



City of San Antonio

Agenda Memorandum

File Number:
{{item.tracking_number}}

Agenda Item Number: 2

Agenda Date: January 31, 2025

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

San Antonio Economic Development Corporation (SAEDC) Investment Guidelines and Workplan.

SUMMARY:

The Economic Development Department will present revisions to the San Antonio Economic Development Corporation (SAEDC) Investment Guidelines approved by the SAEDC Board of Directors on January 10, 2025. The presentation will also include an overview of the approved Workplan that outlines real estate revitalization efforts in FY 2025 and FY 2026. The efforts will align with ongoing initiatives and focus on City-owned property.

BACKGROUND INFORMATION:

The San Antonio Economic Development Corporation (SAEDC) is a nonprofit corporation created in 2010 by the City for the purpose of promoting economic development. It is comprised of a seven (7) member Board of Directors, for which the Mayor and City Manager serve as the President and

Secretary, respectively. City staff provide logistical and administrative support for the SAEDC. City Council is charged with providing oversight of the corporation by approving: project investments as determined by the SAEDC's bylaws; the corporation's annual budget; at-large Board member appointments; the issuance of bonds, notes, and other debt, and grants and loans from the City to the SAEDC.

The SAEDC Board approved the corporation's first Investment Guidelines in 2012 and were updated in 2017. In 2023, the SAEDC Board and City Council approved amendments to the corporation's bylaws. These amendments focused on aligning the SAEDC's ongoing work with the Economic Development Strategic Framework accepted by City Council in October 2022 and allowing the corporation to undertake real estate projects.

At its meeting on January 10, 2025, the Board approved the recommended amendments to the SAEDC's Investment Guidelines to align with the previously approved bylaws amendments. Staff also presented the proposed workplan to implement the approved investment guidelines and support greater SAEDC engagement on real estate development and placemaking initiatives.

ISSUE:

In the Economic Development Strategic Framework (Framework), Goal 2. Placemaking and Real Estate outlines recommendations to “accelerate place-based real estate development projects that create quality spaces for new jobs and investment in San Antonio’s regional centers and neighborhood economic nodes.” Specifically, the Framework recommends using the SAEDC as a hub to drive place-based initiatives that stimulate business development, placemaking, redevelopment, and revitalization.

The Framework’s fourth goal – Goal 4. Capacity and Resources – recommends “[aligning] the City’s economic development tools with strategic growth and coordinate with local organizations on shared goals and actions that benefit San Antonio as a whole.” This section further recommends that the SAEDC be repurposed to lead on public-private partnership projects and place-based development, while retaining the capacity to invest in previous industry cluster priorities. Together, these goals and their recommendations provided the foundation for updates to the SAEDC’s Investment Guidelines.

To support the Framework’s goals and meet a range of project and community needs, the Investment Guidelines establish investment priorities as well as needed flexibility. The previous Guidelines specifically targeted biomedical and technology companies in the startup stage. The updated Guidelines maintain the ability to pursue startup investments and added language to allow for real estate-related projects. The updated Investment Guidelines also formalize due diligence criteria and cost-benefit analysis for the SAEDC. Finally, the updated Guidelines also include minimum project monitoring and compliance criteria, while maintaining flexibility on a project-by-project basis.

The updated Investment Guidelines provide the foundation for the SAEDC Workplan (Workplan) for FY 2025 and FY 2026. While remaining open to potential investments in startups, the Workplan focuses on utilizing the SAEDC as a revitalization hub for equitable real estate

development opportunities across the city. The SAEDC has flexibility in establishing partnerships to support revitalization, engage community stakeholders, and develop innovative financial models.

The SAEDC's investment efforts will align with ongoing initiatives and focus on City-owned property, corridors identified as part of the RevitalizeSA program, and corridors within approved sub-area plans. The work will also look at opportunities in high-visibility corridors, as well as those within areas identified through ongoing Transit Oriented Development (TOD) efforts.

The proposed timeline for the SAEDC Workplan includes property identification and further due diligence in Q2 of FY 2025, followed by proposed property selection and potential acquisition in Q3. By the end of the current fiscal year, staff plans to begin stakeholder engagement, develop a formal proposal for identified properties, and undertake a Request for Expression of Interest (RFEI) process that leads to identifying a development partner, contracting, and project implementation in FY 2026.

FISCAL IMPACT:

N/A

ALTERNATIVES:

N/A

RECOMMENDATION:

N/A