

Construction Mitigation Grant

**Economic & Workforce
Development Committee**



February 25, 2025

**PRESENTED BY: Margaret Toscano
MANAGER, ECONOMIC DEVELOPMENT**

Prior Grant Programs



FY 22 COVID 19 IMPACT GRANT

- Additional \$10,000 available to awardees located in construction zones
- 135 awardees received the funds

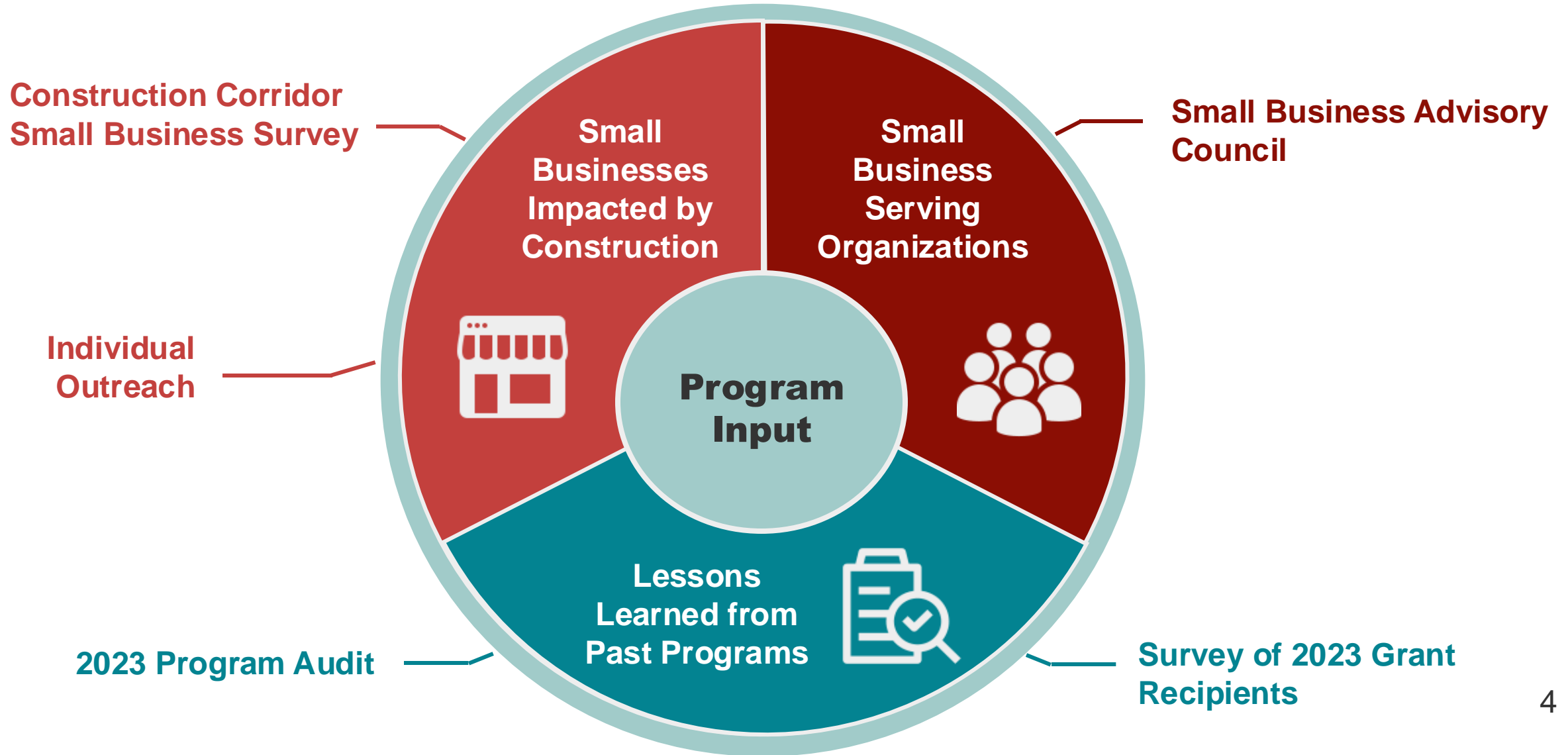
FY 23 COVID/CONSTRUCTION RECOVERY GRANT

- \$2.45M in ARPA funds
- 91 small business recipients
- \$26,856 average grant

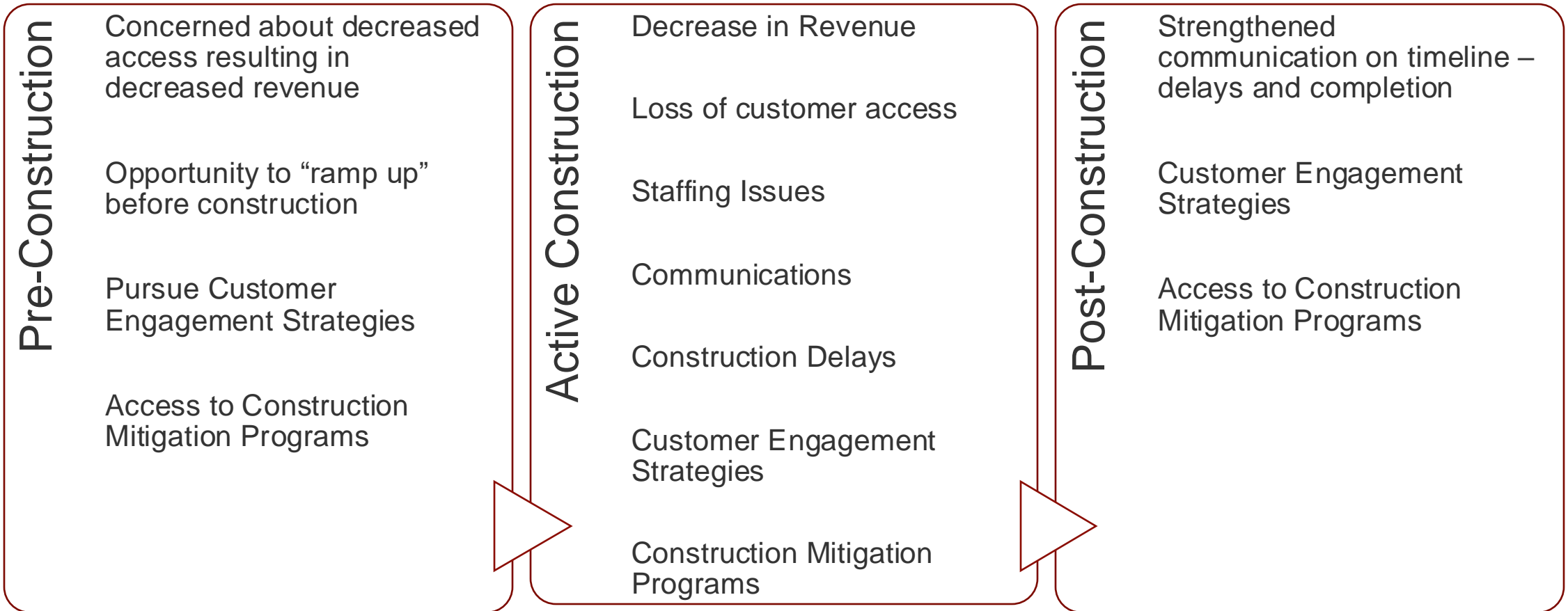
FY 24 SMALL BUSINESS CONSTRUCTION SUPPORT GRANT

- \$1.4M in ARPA funds
- 63 small business recipients
- \$22,106 average grant

Engagement and Feedback



Feedback from Businesses



Proposed FY 25 Construction Mitigation Grant Program

FY 2025
Allocation:
\$1.4 million in
General Funds



Active Construction Grant



Overview

The grants will be available for small, for-profit businesses that are impacted by City-Initiated Construction projects.

Grant Information

- Budget: \$1,000,000
- Grant amount up to \$35,000
- Assist up to 40 Small Businesses

Use of Funds

- ✓ Working capital
- ✓ Machinery and equipment
- ✓ Payroll/health care benefits
- ✓ Contract labor
- ✓ Supplier payments
- ✓ Rent, lease or mortgage payments (business property only)
- ✓ Utility payments (business property only)
- ✓ Cost of critical business operations

Eligible Corridors



City-initiated
construction zone



Planned duration of at
least 12 months



Ongoing as of
April 1, 2025

Project/Area	CD	Estimated Businesses *	Started	End
Zona Cultural Streets	1	236	January 2022	Summer 2025
South Alamo Street	1	30	December 2022	Spring 2026

**Source: Data Axle business intelligence tool; 2024.*

Business Criteria



- Must be located in identified eligible construction zone
- Established in current location as of January 1, 2023
- Minimum \$10,000 gross sales in 2023
- Must have experienced \$5,000 reduction in net revenues in 2024 when compared to 2023
- Retail or service business that requires customer foot traffic for operations
- Meet U.S. Small Business Administration's size standards for small businesses for 6-digit NAICS code
- Be in operation and not filed for bankruptcy at time of application
- Grant applicant must be majority owner of business

EXCLUSIONS

Businesses cannot be in the following categories:

- Non-Profits
- Gambling/gaming businesses;
- Franchisors;
- Sexually oriented businesses;
- Payday & auto loan providers;
- Liquor stores; and
- Businesses in which a City employee or officer has a financial interest, *as defined in Sec. 2-53 of the City's Ethics Code*

Scoring Criteria*

Applications will be scored according to **assessed need**.

Funds will not be disbursed on a first-come, first-served basis.

Construction Project Duration	Points (Max. 100)
36 months or more	20
19 – 35 months	15
18 months or less	10
Prior Assistance Received 2024 and/or 2023 Grants	
No prior assistance received	20
Net Revenue Loss (2024 vs. 2023)	
50% or greater	20
30% or greater	15
10% or greater	10
Pre-Existing Business	
> 5 years before construction start	20
2 – 5 years before construction start	15
< 2 years before construction start	10
Equity Atlas – Income-Only Scores	
4 – 5	20
3	10

*No changes from FY 2024 Criteria

Pre-Construction Pilot (FY2025)



Overview

This is an early-stage grant to help businesses prepare for upcoming construction with enhanced marketing and promotion of their business.

Grant Information

- Budget: \$80,000
- Grant amount is \$2,000
- Assist up to 40 Small Businesses

Eligible Use of Grant Funds

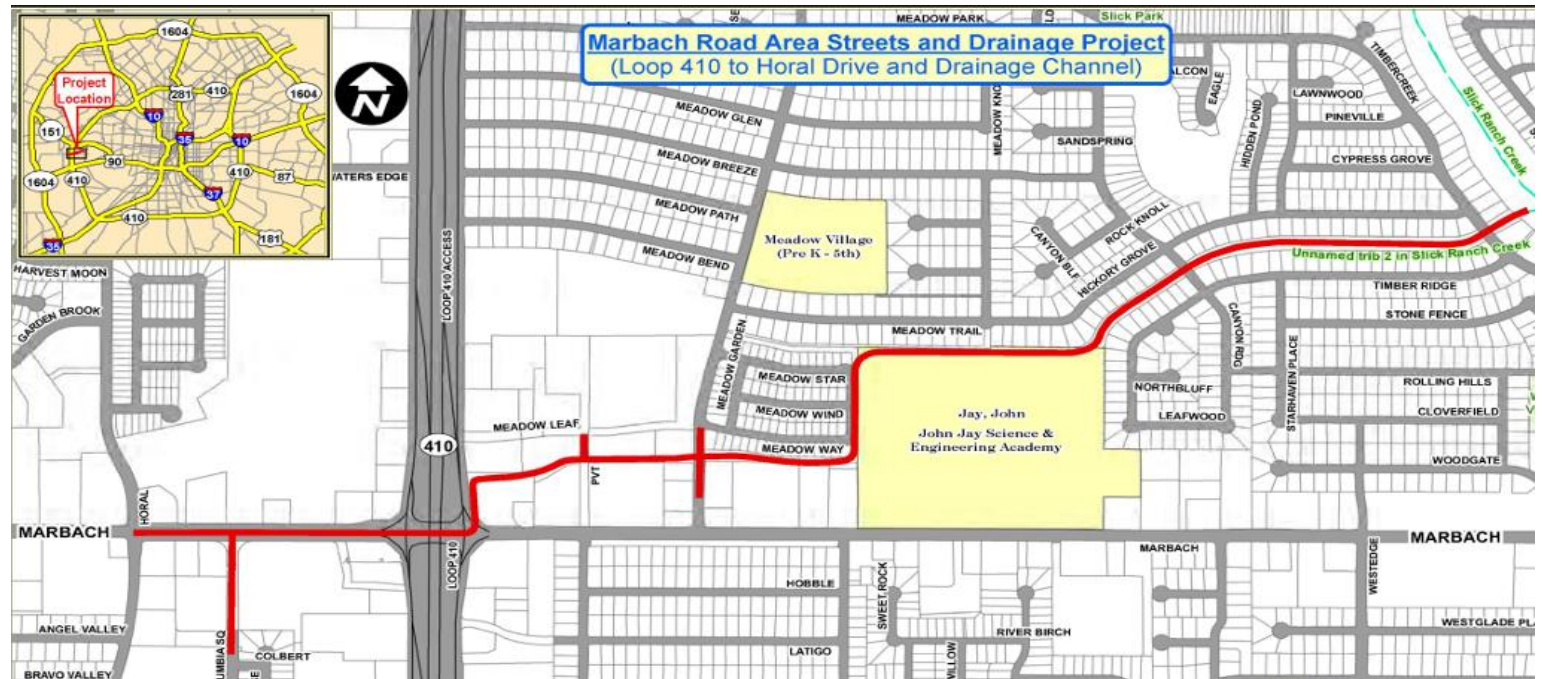
- | | |
|--------------------------|---------------------------|
| ✓ Social Media marketing | ✓ Marketing Consultants |
| ✓ Signage | ✓ Marketing Products |
| ✓ Marketing Services | ✓ Online Delivery Service |

Eligible Corridor

City-initiated construction zone

Planned duration of at least 12 months

Project/Area	CD	Estimated Businesses*	Start	End
Marbach Road Area Streets & Drainage	4 & 6	164	Fall 2025	Winter 2029



**Source: Data Axle business intelligence tool; 2024.*

Post-Construction Pilot



Overview

Supporting local small businesses that have recently been impacted by City construction to improve the exterior or interior of their business establishment.

Grant Information

- Budget: \$120,000
- Grant amount is \$5,000
- Assist up to 24 Small Businesses

Eligible uses of Grant Funds

- ✓ Exterior or Interior Painting
- ✓ Exterior Power washing
- ✓ Signage repair/installation
- ✓ Outdoor seating
- ✓ Exterior or Interior Lighting
- ✓ Landscaping
- ✓ Floor cleaning/replacement

Eligible Corridors



City-initiated
construction zone



Planned duration of at
least 12 months

Project/Area	CD	Estimated Businesses*	End
Bynum Ave Phase 2	4	13	Fall 2024
Bulverde Road Phase 1	10	23	Fall 2024
Broadway Street Corridor	1 & 2	208	Fall 2024



Business Criteria for Pre & Post Construction



- Must be located in the identified eligible construction corridor
- Business registered and in good standing with the Secretary of State of Texas
- Retail or service business that requires customer foot traffic for operations
- Meet U.S. Small Business Administration's size standards for small businesses for 6-digit NAICS code
- Be in operation in eligible corridor and not filed for bankruptcy at time of application
- Grant applicant must be majority owner of business

EXCLUSIONS

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- Franchisors;
- Sexually oriented businesses;
- Payday & auto loan providers;
- Liquor stores; and
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Marketing and Outreach



Distribute Program Information

- Public webpage with all program information
- Social media posts
- Share materials with small business serving organizations and Council offices



Outreach to Eligible Corridors

- Postcard mailed to eligible addresses
- Block walking in-person outreach
- Phone calls and emails to businesses in eligible corridors



Information Sessions

- Host at least two information sessions (prior to application opening and during application period) with live translation



Application Days

- Host at least two application days, providing technical assistance in high-density areas

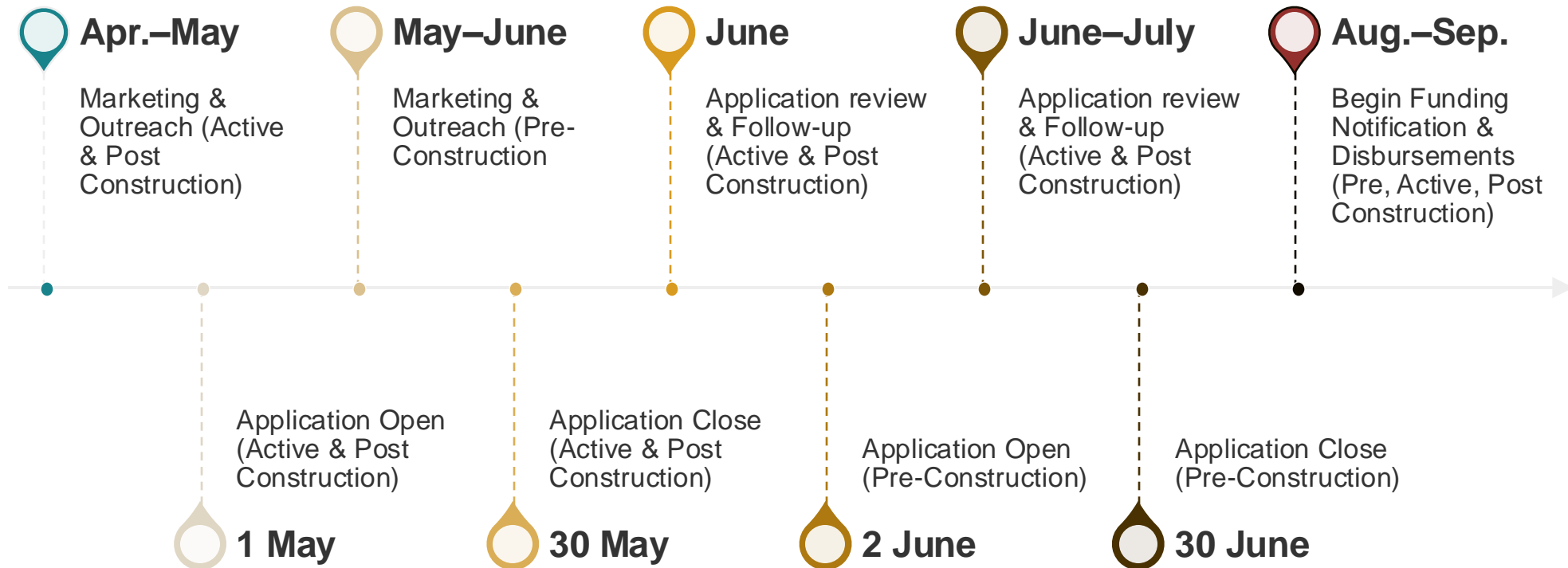
Budget: \$15,000

Next Step

- March 19 – City Council B Session
- March 27 – City Council consideration of agreement with LiftFund for program administration
 - Total Administration Fee: \$185,000 (~13%)



Program Timeline



Construction Mitigation Programs

Signage Program

- Funds to purchase signage to increase visibility. (Up to \$300 Value)

Buy Local Saving Pass

- Businesses are added to the Buy Local saving pass to promote discounts.

Visit San Antonio Membership

- Visibility to Visitors, Access to Annual Reports, Strategic Plan. Provides a 1-year Silver Membership •(\$599 Value)

Digital Presence Program

- Free digital marketing services to promote business.

Marketing

- Social media platforms, Newsletters, Construction Toolkit
- Consultant - The Social Being

Direct Business Engagement

- 3 Business Outreach Specialist

Measuring Impact



Direct Engagement

- Business Outreach Specialists: 4,500 site visits
- Surveys: Determined adjustments to program and identified gaps (ie. Pre and Post grants)

Program Utilization

- Construction Mitigation Programs
 - Signs: 138
 - Buy Local Savings Pass: 31
- Visit San Antonio Membership: 60
- Digital Presence: 15

Grant Utilization

- Grants: 154 Small Businesses (FY23 & FY24)
- Full use of allocated funds: \$3.85M

Assessments

- Revenue impact:
 - 1/3 increase
 - 1/3 no change
 - 1/3 decrease
- 97% remained open
- Business use of funds
 - Rent/Mortgage
 - Payroll
 - Utilities

Marketing Campaign Impressions

- Marketing support to increase foot traffic to businesses in the construction area – launched Spring 2025

Construction Mitigation Grant

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