

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, January 31, 2025

1:00 PM

City Hall Complex

The Economic and Workforce Development Committee convened a regular meeting in the City Hall Council Briefing Room beginning at 1:04 p.m. City Clerk Debbie Racca-Sittre 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 November 5, 2024.**

Councilmember Whyte moved to Approve the minutes of the November 5, 2025, 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

There were no public comments.

Briefing and Possible Action on the following items

- 2. San Antonio Economic Development Corporation (SAEDC) Investment Guidelines and Workplan.** [Alejandra Lopez, Assistant City Manager; Brenda Hicks -Sorensen, Director, Economic Development]

Economic Development Manager Thomas Davis, with the Economic Development Department (EDD), provided background on the San Antonio Economic Development Corporation (SAEDC) which was a non-profit, “Type B” corporation created by the City in 2010 with a purpose of promoting, assisting, and enhancing economic development activities for the City. He stated that SAEDC was governed by a seven-member Board of Directors in which the Mayor served as President. Davis stated that other members included the Chairpersons from the Economic and Workforce Development Committee and the Transportation and Infrastructure Committee. He noted that the City Manager served as Secretary and there were three at-large members. Davis indicated that the current Executive Director was Assistant City Manager, Alex Lopez, and City Council provided corporation oversight.

Davis explained that since inception, SAED’s primary focus had been investments in biotechnology and technology startups and the agency made 12 investments with four active agreements: San Antonio Military Medical Innovation Initiative (SAMMI), Military Medical Innovation Day (MMID), contract with VelocityTX since FY 2023, and the Capacity Building & Bonding Assistance Program.

Strategic Framework Goal 2, according to Davis, was to accelerate place based real estate development projects that would create quality spaces for new jobs and investment and use the SAEDC as a hub to drive place-based initiatives that stimulated business development, placemaking, redevelopment, and revitalization. He reported that Goal 4 would align the City’s economic development tools with strategic growth and coordination, local organizations on shared goals and actions, and repurpose the SAEDC to lead on Public-Private-Partnership projects and place-based development while retaining capacity to invest in previous industry cluster priorities.

Davis stated that the SAEDC provided flexibility, innovative financing, and partnerships. He provided a timeline on SAEDC’s investment guidelines, which were originally approved in 2025 and updated in 2017, 2023, and 2025. He indicated that the updated guidelines included additional guidance for real estate related projects but kept prior guidelines for startup investment. Davis added that the guidelines also formalized due diligence criteria to review cost-benefit analysis for the SAEDC, as well as the City and other City-affiliated entities and added a minimum monitoring and compliance criteria, which maintained flexibility by project.

The workplan, according to Davis, utilized the SAEDC as a revitalization hub for equitable real estate development opportunities across the City. He stated that the focus was on City-owned property, RevitalizeSA corridors, corridors within approved sub-area plans, high visibility corridors, and Transit Oriented Development Districts (TODD).

Davis concluded his presentation with a timeline that the SAEDC Board was expected to approve the workplan, identify properties, and perform initial due diligence during the second quarter of FY 2025 with properties being selected and potentially acquired in the third quarter. He stated that in the

fourth quarter of FY 2025, stakeholder engagement, proposal development, and an RFEI would be issued. He added that finally, in FY 2026 a developer would be identified, contract considered, and the project implemented.

DISCUSSION:

Councilmember Castillo asked whether SAMMI was meeting its metrics. Davis confirmed that they were currently meeting their objectives. She noted that access to resources, funding, and partnerships were limited for non-profits and noted that childcare was a specific need, so she recommended participation by The Madonna Center, as it provided a needed service within the Transit Oriented Development Districts (TODD) area of the Silver Line on the West Side of town. Councilmember Castillo noted mixed use development opportunities that included housing on upper floors and businesses on the first floor and stressed focus on industries that did not cause pollution.

Councilmember Whyte requested clarification on equitable real estate development. Davis stated that there was emphasis on investing in parts of the community that were historically underinvested and whether there were City-owned facilities in those areas that could be repurposed. Councilmember Whyte wanted to ensure that these were in all council districts. Davis confirmed that these areas were located throughout the City. Councilmember Whyte recommended developing a return on investment (ROI) evaluation tool for SAEDC investments. Brenda Hicks-Sorenson indicated that the rule was to provide no more than a 10 to 1 match. Councilmember Whyte recommended collaboration with Bexar County on economic development as well as greater: SATX and Velocity to ensure that efforts were complementary rather than redundant.

Councilmember Viagran expressed concern with lack of South Side representation on the SAEDC Board noting that most of the new businesses were opening on the South Side and requested lists of available City properties and the targeted Revitalize SA corridors.

Councilmember Castillo asked how the City held property owners accountable once they bought City property. Davis replied that the updated guidelines provided monitoring and compliance requirements that were to be followed.

Chair Pelaez clarified that SAEDC was one tool to help advance economic development in the City of San Antonio but noted that it did not have a large Budget. Davis reported that SAEDC's Budget was \$800,000 annually. Chair Pelaez mentioned that the Item was for briefing only so no action was taken.

3. Findings from the Child Care Study conducted by Texas A&M University-San Antonio [Alejandra Lopez, Assistant City Manager; Sarah Baray, Ph.D., CEO, Pre-K 4 SA]

Dr. Sarah Baray, Executive Director of Pre-K 4 SA, introduced Dr. Melissa M. Jozwiak and Dr. Hatice Z. Inan with Texas A&M University-San Antonio who presented results of the Study. She noted that the report described the current landscape and availability of care, quality of care, affordability of care, and barriers to expanding access to high quality care.

Jozwiak reported that Bexar County was home to over 132,355 children under the age of five; fewer than 89,000 seats were reported by regulatory agencies as available for children birth to age five, and the total capacity as reported by regulatory agencies was sufficient to serve only 66% of children under the age of five. She stated that Head Start, Early Head Start, and Head Start Certified Childcare Professional (CCP) comprised 9% of the available care, PreK 4 SA was 2%, Texas Education Agency (TEA) was 18%, however, 71% were non-governmentally funded state licensed centers or homes.

Jozwiak reported that available openings were not equally distributed across all ages, as most openings were for preschool age children. She noted that survey responses showed that less than 15% of the licensed or registered seats at childcare sites were available to infants and only 3% were at high-quality sites, including government-funded Early Head Start sites. Additionally, according to Jozwiak, the hours that providers offered care to families were limited to traditional working hours with only five home-based providers indicating that they offered Saturday or Sunday services.

The top three challenges were hiring staff with a Child Development credential, offering higher levels of Teacher Professional Learning, and maintaining low teacher to child ratios, however, Jozwiak advised that the three easiest challenges to overcome were to implement a high-quality curriculum, conduct self-evaluations, and train staff to maintain fidelity to the curriculum.

Jozwiak reported that many providers stated that they could not expand their number of seats due to the lack of staffing. She noted that the profiles of teachers in each classroom looked different and infant teachers earned the lowest wage, and wages were particularly low in non-government funded centers. Jozwiak noted that families reported paying as much as \$2,002 per month in a high-quality center for an infant which was unaffordable for most families.

Overall, Jozwiak recommended the following policies: 1) Quality and capacity were dependent on staff qualifications and staffing sufficiency; Investing in staff would provide the greatest system-wide benefits. 2) Parents wanted and often needed different care formats; maintaining a landscape that balanced the importance of parent choice of provider type with the types of services offered should be prioritized over a single model solution. 3) Across data points, the smallest representation of access, quality, and affordability were for infants; prioritizing approaches to target infant-age services would provide immediate relief for the lower educational attainment, lower salaries, and lower capacity for services.

DISCUSSION:

Chair Pelaez mentioned that he had requested that this report to be brought before the Committee to stress the connection between economic development, workforce, and childcare. He noted that \$100 million of the Ready to Work (RTW) Budget was spent on childcare support for participants. Chair Pelaez requested a copy of the full report.

Councilmember Rocha Garcia asked what care formats were prioritized within the Educare Center at Texas A&M-San Antonio. Jozwiak stated that the focus was on all providers but could serve homecare providers through videos and other training sessions, noting that the large centers had more seats. Councilmember Rocha Garcia asked about the difference between high-quality and

regular childcare. Jozwiak indicated that child to teacher ratios and maximum group sizes were the main indicators, and these were the most expensive part of care; while there were grants to improve their facilities or provide materials, most did not fund teachers. Councilmember Rocha Garcia requested clarification on space from a parent company. Jozwiak provided an example of a church offering free space for a daycare.

Councilmember Viagran commented that when government provided funding for education or direct care, there would be an expectation to serve parents that were the most in need and included an oversight role to ensure accountability. Baray clarified that the study was to understand the need and it would be up to us to interpret the study and develop strategies. Councilmember Viagran appreciated the study but suggested that any organization requesting funds needed to be ready to produce results and wanted to know the best way to invest. Inan stated that private and family home childcare centers were unable to accept more children based on the size of the septic tank in their home, which was a surprising barrier.

Councilmember Whyte asked if there were notable strategies utilized by other cities to increase operating capacities. Jozwiak stated that most cities added more government-operated programs and that strategy did not provide good results as these efforts did not improve the quality of childcare from an existing provider; a better strategy was to build the capacity of existing providers. Councilmember Whyte asked how Pre-K 4 SA might help improve access. Jozwiak noted that Pre-K 4 SA could provide more teacher development, coaching, and mentoring to community service providers as well as information about grant opportunities for their facilities.

Councilmember Castillo commented that one of the top challenges was access to staffing and suggested that the Ready to Work Program might be able to help provide education and childcare industry workforce development. Mike Ramsey stated that early childhood teachers and teaching assistants were not targeted occupations/industries because the pay was too low to qualify. He mentioned that there was a pilot program that partnered with RTW for higher wage jobs.

Councilmember Castillo agreed that competitive wages and the opportunity to receive increases were important. Baray stated that Pre-K 4 SA provided free training and credentialing for early childhood providers but suggested that alignment with colleges was key to move those certificate holders to an associate or bachelor's degree as the certificate expired after two years.

Councilmember Castillo asked about the barriers to participation in training. Jozwiak stated that there were challenges for childcare providers to participate because many of them were mothers themselves. Inan noted that everyone wanted to be trained but they also worked long hours and had their own children to take care of and it cost too much for their own childcare. Inan also mentioned concerns with the mental health of teachers related to burnout or working with special needs children. Jozwiak recommended connecting the certificate courses to college hours to help them get their degree.

Chair Pelaez was pleased with the research provided by Texas A&M-San Antonio. He mentioned that there might be a major policy opportunity related to septic tanks. He suggested analyzing current spending by local governments to realign resources to ensure improved outcomes. Baray mentioned that Early Matters was studying the funding and this information would be brought back

to the Committee. Chair Pelaez noted that the Item was for briefing only, so no action was taken.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 2:20 p.m.

Approved

Manny Pelaez, Chair

*Debbie Racca-Sittre
City Clerk*

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