

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

Friday, August 30, 2024

1:00 PM

City Hall

The Economic and Workforce Development Committee convened a regular meeting in the City Hall Council Briefing Room beginning at 1:03 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 Friday, June 14, 2024.

Councilmember Viagran moved to Approve the minutes of the June 14, 2024 Economic and Workforce Development Committee meeting. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Viagran, Castillo, Whyte
Absent: Rocha Garcia

Public Comments

None.

Briefing and Possible Action on the following items

4. Briefing on the American Rescue Plan Act (ARPA) Small Business Implementation

Plan. [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Assistant City Manager Alejandra Lopez introduced the Item and Economic Development Department Assistant Director Ana Bradshaw who presented the Item.

Lopez noted that staff and community stakeholders worked diligently in the delivery of the services funded through the American Rescue Plan Act (ARPA) Funding and that there were many success stories that would be briefed.

Ana Bradshaw, Assistant Director of the Economic Development Department provided a background of the economic development programs funded under ARPA and noted that the City Council had approved the ARPA Small Business Implementation Plan in June 2022 with an original Budget of \$30.95 million. She stated that the current Budget was \$33.9 million and the program had a two-phased priority structure. Bradshaw clarified that the Phase I priority was for access to capital through various grant programs, and Phase II priorities were access to capital, capacity building, ecosystem enhancements, localism, and geographic placemaking.

Bradshaw reviewed the current Budget allocations with the largest amount going to access to capital programs for a total of \$23.58 million. She spoke to the remaining Budgets with \$1.6 million for capacity building, \$3 million for ecosystem enhancements, \$475,000 for Localism efforts, and \$5.25 million for geographic placemaking programs.

Bradshaw provided an overview of Phase II Access to Capital – Growth Fund programs which included the Second Stage Cohort Program administered by the Maestro Entrepreneur Center where a total of 21 cohort members graduated and gained individualized training, peer support, and leadership development in growing their businesses. She also briefed on the Small Business Construction Support Grant Program where businesses received cash grants ranging from \$5,000 to \$35,000 based on their actual reduction in net income due to construction projects impacting their businesses.

Bradshaw spoke to Phase II Access to Capital loan programs which included a Zero Percent Interest Loan Program administered by community partner LiftFund. She stated that the Loan Program assisted small businesses in strengthening their financial standing, building credit, and growing their businesses. Bradshaw noted that the Program leveraged ARPA, General Funds, and matching resources with a total investment of \$2 million over the past two years with 68 loans valued at \$2.5 million in the first year.

Bradshaw reviewed the upcoming Microloan Program administered by LISC San Antonio that expanded access to the Kiva Crowd Funding Platform with Culturingua as a partner to grow a funding network and expand access to zero interest microloans. She stated that the Program was expected to launch in the Fall of 2024.

Bradshaw provided an overview of Back Office Support and Digital Presence initiatives funded for \$1.6 million. She briefed on programs administered by community partners San Antonio for Growth on the Eastside (SAGE), LISC San Antonio, and Herospace Digital Consulting.

Bradshaw reviewed services to include fiscal management training, business planning, professional service network access, and digital/social media training. She spotlighted small businesses that took advantage of the Programs and spoke to their success in building their businesses.

Bradshaw reviewed ecosystem enhancements where the City had partnered with LISC San Antonio to strengthen the six participating Business Development Organizations (BDOs) to develop a needs assessment to prioritize strategic planning, operating procedures, board development, data strategies and join in Federal Funding applications to build businesses programs. She noted that the BDOs were eligible for up to \$260,000 for reimbursements for operations and staffing. Bradshaw reviewed the BDO Capacity Program deliverables, available funding, and timelines for applying.

Bradshaw spoke to a LISC BDO Alliance Training Session that occurred in May 2024 where 38 BDO staff and board members participated. She highlighted the Companeros Programs under BDO organization Prosper West San Antonio. She noted that the Program provided pandemic recovery and long-term resilience initiatives that offered outreach, technical assistance, resources, training, and capital access to over 250 businesses each year of the Program.

Under the Localism pillar, Bradshaw spoke to “Buy Local” campaigns to bring brand recognition to localism. She noted the development of the Buy Local Savings Pass to connect customers directly with local businesses.

Bradshaw reviewed efforts under the geographic placemaking programs which included the RevitalizeSA: Corridor Leadership Program which was funded for \$1 million. She spoke to Program elements for cohort-based programs, leadership retreats, leadership day sessions, strategy sessions, and the Commercial Corridor Commercial Hub Advancement for Neighborhood Growth and Empowerment (CHANGE) Project. Participants in the CHANGE Project received up to \$10,000 grants to implement their project within three months following the conclusion of training.

Bradshaw noted that the first cohort of the Program, which was administered by Main Street America, began in January 2024 and was comprised of 11 training sessions over six months on leadership and revitalization strategies. She stated that the participant project showcase and graduation was scheduled for November 7, 2024 and recruiting for the next cohort would begin in Fall 2024.

Under the geographic placemaking pillar, Bradshaw highlighted the Outdoor Spaces Program and the Facade Improvement Program where both provided grants to small businesses to improve their businesses. She showcased businesses that received funding under the Programs.

Bradshaw reviewed the tracking of performance measures for the various programs which included the tracking of the number of businesses engaged/assisted by each program, the number of training/development hours provided by partners, the amount of capital accesses, small business revenue, and job creation/retention tracking and the number of corridor revitalization projects completed. She spoke to a data driven equity strategy that included the collection of data, analyzation to identify gaps, and adjusting strategy/efforts to continuously improve based on data received.

Bradshaw reviewed the next steps in implementing programs under Phase II for each of the pillars through Fiscal Year 2026. She noted that staff would continue to provide updates to the City Council.

DISCUSSION

Chair Pelaez acknowledged the impact of the digital dashboard and improvements.

Councilmember Viagran supported the efforts and stated that she wanted to make sure that the programs were in-line with set goals. She stressed that it was important that the programs be communicated to the cohorts in the programs.

Councilmember Viagran stated that it was important to address digital divide challenges faced by small businesses and that the current programs could support those efforts. She thanked all the stakeholders who were partnering in these programs.

Councilmember Rocha Garcia noted her excitement of the work performed with ARPA Funding. She asked of the incentives for 2025 in the Economic Development Incentive Fund (EDIF). Lopez clarified that the presentation reviewed only ARPA Funding and noted that in the future, Phase II funding would include EDIF funded assistance projects. Councilmember Rocha Garcia requested a meeting to further discuss EDIF funding options.

Councilmember Rocha Garcia asked if participants were polled of other needs or challenges they faced. Economic Development Director Brenda Hicks-Sorenson stated that participants were polled during the application stage and during designated follow-up meetings to further connect them to services or programs. She added that participants were also added to the City's Business Retention Program for on-going regular conversations.

Councilmember Rocha Garcia noted that she was supportive of businesses identified for the second stage of grant funding and asked how staff was looking to continue these valuable resources after ARPA Funding was exhausted. Hicks-Sorenson stated that staff was continuously seeking grants for future funding and worked with dedicated City Grant Support from the Government Affairs Department and also connected with community partners to learn of other funding options or partner in grant applications.

Councilmember Rocha Garcia requested data of the 68 businesses receiving grants on demographics and industries served in this Program and a copy of the needs assessment conducted.

Councilmember Rocha Garcia requested a copy of the BDO Needs Assessment. Margaret Wilson-Anaglia with LISC noted that the participating BDOs had provided their data and that a collective report would be prepared and provided for review. Councilmember Rocha Garcia asked if there was a report that provided the number of businesses serviced by each BDO. Wilson-Anaglia stated that the report was being compiled and would be distributed once completed. Hicks-Sorenson added that staff would provide updated maps/service areas and the number of businesses served.

Councilmember Rocha Garcia stated that she felt the Buy Local Savings Business Application was

an excellent tool to find small business services and requested that more businesses be included and relevant to areas of the City. She also noted her support of the ReVitalize SA Leadership Program.

Councilmember Castillo noted her support of the Façade Improvement Grant Program and spoke to the importance of supporting small businesses in improving their business facilities or structures. She requested a list of the businesses that had received grants under the Program.

Under the Ecosystem Enhancement Program, Councilmember Castillo recognized ProsperWest and their outreach in the West Side community. She asked to meet with City and ProsperWest staff to discuss additional offerings for businesses that had capital funding challenges due to a lack of collateral. Bradshaw spoke to increasing opportunities under the upcoming LISC Program which was funded through the Kiva Crowd Funding Model that would assist businesses in building their capacity.

Councilmember Castillo asked for clarification on the digital program and requested additional opportunities for businesses impacted by construction projects to include Buy Local branding on VIA buses or stations. She noted her support of current programs and initiatives but noted that it was important to manage expectations of pilot programs. Hicks-Sorenson spoke to lessons learned from programs and how staff adjusted programs to meet expectations and needs with partners. Councilmember Castillo requested a copy of the new cohort syllabus once finalized so she could share and attend meetings as able.

Councilmember Whyte asked for clarification on funding provided directly to small businesses. Bradshaw clarified that of the \$29.7 million that had been allocated a total of \$21 million had been directly provided to the small businesses in the form of grants and loans.

Councilmember Whyte asked who was providing back-room training to small businesses. Bradshaw stated that local entities to include financial institutions, insurance agencies, and other services were providing expertise directly to small businesses.

Councilmember Whyte asked for clarification on the Return On Investment in the ProsperWest Program. Bradshaw reported that of the \$100,000 allocated, the highest cost benefit was having the businesses able to access capital and build business credit. She noted that the contract goals were to connect businesses with public procurement and that metrics were performance-based. Councilmember Whyte requested a list of the 250 businesses serviced and the status of their business growth.

Councilmember Whyte asked if there was overlap on the economic corridors that had received ARPA funding. Hicks-Sorenson confirmed that there was overlap with different stakeholder programs including the Façade Improvement Grant Program, Outdoor Spaces Initiative, and others that were used in partnership to offer funding to small businesses. She stated that staff worked with other departments/stakeholders to identify funding and assistance programs.

Chair Pelaez stated that it was important to note who was being assisted by the programs and requested meetings on who was being turned down for programs and how they were being assisted to hopefully qualify later. He requested discussion on why people were turned down and to assist them to qualify for programs. Chair Pelaez requested information on what small

businesses were being communicated to, why they were denied for programs, and if they were referred to other services. Bradshaw spoke to instances of when businesses were turned down for certain programs but identified for other programs and education to build their business.

Lopez stated that programs were being evaluated such as the Construction Support Program that was not able to fund more applicants due to lack of funding, but staff was evaluating how to provide funding from other programs which would be transferred to the Construction Support Program. She stated that an updated report of businesses supported with that funding would be provided.

The Item was for briefing purposes only.

Consent

2. Approval of recommended applicants for Second Stage Grant Program awards.

[Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Councilmember Viagran moved to Approve. Councilmember Whyte seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Viagran, Castillo, Whyte

Absent: Rocha Garcia

3. Approval of the Workforce Solutions Alamo (WSA) FY2025 Operating Budget.

[Alejandra Lopez, Assistant City Manager; Michael Ramsey, Director, Workforce Development]

Councilmember Viagran moved to Approve. Councilmember Whyte seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Viagran, Castillo, Whyte

Absent: Rocha Garcia

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 1:50 p.m.

Approved

Manny Pelaez, Chair

Debbie Racca-Sittre
City Clerk