

Second Stage Grant Program Update



**City Council A Session
Agenda Item #32
August 29, 2024**

Brenda Hick-Sorensen, Director, Economic Development

Background

What is a Second Stage Business?

For this grant program, the definition of a second stage business is from the Edward Lowe Foundation, which defined a second stage business as:

- A for-profit privately owned business
- Earns between \$1m and \$50m in revenue annually
- Has between 10 and 99 employees
- Export-oriented business with intent to grow local market presence regionally, nationally, and/or internationally.

Purpose of Funding



Support San Antonio-based companies that intend to make investments to expand locally and regionally, as identified via a written growth strategy submitted with the company's application.

- Up to \$50,000 per company based upon companies' needs, commitments, and leveraged resources.
- Capped at \$500,000 in total program awards

Eligibility Criteria

- Must be a Second Stage business headquartered in San Antonio and remain so for one year from award date;
- Must provide documentation demonstrating company growth in employment and/or revenue in two of the past five years;
- Full-time positions must pay a minimum of \$17.50 per hour;
- Must offer workers' compensation and provide healthcare benefits package for all full-time employees; and
- Three-year compliance reporting, including required survey responses.

Written Growth Plan Criteria



Growth Plan Strategies must include one or more of the following:

- Market Development;
- Product Strategy/Development; and/or
- Diversification.



3-yr Written Growth Plan:

- A description of expansion opportunities
- Financial goals broken down by year
- A marketing plan of how company will achieve growth
- A financial plan consisting of current assets and what capital is accessible during growth
- A breakdown of company's staffing needs and responsibilities



Second Stage Grant Program Recommendation

Company	Company Background	Growth Project Summary	Council District
Atlas AC Repair, LLC	HVAC (heating, ventilation and air-conditioning) Contractor	Training program costs to cover a portion of the instructor's salary, curriculum development, purchasing of HVAC and testing equipment and supplies for the program	8
Integrated Business Technologies, Inc.	Office Equipment Supplier	Workforce and training enhancement, technological upgrades and marketing enhancements	10
Modern Day Concrete Corporation	Flooring Contractor	Workforce development, marketing expansion, and vehicle and equipment upgrades	10

Total Recommended Funding: \$50,000 per applicant



Fiscal Impact

- Funding for the three (3) \$50,000 Second Stage Grant Agreements is available from the Economic Development Incentive Fund (EDIF)
- Total EDIF Awards: \$150,000



Recommendation

- Approval of an ordinance authorizing three (3) EDIF grant agreements:
 - Atlas AC Repair, LLC
 - Integrated Business Technologies, Inc.
 - Modern Day Concrete, Inc.

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