

City of San Antonio



Minutes Economic and Workforce Development Committee Meeting

2023 – 2025 Council Members

Chair: Manny Pelaez, Dist. 8
Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4
Teri Castillo, Dist. 5

Tuesday, March 26, 2024

2:00 PM

City Hall Complex

The Economic and Workforce Development Committee convened a regular meeting in the City Hall Council Briefing Room beginning at 2:00 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Committee Members present:

Members Present: Manny Pelaez, *Chair*
Phyllis Viagran, *Member*
Dr. Adriana Rocha Garcia, *Member*
Teri Castillo, *Member*

Members Absent: None

Approval of Minutes

1. **Approval of the minutes from the Economic and Workforce Development Committee meeting on February 27, 2024.**

Councilmember Rocha Garcia moved to Approve the minutes of the February 27, 2024 Economic and Workforce Development Committee meeting. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Viagran, Rocha Garcia, Castillo

Public Comments

Becky Hutchison with the Holt Group, Erin Albrecht with J & R Tile, and Travis Wiltshire with CNG Engineering spoke in support of Item 2 noting their firms' participation.

Briefing and Possible Action on the following items

2. **Briefing and possible action on professional services agreements between the City of San Antonio and Ready to Work Pledged Employers to provide on-the-job training and incumbent-worker training.** [Alejandra Lopez, Assistant City Manager; Michael Ramsey, Executive Director, Workforce Development Office]

Michael Ramsey, Director of Workforce Development, presented the On-the-Job-Training (OJT) and Incumbent-Worker Training (IWT) Programs. Ramsay stated that the San Antonio Ready to Work (RTW) Program was the City's premier education and job placement initiative which offered tuition support and wrap-around services for eligible participants to attend courses and apprenticeship programs offered by over 70 RTW-approved colleges and training providers. Ramsey suggested that by expanding training opportunities to employers, RTW could shorten the gap between qualified workers and hard-to-fill roles, resulting in career growth opportunities for workers and increased job retention for employers. He described work-based learning programs as a win-win where employers improve business outcomes and employees earn while they learn.

Ramsey stated that the OJT Program would reimburse each employer that hired new employees up to \$150,000 per each of the 24 employers and \$10,000 per employee earning at least \$18.00/hour for a total program funding of \$1,192,630 assisting 722 participating employees. The IWT Initiative would reimburse each employer that hired new employees up to \$100,000 per each of the nine employers and \$5,000 per employee earning at least \$18.00/hour for a total program funding of \$1,882,940 assisting 665 participating employees.

DISCUSSION:

Councilmember Rocha Garcia supported the Work-Based Learning Programs as they were recommended by the Small Business Advisory Committee. She asked about the strategy for selecting the 33 total employers. Ramsey stated that the Program outreached small businesses through different organizations and offered a higher amount of hourly reimbursement per employee to small businesses. Ramsey reported that the employers had submitted proposals and were evaluated for selection.

Councilmember Rocha Garcia requested information on the metrics that would be measured throughout the Program. She mentioned the "Jobs for Future Program" in Boston that had development of a curriculum as a critical part of the accountability. Ramsey stated that each employer would submit their plans to the City but they were training their employees for the jobs they actually had available. She asked if this was only for targeted industries. Ramsey confirmed that it was what was in demand and what employers needed. Councilmember Rocha Garcia asked of the per person investment and noted that the construction industry was a large contingent of employers in the Program.

Councilmember Castillo stated that she had observed a small business panel at the Maestro Center that needed skilled workers and now this was coming to fruition. She asked if the length of employment was a metric and recommended a two-year minimum employment retention. Ramsey stated that there were no minimum requirements for how long the employer would retain the employee, however, the good news was that they were gaining valuable skills. Councilmember Castillo suggested reviewing the needs of the hospitality industry. Ramsey stated that this was a

pilot program and the hospitality sector was allowed to apply but did not, so perhaps they would in the future. Councilmember Castillo requested the total number of employers that applied. Ramsey stated that he would provide the information.

Councilmember Viagran thanked all the employers that attended the meeting and noted that the Holt Group had been a great partner in Council District 3. She recommended retention measures tracking employment for two and four years as well as financial literacy programs for those employees participating in the Program.

Chair Pelaez noted that this was a great program and would make a significant impact because these specifically had employers selecting and training their own employees even though the employees would have portable skills that they could take with them. Chair Pelaez suggested that financial management firms might be good to get special certifications as well as auto mechanics that needed to increase their computer skills due to high technology cars, and real estate property managers. Chair Pelaez suggested that the Councilmembers could help find employers and refer them to RTW.

Councilmember Rocha Garcia moved to Approve. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Viagran, Rocha Garcia, Castillo

3. Briefing and possible action on the Supply SA: Inclusive Procurement Initiative. [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Ana Bradshaw, Assistant Director of Economic Development, reported that the San Antonio public procurement economy accounted for more than \$9 billion. She recommended that local agencies invest in developing local suppliers to increase the number of qualified local vendors available and increase their capacity. Developing these local suppliers would drive down prices, increase the quality of service delivery, and benefit the community and local economy through small business growth according to Bradshaw.

Bradshaw described regional collaboration as enhanced planning and decision making, improving the small business owner experience, and growing the local economy through investment in local small businesses. She stated that outcomes would include increasing availability and utilization.

Bradshaw proposed a \$408,208 contract with UTSA to manage implementation of the Supply SA Program that included: manage activities and report on the progress, convene working groups of procurement staff to foster participation, support small businesses to connect them to procurement opportunities, and provide navigation services. Bradshaw stated that evaluation by an independent third party would cost \$200,000 and would include objective measures and reporting through a regional system with Supply SA 14 partner entities. Bradshaw listed the partners, outlined the activities, and detailed the Interlocal Agreement which included the City sharing costs with the 14 partners; the City of San Antonio's total cost would be \$121,642 for the pilot program.

DISCUSSION:

Councilmember Viagran noted Congressman Joaquin Castro's enthusiasm about Supply SA's 14 partners and acknowledged the City's hard work but was concerned with how long it took to get certified under the City's Small Business Economic Development Advocacy (SBEDA) Program and suggested the new SBEDA Program needed to be finalized prior to starting the pilot program. She also recommended more focus on south side businesses. Councilmember Viagran recommended the City lobbying the State Government to increase local preference to higher than 5% of a price differential.

Councilmember Castillo recognized representatives from the Maestro Center in attendance and supported Councilmember Viagran's request to focus on the south side. Councilmember Castillo asked where the UTSA Program would be located. Bradshaw stated that the Program would be located at the UTSA downtown campus in the Durango Building.

Councilmember Rocha Garcia noted that there were 17 local agencies and expressed concern that some opted not to participate in the initiative. She asked how the Program would be measured and tracked and noted that navigators were imperative and tended to make a huge difference. Bradshaw stated that staff would report evaluations and metrics to the Committee and make the information available to the public as well. Councilmember Rocha Garcia asked what would happen if an agency dropped out of the Program before the two-year pilot program was over. Assistant City Attorney Christina Ramirez stated that safeguards had been built into the contract.

Councilmember Rocha Garcia asked if there would be an additional budget or staffing requirement. Bradshaw stated that the plan was to implement the pilot program and determine impact and resources needed. Councilmember Rocha Garcia suggested regular updates to the Committee for the small business American Rescue Plan Act (ARPA) funding that had already been allocated.

Chair Pelaez asked which agencies declined to participate in Supply SA and recommended including the Alamo Area Council of Governments (AACOG). Bradshaw noted that Independent School Districts were not included in the Program by design. Chair Pelaez was excited that this was finally becoming a reality.

Assistant City Manager Alex Lopez stated that the plan was to seek City Council approval of the Interlocal Agreement and funding. The Committee did not object to staff's recommendation.

Item was for briefing, so no action was taken.

4. Briefing on the Texas Enterprise Zone Program and project nomination process.
[Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Thomas Davis, Economic Development Manager with the Economic Development Department (EDD) stated that the Texas Enterprise Zone Act (TEZ) was passed by the 73rd Texas Legislature in 1993 to establish the State-run TEZ Program. Only 105 designations were allowed annually per the State Program and there were size levels and limits, according to Davis. He noted that for a job to count for TEZ benefits the applicant was required to pay a minimum wage of \$26.42 per hour and all jobs must be full time. Davis added that employee counts were adjusted based on the size of the project and tax benefit.

Davis explained that the State designated TEZ's must be one of the following to qualify: 1) An area where at least 20% of residents had an income at or below 100% of the Federal poverty level; 2) An areas designated as a renewal community, empowerment zone, or enterprise community by the Federal Government; 3) An area located in a distressed county; and 4) An area inside a defense base development authority.

Davis provided a map of the previously designated TEZ's in San Antonio and stated that the City has had 50 Single Designations and two Triple Jumbo Nominations. The nomination process included a company submitting a Joint Incentive Application (JIA), which EDD reviewed and recommended to the City Council, then a public hearing was held and City Council was required to approve before the nomination could be sent to the State. Davis noted that Bexar County also could nominate projects for TEZ but if they were within the City limits, City Council had to also approve.

DISCUSSION:

Councilmember Castillo asked if the refund came from State or local funds. Davis clarified that it was only State funding.

Councilmember Rocha Garcia asked if the wages had been adjusted since inception of the Program. Davis stated that the State had updated the wages over time and he would provide the historical data. Councilmember Rocha Garcia requested a list of the census tracts for the current designations in San Antonio and requested an overlay of Federal poverty.

Councilmember Rocha Garcia requested the number of joint applications that had been submitted since 1993 and whether Bexar County had to approve the City of San Antonio's. Davis stated that he did not have the older information on TEZ that had expired but confirmed that Bexar County did not have to approve the City's JIAs. Councilmember Rocha Garcia asked how long the designations lasted. Davis stated that TEZ designations were no less than one year and no more than five years. She requested the amount of much money which was refunded as well as a comparison of other cities designations. Davis stated that the State set the refund amounts which varied and noted that the State also had a map of other cities' TEZ.

Chair Pelaez thanked Davis for the presentation and noted that the Item was for briefing only so no action was taken.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 3:08 p.m.

Approved

Manny Pelaez, Chair

Debbie Racca-Sittre, City Clerk