

# City of San Antonio



## Minutes Economic and Workforce Development Committee

### 2023 – 2025 Council Members

Chair: Manny Pelaez, Dist. 8

Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4

Teri Castillo, Dist. 5 | Marc Whyte, Dist. 10

**Tuesday, November 5, 2024**

**1:00 PM**

**City Hall Complex**

The Economic and Workforce Development Committee convened a regular meeting in the City Hall Council Briefing Room beginning at 1:00 PM. Deputy City Clerk Aurora Perkins 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*  
Marc Whyte, *Member*

**Members Absent:** None

### Approval of Minutes

#### 1. Approval of the minutes from the Economic and Workforce Development Committee meeting on October 22, 2024.

Councilmember Rocha Garcia moved to Approve the minutes of the October 22, 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, Whyte

### Public Comments

None.

## **Briefing and Possible Action on the following items**

### **2. Briefing and discussion on Foreign Direct Investment activities of the Economic Development Department and partner organization, greater:SATX Regional Economic Partnership.** [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Economic Development Manager Alfred Breuer provided an overview of the Foreign Direct Investment (FDI) Strategic Framework and spoke to the goals of the Plan. He noted that the first goal of the Economic Development Strategic Framework was to retain, expand, and attract domestic and international businesses within each strategic industry cluster, provide more effective small business support, and facilitate innovation-entrepreneurship. He added that the Economic Development Department (EDD) played a core function in retaining and expanding businesses within each strategic industry cluster along with the City's Global Engagement Office within EDD that leveraged its international affairs expertise to support FDI opportunities.

Breuer reviewed the Economic Development Strategic Framework and Metro Priority Plan and noted the cities that were identified as priorities for investment opportunities. He stated that Casa San Antonio had evolved to expand its reach outside of Mexico and would expand into Latin America, Japan, Korea, Europe, Canada, and India and would still be operating in Mexico. Breuer noted that the use of funds would be used for in-country consultants, activity-based engagement, and relationship building.

Sarah Carabias Rush, Chief Economic Development Officer with greater:SATX, provided an overview of the Global Strategy developed by the organization in building FDI as the City Global Economic Partner. Rush reviewed the global branding effort areas that the organization worked on with the City of San Antonio and other stakeholder partners including Bexar County and the University of Texas-San Antonio (UTSA).

Rush reviewed the countries of focus of greater:SATX and noted the areas of industry and markets that they focused on to include advanced manufacturing, cybersecurity, life sciences, aerospace and defense, high-tech electronics, and other areas.

Rush spoke to FDI activation in the European market which included Germany and the United Kingdom. She noted that San Antonio now had a direct flight into Frankfurt and had engagement in international manufacturing. She stated that the United Kingdom's efforts concentrated on strong talent, military, and cybersecurity presence. She added that there was a strong academic partnership between San Antonio universities and United Kingdom institutions.

Rush provided an overview of the FDI activation in Asia which included South Korean investments in high-tech electronics and semiconductors. She spoke to Japan relationship building and investments expanding Toyota which created the most FDI jobs in San Antonio. She noted that greater:SATX facilitated a mission to Japan with Bexar County in the second quarter of 2024.

Rush provided an overview of the FDI activation in The Americas to include Canada and Mexico. She noted that Canadian efforts were supported by the United States-Mexico-Canada Agreement (USMCA) and increasing investment across sectors, including energy, aerospace, advanced manufacturing, and technology.

Rush stated that Mexico was San Antonio's largest trade market and that trade with Mexico supported over 466,000 jobs in Texas. Greater:SATX anchors the Texas-Mexico Automotive Supercluster (TMASC) and according to Rush was crucial to growth.

Rush noted that international air service development was a priority for FDI strategies. She reviewed recent flights added to the San Antonio Airport inventory to include non-stop flights to Frankfurt, Germany and Queretaro, Mexico. Rush spoke to the \$2.5 billion investment the City was making to the San Antonio International Airport and that it currently served over 10 million passengers annually. She spoke to the greater:SATX work on the Private Air Service Development Fund and continued marketing support of the airport along with partners at Visit San Antonio.

Rush provided an overview of the FDI Promotion Activity in 2023-2024 of greater:SATX which included the five primary target countries of Canada, Germany, Japan, Mexico, and South Korea but also included other efforts in the United Kingdom and Europe. She spoke to the 40 FDI marketing activations which included international marketing missions, international partner marketing missions, and international delegations. She added that there were six lead generation contracts being managed and that there were 23 international clients being served by the International Business Development Program.

Rush reviewed International FDI leads for investments and noted that Korea had the most active leads of all countries in which the City was investing. She also noted that there were 773 total FDI leads representing over 42 countries as of October 2024.

According to Rush, the City had 28 FDI projects with a potential to create 3,546 new jobs and \$1.4 billion in capital expenditures. She also reviewed the FDI companies that invested in greater:SATX since 2017 which totaled 12 countries, the addition of over 9,400 new jobs, and new capital investments totaling \$2.5 billion.

## DISCUSSION

Chair Pelaez spoke to the recent FDI trip he participated in and noted that he saw first-hand the work of greater:SATX and he acknowledged the priority the organization had on FDI.

Councilmember Castillo asked what some examples of collaborations with the City were. Breuer spoke to joint efforts of the City, greater:SATX, and other stakeholders at a recent trip to Montreal. He expanded on sister city visits that also contributed to FDI efforts through collaborations with those cities and other San Antonio/Texas stakeholders.

Councilmember Castillo asked what the expectation of recent FDI investments was in relation to work relations and possible layoffs when certain industries were expanded in other areas. Economic Development Director Brenda Hicks-Sorenson stated that this was not directly related to FDI but that the State of Texas did have requirements for notice to employees on possible layoffs. She added that

staff worked with existing and new companies in the San Antonio market that they worked with on retention and expansion of jobs and requirements associated with jobs retained/created.

Councilmember Castillo asked for clarification on FDI associated with Ernst & Young (EY) which had recent layoffs. Hicks-Sorenson stated that staff and the Mayor's Office recently visited with EY and stated that there was no indication of potential layoffs, but that staff would look further into the matter. Councilmember Castillo requested a follow-up meeting to discuss EY and FDI investments.

Councilmember Rocha Garcia acknowledged the efforts of greater:SATX and that of the Data Club Youth Initiative. She spoke to aviation expansion efforts specifically in the international market for direct flights to international cities. She asked what the greatest concerns of international flight connections by stakeholders were. Rush stated that direct flight connections were the most inquired about and that provided data on San Antonio leveraged airport assets and those of neighboring airports concentrating on ease of travel.

Councilmember Rocha Garcia asked if greater:SATX utilized workforce availability to market the San Antonio International Airport. Rush stated that international countries were very interested in the available workforce to meet their needs, logistics, and direct flights. Councilmember Rocha Garcia requested data for FDI for every two years beginning with 2017 and pre-COVID. She thanked the City and greater:SATX staff for their efforts.

Councilmember Whyte asked if there were goals or metrics for attracting foreign businesses. Hicks-Sorenson stated that there were metrics identified in the Annual Budget for retention and expansion. Councilmember Whyte requested the data for review.

Councilmember Whyte asked what the average pay was for new jobs. Rush stated that wages were dependent on the industry and that the data would be provided to the Committee. Councilmember Whyte requested that the wage data be provided.

Councilmember Whyte asked what type of subsidies were being provided. Rush stated that various incentives or abatements were provided and spoke to brownfields, IDF State and Federal cash grants. Councilmember Whyte requested data on jobs created or revenue by incentives. Hicks-Sorenson stated that data was reported annually and that a greater report was conducted every five years.

Councilmember Whyte asked what type of coordination was performed with stakeholders and partners. Rush spoke to the division of efforts that was performed in partnership with organizations that included getting data to investors or making lead connections and then pushing to the City or Bexar County. She stressed that there were continuous communications with City staff to make sure that leads were up to date.

Councilmember Whyte asked how much the City was spending on FDI investments. Breuer stated that the City was spending \$194,200 which was a part of larger operation Budget with greater:SATX and he noted that the current investment structure had other fiscal contributions on top of that. Rush clarified that costs included travel, hosting of companies, and other outreach efforts which totaled \$3.5 million for both FDI and domestic recruitment.

Councilmember Whyte asked for clarification on the use of funds for the Latin American Investment

Taskforce and other FDI investments. Breuer stated that both were in line with FDI strategies.

Councilmember Whyte stated that he was supportive of FDI efforts but noted that he wanted to make sure that efforts were targeted and deliberate.

Chair Pelaez noted that the return on investment was crucial to look at and spoke to State of Texas concentration of international investments and spoke to FDI efforts to all countries. He spoke to the importance of European direct flights and the building of capital investments for Texas and San Antonio.

Councilmember Viagran acknowledged the efforts of greater:SATX and the City especially those at Brooks City Base. She asked how greater:SATX efforts had evolved since 2017. Rush spoke to the growth of the Texas market within the last 20 years and stated that it was important to educate the scale of geography within the U.S. She stated that the Texas market had been transformed due to increased efforts of marketing Texas as an international market. She stressed that it was crucial to grow aviation connections and the use of incentives to grow their businesses in Texas. Rush stressed that San Antonio and Texas were perfectly placed to grow markets on the international market stressing customer service concentration.

Jenna Saucedo-Herrera, President and Chief Executive Officer with greater:SATX, reiterated the efforts of greater:SATX and spoke to the growth of the GREATER:SATX concentration and redirection of efforts in marketing the City on the international market. She spoke to realignment and streamlining of efforts and their project managing efforts for all key stakeholders in San Antonio. She noted the concentrated coordination with Visit San Antonio and the State of Texas to address strong marketing of San Antonio as an economic market.

Councilmember Viagran stated that it was important that the City Council ask questions of accountability and coordination to make sure San Antonio was focused on growing.

Councilmember Castillo clarified that according to the Wall Street Journal EY had layoffs in 2013 and she requested data on those layoffs. Hicks-Sorenson stated that staff would research and provide the information.

Chair Pelaez stressed the importance of international direct flights from San Antonio and continued efforts for expansion on the international market for all airlines. He noted that decisions for investment were based on data and that greater:SATX has now worked on that especially in FDI outreach.

No action was taken on this Item.

**3. Briefing and discussion regarding an update on the San Antonio Ready to Work Program.**  
[Alejandra Lopez, Assistant City Manager; Michael Ramsey, Director, Workforce Development]

Workforce Development Director Mike Ramsey provided an overview of updates to the Ready to Work (RTW) Program. He reviewed the guiding principles of the RTW Program which was developed two years prior. He spoke to the four guiding principles of the RTW Program which included a focused approach, alignment of training, equity for underserved populations, and community collaboration.

Ramsey reviewed RTW sales tax projections beginning in FY 2021 at \$12.9 million to projected FY 2026 of \$27.4 million. He noted that the projected total sales tax was \$239.3 million.

Ramsey spoke to the RTW overview which included the components of training and training program basics, tuition assistance for all levels of educational programs, wraparound services to include coaching and job placement, referrals to other needed services, and an unprecedented scale for employment engagement.

Ramsey stated that in relationship to scale there were over 39,000 applicants served through intake and initial assessment with over 28,000 participants enrolled in courses with subsidized tuition, emergency funding and wraparound services. According to Ramsey, there were over 15,600 individuals who completed training and were placed in well-paid jobs in high demand career fields.

Ramsey spoke to the RTW dashboard which provided an overview of the Program in terms of metrics which included training participants, successful completions, and placement into jobs. He added that under the Program's financial snapshot over \$160,000 had been collected in revenues from sales taxes, program expenses were approximately \$43,800, and total expenses per participant were \$6,036.

Ramsey provided an overview of the Program's progress and pipeline and noted that over 4,800 people were eligible for the Program and were in the process of creating an education plan. He added that 69% of participants had completed training with 59% being placed in approved jobs within six months of training completion and 77% within 12 months of completion.

Ramsey reviewed a significant return on investment (ROI) which included data from a study by Dr. Steve Niven which identified \$1.7 billion projected ROI which equated to \$61 per \$1 spent on the RTW Program. He indicated that this was analyzed over the careers of 3,345 RTW participants enrolled through June 2023. Ramsey stated that the current state of ROI had 9,102 participants enrolled in 1,529 job placements with an average increase in salary of \$30,000.

Ramsey reviewed the RTW demographics by council district and stated that expanded marketing would continue in all council districts. He noted that healthcare training was the largest sector of the training provided followed by transportation/logistics and then IT/Cybersecurity.

Ramsey provided an overview of enrollment educational levels and for gender and race/ethnicity. He noted that \$14,400 was the average wage per household when entering the Program. He also reviewed age, disability, military, veteran, and other demographics.

Ramsey stated that Alamo College was the top training provider in the Program and reviewed other institutions providing training. He reviewed top enrollments by occupation and noted that a large majority were in transportation/logistics.

Ramsey spoke to cumulative progress to date by top training providers which identified Alamo College District as providing the most training but noted the training provided by other institutions to include four-year programs. He noted that the top enrollments by occupation were heavy equipment and CDL truck drivers followed by many medical career training program enrollments.

Ramsey stated that the largest priority of the RTW Program was connecting participants to employers and spoke to efforts with partners engaged in hiring graduates. He noted that not only City staff worked in placing graduates but also partner organizations that specialized in job placement for specific occupations. He reminded the Committee that over 15,000 participants had been placed in higher-paying careers after completing training.

According to Ramsey, much of the training provided to participants included on-the-job training, incumbent worker training, apprenticeships, and internships. He stressed the importance of connecting participants to employers through partner organizations.

Ramsey spoke to ongoing workforce development organization community engagement which included a San Antonio Housing Trust Memorandum of Understanding which included 64 events over a year that dedicated space for RTW participants at housing trust properties as they attended training. He spoke to upcoming job fairs and outreach events for differing occupations and trades. Ramsey also spoke to current outreach and marketing efforts.

Ramsey ended his presentation with a highlight of a RTW participant success story.

## DISCUSSION

Councilmember Castillo asked in relationship to sunsetting the Program, if staff determined when to end the Program. Ramsey stated that staff was evaluating the timeline but that it depended on the ration of degrees versus short-term training based on the time needed for training periods. He stated that the plan was to stop enrollments one year from the projected sunset date once identified.

Councilmember Castillo asked in terms of demographics, if staff had specifics of degree programs and jobs gained from the Program. Ramsey stated that staff would provide the information to the Committee.

Councilmember Whyte requested clarification on how long the Program took to get through. Ramsey stated that it varied from four weeks for trade careers to three years for degree programs in nursing and other highly technical areas.

Councilmember Whyte asked how staff determined if training was directly related to new jobs. Ramsey stated that the type of job and connections were tracked by the partnering organizations that provided and placed participants once training was completed. Ramsey reiterated that all training and placements were tracked under the Program.

Councilmember Whyte asked if the applicant pool was meeting the needs or expectations of employers. Ramsey stated that the RTW Program was continuously looking to identify work opportunities and expectations of employers and that this was a continuous challenge in addressing with employers. He stressed the need for education of training efforts and meeting of expectations.

Councilmember Whyte asked if there was collaboration with international leads to make sure the City had the workforce needed. Ramsey stressed that RTW staff and partners worked closely with greater: SATX and the City's Economic Development Department staff to address potential employer needs and related jobs. Chair Pelaez reiterated that workforce needs were at the forefront with foreign

companies meeting with associated with Foreign Direct Investment opportunities.

Councilmember Rocha Garcia thanked staff for the update and asked of the Project Quest study positive outcomes in relation to ROI. She stressed that not only ROI but changes to people's lives was crucial to identify for impact. She asked if staff had identified a relationship between participants who had moved to homeownership from subsidized housing. Ramsey stated that was not a factor looked at. Councilmember Rocha Garcia stressed the importance of tracking homeownership as a measure of ROI.

Councilmember Rocha Garcia pointed out that sector-based training was crucial to look at and that it was ever-evolving due to projected growth in different parts of the City and needed workforce. She spoke to financial services industry growth opportunities and stressed that it was very important to take a closer look at industry needs as that industry grew.

Councilmember Rocha Garcia spoke to the importance of evaluating employer needs especially if those employers were seeking workforce with four-year degrees and the development of jobs from industries looking to come to San Antonio. She acknowledged the data collection efforts of City staff and providing that data to council districts for review. Councilmember Rocha Garcia stressed the importance of wraparound support in getting participants through longer training programs.

Councilmember Rocha Garcia supported data on top enrollments by occupation and the need to continue to evaluate the talent pipeline. She asked that staff evaluate current jobs available and that of projected jobs as outlined at a recent North San Antonio Chamber of Commerce presentation.

Councilmember Rocha Garcia asked how staff could streamline the process for job availability/posted vacancies and hiring. Ramsey stated that staff could look at daily reports of job postings to determine the need for certain occupations. He also stated that staff continuously met with employers to identify workforce current and projected needs.

Councilmember Rocha Garcia asked if there were opportunities to amend contracts based on an increase or decrease in target job goals. Ramsey confirmed that contracts could be amended at any time due to meeting or not meeting goals. He stated that City staff worked at all levels of the organization from executive to departmental to determine job goals and metrics. Councilmember Rocha Garcia requested an off-line meeting to further discuss the issue and of recent enrollment with partner Restore Education.

Ramsey clarified that when the City initially contracted with community partners that each organization had a funding cap authorized by the City Council during the first three years. He noted that Restore Education had initially surpassed intake metrics but had challenges in providing training and were then referring applicants to other partner training programs. He stated that discussions were had to assist the organization in meeting their goals of enrollment within the participants they had intake data on. Ramsey noted that staff would have opportunities to recommend funding and contracts for RTW partners in the coming year and possibly extend current contracts to include Restore Education. Councilmember Rocha Garcia supported the evaluation of organizations and the measuring of metrics. Chair Pelaez thanked staff for their efforts and meeting the workforce needs of the City.

No action was taken on this item.



## **ADJOURNMENT**

There being no further discussion, the meeting was adjourned at 2:36 p.m.

**Approved**

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***Manny Pelaez, Chair***

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***Debbie Racca-Sittre***  
***City Clerk***