process. The numbers assigned to each relevant initiative in the strategy are also included for reference when reviewing tiers for potential investments and activities.

TIER ONE: POTENTIAL INVESTMENTS AND ACTIVITIES

- (#1) Develop a system to improve informal information capture within Connect First.
- (#1) Develop a system to expand responsibility for company follow-up within Connect First.
- (#2) Identify leads through existing businesses.
- (#2) Reduce travel and associated lead generation.
- (#2) Develop capacity to sufficiently respond to prospects and requests for information.
- (#3) Explore regional partnership opportunities to efficiently deploy education resources.
- (#3) Explore new funding opportunities from national foundations supporting education.
- (#3) Develop new methods to track and measure long-term outcomes.
- (#3) Advocate efforts for Career Readiness and Industry Certifications.
- (#3) Advance partnerships for Opportunity Austin initiatives that satisfy Workforce Plan objectives.
- (#4) Advocate for necessary transportation infrastructure investments.
- (#5) Implement intentional outreach to high-growth firms.
- (#5) Develop a continuum of care for the Austin A-List.
- (#6) Support timely implementation of the City of Austin Strategic Housing Blueprint and CodeNEXT.
- (#6) Develop Affordability Progress Reports.
- (#7) Program inter-city visits related to innovation districts.
- (#7) Research redevelopment tools and incentives.
- (#7) Advocate for appropriate redevelopment tools and incentives.
- (#7) Support and influence the Austin Innovation Zone master planning process.
- (#8, #7) Austin Innovation Zone
- (#8) Austin-Bergstrom International Airport (ABIA)
- (#8) College and University Expansion
- (#9) Intentionally engage the existing foreign-owned business community.
- (#9) Define target markets and associated target sectors for international efforts.
- (#9) Advocate for enhancements to international passenger air connectivity.
- (#10) Identify priority Studio topics of interest to existing businesses and regional partners.
- (#10) Identify appropriate staff to manage Opportunity Studio and develop an operational plan.

TIER TWO: POTENTIAL INVESTMENTS AND ACTIVITIES

- (#1) Expand existing businesses connections through regional partners.
- (#1) Intentionally target specific sectors and companies through a Connect First conversation series.
- (#1) Implement a feedback loop for Connect First through publications and events.
- (#1) Empower the existing business community to help increase connectivity.
- (#2) Recruit headquarters from markets without a hub airport.
- (#2, #5) Recruit gazelles from their startup locations.
- (#2) Enhance regional marketing efforts and revive the “Human Capital” campaign.
- (#2) Ensure that product enhancements are a component of local advocacy agenda.
- (#3) Evolve text messaging to target populations with historically low matriculation rates.
- (#3) Evolve text messaging to intentionally target those who aren’t matriculating to college.
- (#3) Expand access to dual enrollment opportunities that lead to industry certifications.
- (#3) Develop a “Career Placement Saturdays” program.
- (#4) Educate the public regarding the role of development patterns in mobility.
- (#4) Promote changes in workplace policies and human behavior to improve mobility.
- (#5) Conduct research of value to the innovation community.
- (#5) Heighten engagement and influence among startups and innovators through Opportunity Studio.
- (#7) Conduct research to guide regional employment centers.
- (#9) Host high-value delegations.
- (#9) Develop international collateral.
- (#10) Launch the first Opportunity Studio.

TIER THREE: POTENTIAL INVESTMENTS AND ACTIVITIES

- (#2) Target and incentivize trade shows in partnership with ACVB.
- (#3) Use data to identify best practices within the region.
- (#3) Develop an Austin Works program.
- (#4) Help identify opportunities for next generation transportation technology deployment.
- (#5) Develop an “Austin Buys” program.
- (#6) Provide education on Employer-Assisted Housing Programs.
- (#7, #10) Use Opportunity Studio to advance visioning efforts related to regional employment centers.
- (#9) Leverage South by Southwest (SXSW) and other regional events for international recruitment.
- (#9) Leverage alumni and the Center for Global Business to support international connectivity.
- (#9) Pursue a limited number of international mission trips.

Marketing and Engagement

Throughout the stakeholder input process, Steering Committee members and Opportunity Austin investors have expressed frustration that the Austin Chamber and the Opportunity Austin program have been misperceived and mischaracterized in a variety of ways. There is concern that external perception of the organization and its strategic objectives does not align with the reality of what its programs and positions truly support, notably that its economic development efforts and policy positions are not supportive of the creation of economic opportunity for all of the region's residents at a variety of skill and income levels.

"We have to find a message or manner to better explain the benefits for everyone in the community. There appears to be a perception that our efforts are for a select few or groups in the community when the reality is that the entire community benefits from our efforts."

- Steering Committee member

Some have expressed concern that these misperceptions have potentially contributed to a lack of strong connections to various audiences. Some worry that the investor base does not reflect the racial, ethnic, and gender diversity of the region and its business leadership, while others express concerns that the next generation of leadership is not sufficiently engaged. Some express concern that the organization needs a new approach to relationship development and engagement to improve

understanding and trust between the business community and elected officials, while others support more aggressive and direct outreach to residents and the community at-large to communicate key messages and policy positions that support opportunity for all. Some wonder if heightened programming and relevance to startups and high-growth companies could strengthen the breadth and depth of the Opportunity Austin investor base, or if the program is too heavily focused on the City of Austin's needs and challenges, with an investor base that reflects this geographic focus. Others express a desire for a continued emphasis on the dissemination of research and evidence-based policy positions to educate both policymakers and voters.

Steering Committee members have also articulated a desire to see greater connectivity and continued engagement with companies that Opportunity Austin has successfully recruited in recent years; it has been suggested that targeted outreach can help ensure these establishments and their decision makers are aware of engagement opportunities with Opportunity Austin. Others have suggested that the program can more effectively tell its many individual success stories, leveraging testimonials from those who have directly benefitted from the program's investments and staffed assistance in a variety of ways.

Ultimately, a full Marketing and Engagement Plan will need to be developed outside the scope of the Opportunity Austin strategic planning process; staff and other subject matters experts in the fields of marketing, communications, and public relations could be engaged to develop specific tactics and/or specific campaigns that target specific audiences and meet certain desired outcomes. This could include a set of tactics surrounding technology usage in communications to reach certain audiences (i.e. podcasts, social media, etc.) as well as a set of tactics to enable investors, member businesses, and other stakeholders to co-opt and reinforce messages that support Opportunity Austin objectives. In support of advocacy effectiveness, tactics could also include methods to increase grassroots engagement and advance stronger coalitions of partners behind common policy positions. **Development of this Marketing and Engagement Plan is an immediate priority, necessary to support an effective fundraising effort in 2018 to support timely implementation of Opportunity Austin 4.0 in 2019. While marketing and engagement is not a strategic initiative of OA 4.0 but rather, a supportive function, it will necessarily require considerable additional resources to successfully reach and influence intended audiences.**

Capacity and Resources

Many Steering Committee members have observed that the Opportunity Austin 4.0 is a potentially daunting strategy; although there are just ten broad initiatives, stakeholders acknowledge that the quantitative research and qualitative input received during the process justify continued investment in many “legacy” areas with heightened investment in areas that have not historically been a substantive expenditure within the Opportunity Austin portfolio. Accordingly, new resources – both staff and financial – are going to be required to effectively and full implement the Opportunity Austin 4.0 strategy. This has always been the case; there is a persistent need to devote heightened resources to an ever-expanding economy and workforce.

FINANCIAL CAPACITY AND RESOURCES

While the Opportunity Austin strategy identifies some potential augmentations to programming that can eliminate expenditure – be that elimination of certain activities or reduction in their frequency – it will be essential for staff supporting Opportunity Austin to identify specific expenditures from within their departmental budgets (budgets that supported implementation of Opportunity Austin 3.0) that are unnecessary and/or not essential to executing the Opportunity Austin 4.0 strategy.

Even still, there is no question that the implementation of Opportunity Austin 4.0 will require additional financial resources above and beyond past implementation efforts. Competing regions and their public-private economic development partnerships around the country have, by and large, consistently elevated fundraising levels from cycle to cycle, even in difficult economic times and when faced with economies that are growing at a far slower pace than Greater Austin. It is also important to consider that the Opportunity Austin 4.0 strategy was intentionally developed with greater appeal to a broader potential investor base in mind; for example, stakeholders repeatedly emphasized a desire to see a strategy that emphasized existing business expansion and support for innovative startups, thereby creating a stronger value proposition to these potential investors. As previously mentioned, timely development and execution of Marketing and Engagement Plan is essential to the success of fundraising efforts in 2018 to support implementation of Opportunity Austin 4.0 beginning in 2019. Consideration should be given to the value that an experienced provider of fundraising assistance could provide in enhancing available resources.

Partnership opportunities: A variety of potential partnership opportunities are referenced throughout the Opportunity Austin 4.0 strategy – partnerships that could potentially support greater efficiencies in delivery of certain services or the execution of certain initiatives. Potential exists to identify organizations that are interested in advancing specific investments – historic or planned future investments – from the Opportunity Austin portfolio. Steering Committee members have emphasized that education and workforce programming is the greatest opportunity area, with many noting that the Austin Area Research Organization (AARO) and/or Austin Partners in Education (APIE) could potentially take on certain initiatives and associated expenditure which closely align with their missions, skill sets, and capacity. Specifically, it has been suggested that APIE’s strengths in volunteer coordination could be leveraged in the execution of Financial Aid Saturdays programming and the recommended new Career Placement Saturdays programming. Others have suggested that AARO could potentially be leveraged in the execution of Education Progress Reports and specific research (see Initiative #3). Identification and subsequent execution of specific new partnerships lies outside the scope of this process, but should clearly be prioritized in 2018 as staff and volunteers supporting Opportunity Austin prepare for the new OA 4.0 implementation effort to begin in 2019.

Grant opportunities: Education and workforce programming also presents a variety of opportunities for external funding from outside the region. Opportunity Austin, the Austin Chamber, and their partner school districts have developed some true best practice programs and services in support of college matriculation. The evidence exists to demonstrate the success and return on investment of these efforts; many other regions and school systems around the country would unquestionably be interested in emulating these initiatives. Furthermore, many national foundations supporting education and college readiness could be interested in financially supporting specific initiatives that have been a part of the OA program for years (such as the various components of the historical DTC70 Direct-to-College College Achievement Plan); these program components with a history of success could be viewed as successful pilot program that has already been launched and measured, and is ready for potential replication in other parts of the country. If there is interest in helping formalize and standardize certain approaches with a national partner, potential exists for a substantive portion of the Opportunity Austin budget devoted to education and workforce initiatives to be supported by an entirely new source of funds: foundations.

Portfolio investments: Steering Committee members have also noted that the manner in which the Opportunity Austin 4.0 strategy is structured (10 initiatives packaged as a portfolio of investments) could support a new way of approaching fundraising. Specifically, it has been suggested that “endowments” could be made an investor or investors that are interested in supporting one or more specific initiatives from within the portfolio. Such a model could be applicable to public, private, and non-profit investors.

STAFF CAPACITY AND RESOURCES

The practice of economic development and the execution of a comprehensive regional strategy is labor-intensive work. Many regions who fail to effectively implement strategies do so because they underestimate the required staff capacity or are unable to provide adequate staff resources given budgetary constraints. With a portfolio of investments that calls for heightened activity and engagement in areas such as innovation, existing business retention and expansion (BRE), career readiness and placement, and the Opportunity Studio, new and/or repositioned staff capacity will be necessary. A brief discussion of additional capacity that could be necessary to support these new investments follows:

Connect First: Consideration should be given to the appointment of a **Director, Connect First (Director, Existing Business)** to manage and coordinate the execution of the Connect First program. Given that the program will be supported by formal and informal outreach (or “connections”) to the existing business community by staff members in various departments and functions supporting Opportunity Austin, the Director is ideally someone who is both detail-oriented but able to connect the information gathered to high-level strategic objectives. Accordingly, it is not essential that this individual is an experienced economic development practitioner, but rather, someone who is able to build and maintain relationships with the existing business community and serve as “glue” between various departments and functions supporting Opportunity Austin and the Connect First program. In this regard, the Connect First program could be considered a function of the “Strategy” department that is overseen by the Senior Vice President, Strategy.

Corporate Recruitment: As less time is devoted to lead generation and pursuit, and more time is devoted to requests for information, mining prospects from existing business relationships, and connecting corporate recruitment activities with program areas such as innovation and international, consideration may need to be given to reassignment of Economic Development staff to roles that best align with their skill sets.

College and Career Readiness and Placement (CCRP): As partnership opportunities and grant funding opportunities are evaluated in 2018, required staff resources to support effective implementation of CCRP should be identified. Given the wide range of implications that such opportunities have on the resources available to support CCRP, it is not appropriate to define staff capacity needs until these opportunities impacting financial resources are pursued by staff and volunteers in 2018.

Opportunity Studio: The Opportunity Studio program is most ideally supported by staff and volunteers relevant to the topic being studied in a particular studio. In this regard, Opportunity Studio has the potential to add considerable new demands on individual staff members – demands that will change over time as the topic(s) studied in Opportunity Studio change. However, it is important to note that the involvement of staff from various departmental functions should attempt to leverage their subject matter expertise and need to increase engagement with volunteers and partners related to their area of work. An attempt should be made to minimize the demands associated with coordinating volunteers, developing meeting agenda, recording meeting minutes, communicating meeting details, and a variety of other tasks that are best suited for a staff member that is able to dedicate their complete time to these administrative, communication, and coordinating duties. Accordingly, consideration could be given to hiring or appointing a **Manager or Coordinator of Opportunity Studio**. This individual could also be appropriately positioned within the “Strategy” department that is overseen by the Senior Vice President, Strategy.

Marketing and Engagement: Steering Committee members have noted that it is unreasonable to expect the staff capacity currently supporting the numerous communications and marketing objectives of the Austin Chamber and Opportunity Austin to be able to take on the development and execution of a new Marketing and Engagement Plan in 2018 to support effective fundraising and implementation of Opportunity Austin 4.0, while maintaining their current activities. Additional capacity will likely be needed, and consideration should be given to whether or not this capacity can be best met through short-term contract or consulting engagement for the development and execution of this plan in 2018, or if Opportunity Austin is best served by dedicating staff capacity specifically to ongoing Opportunity Austin marketing and engagement throughout the duration of OA 4.0 implementation. Market Street believes that an intentional, persistent approach to marketing and engagement is needed to engage a more diverse investor base and to reach new target audiences with specific messages. In this regard, dedicated staff capacity specifically for Opportunity Austin could be warranted depending on the recommendations of Marketing and Engagement Plan.

Performance Measurement

Performance measurement is critical to any economic development initiative; metrics can help determine if implementation is having the desired impact and producing the desired return on investment. Opportunity Austin has an established track record of clearly communicating implementation progress to its public, private, and non-profit investors via a set of performance metrics. While some of these metrics have endured throughout the entirety of the Opportunity Austin program (most notably, job creation), the overwhelming majority have appropriately changed over time as the program’s focus has shifted. Market Street recommends that two sets of performance metrics be tracked throughout the OA 4.0 implementation cycle:

1. Overall Strategy (Strategic Outcomes)
2. Initiative-Specific (Implementation Progress)

PERFORMANCE METRICS: OVERALL STRATEGY

The Opportunity Austin program has historically measured progress towards a core set of metrics that relate to broad regional economic development objectives, including job creation and wage growth. As the program has evolved, it has incorporated other indicators that measure progress towards desired outcomes from child poverty to educational attainment to the congestion index. Market Street recommends that a set of five core metrics which strongly relate to the mission of Opportunity Austin (“...*job creation, employability, and economic opportunities for all*”) and its desired **strategic outcomes** be used for evaluation of the return on investment associated with implementation of the entire Opportunity Austin 4.0 portfolio. Broader sets of metrics associated with each of the ten initiatives in the OA 4.0 portfolio have been recommended (see next subsection) to more precisely measure **implementation progress** associated with specific investments.

The five metrics and their associated five-year goals (2023) for the Austin-Round Rock, TX MSA are as follows:

Total Jobs

Support the addition of **188,000 net new jobs** to the regional economy from 2019 – 2023.

This reflects annual growth of 4.0%, exceeding the historical average annual rate of job growth (2.8%) from 2003 – 2016 (OA 1.0 – OA 3.0 in progress).

Average Annual Wages

Raise average wages to **\$66,000** by 2023.

This reflects annual growth of 3.0%, exceeding the historical rate of wage growth (2.2%) from 2003 – 2016 (OA 1.0 – OA 3.0 in progress).

Educational Attainment

Associate’s degree or higher: **56.5%** by 2023.

This reflects annual growth of one percentage point, exceeding the historical rate (0.5%) from 2003 – 2016 (OA 1.0 – OA 3.0 in progress). It also reflects a broadening of our metric from Bachelor’s or higher to Associate’s or higher.

Per Capita Income

Raise per capita income to **\$70,000** by 2023.

This reflects annual growth of 4.0%, exceeding the historical rate of income growth (3.1%) from 2003 – 2016 (OA 1.0 – OA 3.0 in progress).

Poverty Rate

Lower the poverty rate to **9.5%** by 2023.

This reflects a reduction from the most recently reported poverty rate (11.7% in 2015) and a return to levels not experienced since 2000.

PERFORMANCE METRICS: INDIVIDUAL INITIATIVES

In addition to the core metric and desired outcome identified for each of the ten initiatives (those which appear within the strategy itself and in italics below), the following subsections provide additional suggestions for performance metrics that can be tracked by staff over time and reported as part of investor communications and/or internal program performance measurement. Goals or desired outcomes have been established for each of these metrics. Rather, they have been provided as examples of the types of performance measurements that could also be helpful in communicating the return on investment associated with the Opportunity Austin 4.0 portfolio.

1. "CONNECT FIRST" EXISTING BUSINESS OUTREACH PROGRAM

Directly assist at least 500 companies with expansions in the Greater Austin region over five years, supporting 25,000 net new jobs from existing business expansions.

Other potential performance metrics to track over time could include:

- ✓ Number of scheduled, in-person site visits with existing businesses by staff
- ✓ Number of business retention and expansion (BRE) surveys completed by regional businesses
- ✓ Number of direct jobs created by existing business expansion projects
- ✓ Number of indirect jobs created by existing business expansion projects

2. TARGETED CORPORATE RECRUITMENT

Directly assist at least 300 companies with relocation projects over five years, supporting the addition of at least 30,000 direct new jobs in Opportunity Austin's target sectors and 75,000 indirect and induced new jobs in a variety of complementary middle-skill occupations.

Other potential performance metrics to track over time could include:

- ✓ Number of prospect visits directly assisted by staff supporting Opportunity Austin
- ✓ Number of relocation projects by market segment or sector (i.e. target sector, growth stage, etc.)
- ✓ Number of direct jobs created by corporate relocation projects by market segment or sector (i.e. target sector, growth stage, etc.)
- ✓ Number of indirect and induced jobs created by corporate relocation projects by market segment or sector (i.e. target sector, growth stage, etc.)

3. INTERNATIONAL ECONOMIC DEVELOPMENT

Intentionally cultivate at least 50 qualified prospects across targeted international markets to support future foreign direct investment, resulting in at least 10 new international projects over a five-year period.

Other potential performance metrics to track over time could include:

- ✓ Number of foreign-owned relocation and/or investment prospects identified annually
- ✓ Number of foreign-owned relocation and/or investment prospects hosted at SXSW, F1, and/or Le Mans
- ✓ Number of foreign-owned establishments from target market(s)
- ✓ Employment at foreign-owned establishments from target market(s)
- ✓ Number of direct international flights from Austin Bergstrom International Airport

4. INNOVATION AGENDA

*Increase the number of companies with \$500 million and \$1 billion valuations (aka “unicorns”).**

**The working group convened around homegrown headquarters should validate or refine this metric.*

Other potential performance metrics to track over time could include:

- ✓ Job creation and/or revenue growth by Austin A-List alumni
- ✓ Investments received by Austin A-List alumni
- ✓ Number of establishments participating in the Austin Buys program
- ✓ Estimated expenditure recapture (economic impact) from the Austin Buys program

5. INNOVATION ZONES AND REGIONAL EMPLOYMENT CENTERS

Attract and nurture the development of 1,500 direct new jobs in health and life sciences in the Austin Innovation Zone and elevate employment to population ratios in suburban counties and communities by supporting the emergence of other regional employment centers.

Other potential performance metrics to track over time could include:

- ✓ Number of residents (or percentage of employed residents) commuting from suburban counties to the core county (Travis)
- ✓ Population and employment density differentials by zip code (the numerical difference between residents per square mile and employment per square mile)

6. COLLEGE AND CAREER READINESS AND PLACEMENT (CCRP)

Ensure that 100 percent of high school seniors from regional school districts have enrolled in college (70 percent) or received a credential supporting their career pathway (30 percent) upon graduation.

Other potential performance metrics to track over time could include:

- ✓ College matriculation rate by district
- ✓ College matriculation rates by district for socioeconomic groups of interest (English Language Learners, Free and Reduced Priced Lunch, race/ethnicity, etc.)
- ✓ First-year persistence rates for college matriculates (short-term persistence) and/or six-year completion rates for college matriculates (long-term completion) by district and/or FAFSA-filing status (*note: “persistence” is a term at the student-level that is analogous to “retention” at the institution level.*)
- ✓ Career placement rate by district (percentage of graduates that are placed in a job relevant to their career pathway (also known as Career and Technical Education Endorsement Areas)
- ✓ Career placement rates by district for socioeconomic groups of interest (English Language Learners, Free and Reduced Priced Lunch, race/ethnicity, etc.)
- ✓ Percentage of adults with a Certificate or Associate’s degree
- ✓ Percentage of adults with a Bachelor’s degree or higher

7. AFFORDABILITY AGENDA

Maintain single-family and rental housing markets that are more affordable than the average American community and more affordable to the average resident in 2023. Associated goals:

- ✓ *Housing affordability index (ratio of median sale price to median income): 4.0*
- ✓ *Percentage of renters spending more than 30% of income on rent: 45 percent*

Other potential performance metrics to track over time could include:

- ✓ Number of new residential units constructed that are affordable to those at specific earning thresholds (50 percent of median family income; 80 percent of median family income).
- ✓ Average number of days between residential building permit application and building permit issuance
- ✓ Average number of days between commercial building permit application and building permit issuance

8. MOBILITY AGENDA

Reduce the percentage of workers with an average commute time of 30 minutes or greater by three percentage points (from 39.3 percent to 36.3 percent in 2023) and increase the percentage of workers with an average commute time of 15 minutes or less by three percentage points (from 22.5 percent to 25.5 percent in 2023).

Other potential performance metrics to track over time could include:

- ✓ Travel time index (ratio of peak-period travel time to free-flow travel time)
- ✓ Average congestion cost (dollars) per commuter
- ✓ Percentage of Chamber members or Opportunity Austin investors with formal flexible workplace policies
- ✓ Percentage of residents that work from home one or more days a week, carpool, use transit, etc.
- ✓ Population and employment density differentials by zip code

9. OPPORTUNITY STUDIO

Host at least five Opportunity Studios to catalyze collaborative new investments and initiatives supporting Opportunity Austin's mission and the collective economic development objectives of its many partners.

Given the nature of the proposed program it is appropriate for each Studio to define a set of core metrics specific to its objectives, operations, and desired outcomes.

10. GAME CHANGERS

Advance major investments and opportunities that have the potential to reinforce and enhance the long-term competitiveness of Greater Austin.

- A. *Austin Innovation Zone: Attract and nurture the development of 1,500 direct new jobs in health and life sciences in the Austin Innovation Zone.*
- B. *Expansion of Austin-Bergstrom International Airport: Attract new nonstop domestic and international nonstop destinations while increasing frequency of service to key markets at Austin-Bergstrom International Airport (ABIA), potentially inclusive of hub or focus city designation.**
**Specific metrics for growth in destinations served should be developed in partnership with ABIA*
- C. *College and University Expansion: Develop new certificate and degree granting capacity sufficient to keep pace with population growth, stabilizing the number of per capita degree completions at or near 15.0 completions per 1,000 residents.*

Other potential performance metrics to track over time could include:

- ✓ Frequency of service (number of daily departures) from ABIA to key domestic markets
- ✓ Certificate and Associate's degree production per capita
- ✓ Bachelor's degree production per capita
- ✓ Advanced degree production per capita

CONCLUSION: NEXT STEPS

A final set of revisions to the Implementation Guidelines and all other project documents will be made as necessary following the Steering Committee's discussion at its August 30th meeting. At that time, the real work begins: preparing the staff and volunteers that support Opportunity Austin for aggressive engagement and fundraising efforts in 2018, and subsequent implementation in 2019. The Steering Committee's expectations are clear. Through heightened engagement and broader outreach to a diverse group of potential investors and partners, Opportunity Austin and the Greater Austin region can and must do more to maintain and advance its status as a best practice economic development program and the most envied regional economy in the nation.