



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 1

**Agenda Date:** February 28, 2024

**In Control:** City Council B Session

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**DEPARTMENT:** Economic Development Department

**DEPARTMENT HEAD:** Brenda Hicks-Sorensen

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Briefing on the Small Business Construction Support Grants Program.

**SUMMARY:**

This briefing will provide an overview of the proposed Small Business Construction Support Grants program that seeks to address issues associated with major City-funded construction projects on small businesses in commercial corridors.

**BACKGROUND INFORMATION:**

As the City of San Antonio makes much-needed investments to improve streets, drainage, and other large infrastructure, local small businesses continue to be impacted. As a result, the City has dedicated significant resources to support the survival of pre-existing small businesses impacted by construction.

In FY 2022, City Council allocated \$17 million in American Rescue Plan Act (ARPA) funding towards the COVID Impact Grants Program. Grant applicants in 19 designated construction zones that met specific criteria were eligible to receive a \$10,000 construction impact grant supplement. The COVID Impact Grants Program was open for applications August 1, to August 22, 2022. A total of \$15.64 million was awarded to 524 small businesses. Of the 524 businesses, 135 received

the additional \$10,000 construction impact supplement. The average grant award was \$29,942.

In FY 2023, City Council allocated \$2.45 million in ARPA funding to further help businesses navigate these challenges through the COVID/Construction Recovery Grants Program. The program was open for application February 13 to February 28, 2023. A total of \$2.45 million was awarded to 91 small businesses. The average grant award was \$26,856.

Additionally, in FY 2023, City Council allocated \$400,000 to construction mitigation programs, which included: developing and distributing a construction toolkit; providing complimentary signage to affected businesses; targeted marketing support via social media influencers and City communication channels; and, hiring a dedicated team of Business Outreach Specialists who are responsible for proactively communicating with small businesses impacted by construction. An additional \$500,000 was allocated in FY 2024 to continue and expand the services being offered to impacted businesses. New programs include the Buy Local Savings Pass, free digital consulting services, and subsidized memberships with Visit San Antonio.

Most recently, a Council Consideration Request was filed by Councilmembers Jalen McKee-Rodriguez (District 2) and Marc K. Whyte (District 10) and \$1.4 million of ARPA funds were identified to fund a potential financial assistance program. Economic Development Department (EDD) staff were requested to identify options to provide financial assistance to pre-existing small businesses impacted by City-initiated construction projects to support their resilience, growth, and continued contribution to local economies.

#### **ISSUE:**

Staff will brief the City Council on a proposed grant program for small businesses with store front operations (i.e., a retail or service business that depends on in-person traffic for typical operations) within commercial corridors where major, ongoing City-initiated construction projects are being undertaken. To fund this proposed grant program, \$1.4 million of ARPA funds have been identified.

Staff will begin by providing an update on the stakeholder engagement process and summarizing feedback received from impacted small businesses and other stakeholders. The briefing will include program eligibility, which will focus on businesses within corridors where construction is currently ongoing and has been ongoing for at least one year. It will also include the scoring criteria to review applications and the timeline for implementation.

#### **ALTERNATIVES:**

This item is for briefing purposes only.

#### **FISCAL IMPACT:**

This item is for briefing purposes only.

**RECOMMENDATION:**

This item is for briefing purposes only.