

Second Stage Grant Program Update



City Council A Session

Agenda Item #24

September 12, 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
- Garnerers 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
Parallel, A Brand Agency	Advertising Agency	Expansion of event space and hiring Business Development Staff to support new projects	1
VIA Technology LLC	Electrical Contractor	Hiring a Senior Project Manager and a Quality Assurance Engineer to support new projects	1
Knight Aerospace Medical Systems	Aircraft Parts and Auxiliary Equipment Manufacturer	Hiring of additional new engineering interns, training expenses, and software development costs	4
Able City, LLC	Urban Planning Services	Hiring Architecture Studio Director for San Antonio Headquarters	1

Total Recommended Funding: \$50,000 per applicant



Fiscal Impact

- Funding for the four (4) \$50,000 Second Stage Grant Agreements is available from the Economic Development Incentive Fund (EDIF)
- Total EDIF Awards: \$200,000

Recommendation

- City Council approval of four (4) Second Stage grant agreements:
 - Parallel, A Brand Agency
 - VIA Technology, LLC
 - Knight Aerospace Medical Systems
 - Able City, LLC

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