



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 2

Agenda Date: October 1, 2024

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Latin American Business Development Representative

SUMMARY:

Briefing on a proposed contract with Xstrategy USA, LLC to provide consulting services to strengthen relationships between San Antonio and Latin America and position San Antonio as a leading candidate for investment. This contract will have a one-year term, with two (2) one-year renewals. The annual cost for these services will be up to \$50,000.00 per year for a total cost of up to \$150,000.00.

BACKGROUND INFORMATION:

For over 70 years, San Antonio has enjoyed mature and important relationships with Mexico and Spain, without developing significant cultural or economic relationships with Central or South America. On January 28, 2021, District 8 Councilmember Manny Pelaez filed a City Council Consideration Request (CCR) to explore an expansion of our Sister City program into Central and

South America. In support of this CCR, the Economic Development Department (EDD) created the Latin America Taskforce, made of up community and business leaders with connections to Latin America, to identify and leverage San Antonio's global academic, cultural, military, and economic ties. Increasing investment from Latin America in San Antonio was identified as a goal and for FY2024, EDD established a one-year pilot agreement with a consultant in Bogota, Colombia to position San Antonio as a leading candidate for investment.

Following the one-year pilot, EDD is now seeking to maintain a consultant to strengthen relationships between San Antonio and Latin America. More specifically, this work will focus outside Mexico, where strong cultural and economic relationships already exist. Panama and Colombia will remain primary targets, but work will not be limited to these countries. In addition, the consultant will establish a pro-active investment promotion strategy focused on industry clusters established in the City of San Antonio Economic Development Strategic Framework that include mobility, IT security & infrastructure, sustainable energy, corporate services, bioscience anchors & catalysts. The consultant will execute on the strategy to position San Antonio as a leading candidate for investment and generate leads with companies that have immediate, short-term, and mid-term investment plans.

The City issued a Request for Proposal (RFP) and received four responses. The proposals were evaluated, and the top ranked firm was Xstrategy US, LLC and is recommended for the award. The initial term of the agreement will be for the period upon award by City Council through September 30, 2025. Two additional, one-year renewals at the City's option will also be authorized by this ordinance.

The evaluation committee met on July 16, 2024, to discuss and score the four proposals received. The top ranked firm was Xstrategy US, LLC and is recommended for the award. Xstrategy US LLC, is a leading corporate and institutional expansion firm, specializing in partnering with public institutions to drive the internationalization of cities and countries. Xstrategy US, LLC will be supported by two firms: Market Intelligence Latin America, S.C. (MILA) and Ongresso Colombia. Xstrategy US, LLC maintain offices in the U.S. (Miami and Washington, DC), Colombia, and Panama and its full team has combined 60+ years of experience in Latin American market with direct FDI experience supporting U.S. State offices.

Pilar V. Ceron, Xstrategy's founder and CEO, has more than 20 years of experience as a FDI strategist, site selector, and has served as a free trade agreement negotiator for the Colombian Government. She was also a Senior FDI consultant for the Inter-American Development Bank and a former FDI and Trade Director for AMCHAM – Panama. Luis Doménech, MILA's co-founder and Managing Director, has worked for 20 years as trade and investment representative for the State of Oklahoma, State of Colorado and acted as commercial advisor for the Massachusetts Trade Office in Mexico. He serves as the Maryland Trade Representative. He also collaborated in recruiting the largest Mexican greenfield investment project to the State of Oklahoma.

ISSUE:

The scope of work of the contract with Xstrategy US, LLC will include, at a minimum, the following:

- Establish a pro-active investment promotion strategy focused on industry clusters established in the City of San Antonio Economic Development Strategic Framework approved by City Council.
- Create a target list of companies with short and mid-term investment plans and a focus on the top 100 companies and industrial groups and companies with over \$20 million in annual revenue in Latin America (excluding Mexico).
- Arrange and manage meetings with and presentations to a minimum of 30 companies from the target list in Latin America (excluding Mexico) during the first year, with optional participation involving San Antonio representatives.
- Generate three (3) leads of large companies (\$20+ million annual revenue) with immediate or near-term investment plans (24-36 months or less), annually.
- Conduct due diligence on target prospective leads, and track and report on goals to EDD.

FISCAL IMPACT:

This contract will have a one-year term, with two (2) one-year renewals. The annual cost for these services will be up to \$50,000.00 for a total cost of up to \$150,000.00. Funding in the amount of \$50,000.00 is available from the General Fund FY 2024 Adopted Budget. Funding for future years is contingent upon City Council approval of the annual budget.

ALTERNATIVES:

Should this contract not be approved, the City would not have the resources and expertise to execute the functions necessary to achieve the desired foreign direct investment from Latin America.

RECOMMENDATION:

Staff recommends approval by the Economic and Workforce Development Committee for full Council consideration.