

Interviewed 92 business owners

Spring findings (See Slides)

Forecast of direction businesses are going in east Austin based on conversations with business owners

Fall report → shift sale analysis; NAICS to identify general trends in central east Austin (78702)

Land intensive businesses seemed to be on a decline

As density rises, businesses that can take advantage of exposure and wealthier clientele (residents of lofts)

The purpose of interviewing is to get more info than can be gathered from stats → hunches required interviews with businesses

Most interviews along major corridors (Cesar Chavez, 7th street, 11th street/12th street, MLK Blvd)

12th street has been behind 11th street in growth even though it is supposed to follow a similar plan

Cesar Chavez has higher density and diversity of businesses because the businesses are service-focused, so lower square footage is needed; they want to keep it oriented toward Hispanic clientele; major concern was access to capital;

7th street business concerned about traffic density increasing and now City is working on renovation; newer business owners are not communicating with established businesses → new owners not interested in working with community

11th street/12th street

MLK is populated by retail, but not many businesses located there; we see a future boom because of traffic patterns

Industry owners don't want to use term "East Austin," maybe use "eastern downtown;" there were many who didn't really seem concerned or were happy with the changes; they were concerned about client and employee base → employees have to commute in because of cost of living there; one business owner was worried that bus service may decline as less residents need it; rent vs. buy;

Q: Was it new businesses or old businesses that wanted to change term "East Austin" to downtown?

A: New businesses (Pro/Sci/Tech) were the ones who wanted to be viewed as being downtown; old businesses identify with "East Austin" and want to nurture it; new businesses want central location, but not concerned with keeping only local clientele

Majority of surveyed were young businesses; majority welcome change; it's not certain whether increase in income of East Austinites are actual increases for people being there or just the people moving in increasing the average

Crime was not found to be a problem; if our taxes are going to go up → services should improve considerably; need capital and maybe a bookstore;

As property values increase → opportunities and threats; what businesses will be able to survive? → taking advantage of local employee base (education level is growing), need to adapt to changing clientele; rent vs. own;

Only those who refuse to make changes to adapt will be left behind; what happens now is up to the businesses

Q: people's willingness to participate in projects in east Austin; what was the response rate?

A: smaller businesses were more likely to participate; 7th street people were very receptive to survey; one question was about community participation and 7th street businesses were not really involved in community (like east Austin summit); there were not a lot of "no's"; 98% said "yes" there is a change in Austin and wanted to talk about the changes

I went into interviews that took 5 minutes and some that took an hour and a half; responsiveness was key;

Q: wells fargo rep → we invest in peoplefund and accion and others to fill the gap in capital; it surprised me that they said biggest concern was capital?

A: part of it is the lack of education (Jessica Flores); they don't know about peoplefund or big Austin; those microlenders are considered for high risk so their interest rates are higher; the business owners have already had a bad experience with larger bank and so they think, "why bother"

Kevin – presenter: business owners miss days when they had a local bank rep who knew them and their business

Jessica – audience: a lot of it is that word of mouth is still a big deal

Q: why do you think there is a lack of involvement

A: information connect, don't know if it's because they don't want to be involved or because they don't know what their options are...I think it is more that they don't know what is available

The owners are really busy, too

Audience: it is about trust; 50% of Hispanic population is still not bankable → they carry cash and they go ask family for loans

Q: breakdown of minority owners?

A: majority were minority

Q: What was the percentage of businesses owners who live in the neighborhood?

A: see report, but I think most owners didn't live in east Austin, but their employees did

Q: Have you delivered the findings to the business owners or community?

A: (I missed the answer)

Q: rate between those that own and those that lease

A: 42% own and 55% lease

Jessica Flores comment: new businesses coming in have money and have nicer facades; I even tried to get grant to do revitalization, but found there was only a loan; what availability is there for established businesses

Ian- presenter: new businesses have opportunities with rebates and tax incentives, but there don't seem to be any for old businesses

Old businesses need to use collective action to influence City

Kevin – presenter: two models of established owners → 1) had plans to adapt, 2) ride it out and not do anything

Jessica: problem with diversifying is once you get into it, you don't realize some of the resources you need

Audience: Good job guys → qualitative data is refreshing to the stats everyone wants to talk about when discussing east Austin

Jessica: shared data with some other business owners and they were relieved to find other were having the same issues; the hope is we can unify as more people become aware, but right now we don't have that unity

Kip- presenter: we want to emphasize policy does matter