



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 5

Agenda Date: February 25, 2025

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

A competitive solicitation to conduct a Small Business Ecosystem Impact Study

SUMMARY:

The Economic Development Department will present a planned competitive solicitation to request proposals to conduct a Small Business Ecosystem Impact Study. The Study will serve as an update to the 2020 Small Business Ecosystem Assessment by reporting on the current state of the small business ecosystem and impact of investments in small businesses since 2020.

BACKGROUND INFORMATION:

The San Antonio Small Business Ecosystem Assessment, conducted by Next Street and Common Future and funded by the JPMorgan Chase Foundation in 2020, analyzed the state of Bexar County's small business communities and support systems. The study had a particular focus on local businesses owned by people of color and their response and recovery to the COVID-19 pandemic. The report revealed a key finding that, although individual economic development

organizations are providing robust business support services, the overall San Antonio small business support system lacks sufficient resources and coordination among service providers. The study proposed several solutions concentrated on specific focus areas to address the gaps in the small business support ecosystem. Among the identified solutions were the following:

- Access to Flexible Capital: Enhance availability and access of flexible debt and equity capital to strengthen businesses, community financial institutions, and responsible investors
- Sustainability and Resiliency: Form and sustain collaboratives of capital and service providers to build more resilient businesses and communities of color
- Access and Networks: Expand access to networks for business owners of color seeking growth opportunities and peer-to-peer networks

The City of San Antonio's Economic Development Department (EDD) has used this report as a guide to determine priorities and investments for small business programs and services since its release.

Additionally, the Economic Development Strategic Framework, approved by City Council in October 2022, and developed in coordination with extensive input and collaboration from stakeholders, set a roadmap to position San Antonio on the path toward a more resilient economy, provide direction on competing with national and global peers, and specifically defined the role EDD should play in that effort.

The Framework highlighted that a thriving entrepreneurial ecosystem includes a strong base of support systems, innovative entrepreneurs, creative workers, higher education assets, and collaboration spaces. Even with existing pieces of a thriving entrepreneurial ecosystem, San Antonio is not fulfilling its potential to be a hub for entrepreneurial activity, attracting entrepreneurs or high-growth companies. The recommendation was that EDD should play a supporting role in facilitating innovative entrepreneurship by elevating the work of existing entrepreneurial support organizations. EDD can do this by strengthening connections between the existing pieces of a thriving entrepreneurial ecosystem and cultivating a stronger entrepreneurial climate with City resources.

Since 2022, the City Council has invested or committed more \$42 million in small businesses that has included grant opportunities, new and enhanced programs and services such as the Small Business Outreach Team, increased investment in Launch SA and Zero Percent Interest Rate Program, and the Launch SA Link ecosystem mapping tool; as well as programs included in the \$33.9 million Small Business Implementation Plan that include the allocation of funds to the priorities of Access to Capital, Capacity Building, Ecosystem Enhancements, Geographic Placemaking and Localism.

ISSUE:

In an effort to understand the current state of the small business ecosystem in San Antonio, the EDD will issue a Request for Proposal from qualified Respondents interested in conducting an ecosystem impact study. The impact study will serve as an update to the San Antonio Small Business Ecosystem Report published in 2020. Specifically, the RFP will measure the current state of the ecosystem and include the following:

- Impact of investments made in small businesses across the ecosystem since 2020
- Assessment of current barriers
- Recommendations for additional support needed
- Qualitative and quantitative research to support findings

The proposed term is one year, or project completion, whichever comes first. The total compensation will be no more than \$100,000. The RFP is not high-profile and is scheduled to be issued late February 2025.

FISCAL IMPACT:

N/A

ALTERNATIVES:

N/A

RECOMMENDATION:

Staff does not recommend any action.