



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 2

Agenda Date: November 5, 2024

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing and discussion on Foreign Direct Investment activities of the Economic Development Department and partner organization, greater:SATX Regional Economic Partnership.

SUMMARY:

This briefing will provide an overview of the Foreign Direct Investment (FDI) attraction activities of the Economic Development Department and partner organization, greater:SATX Regional Economic Partnership.

BACKGROUND INFORMATION:

The Economic Development Department (EDD) takes an intentional approach to foreign direct investment (FDI) attraction, building on the City of San Antonio's existing relationships and diverse community partners to raise San Antonio's global profile. In addition, greater:SATX Regional Economic Partnership (gSATX), a private, nonprofit organization that assists business relocating or expanding into the San Antonio area, and a long-time strategic partner of the City,

plays a significant role in FDI attraction efforts. In 2023, Council approved a new Services Agreement with gSATX that included \$194,250 for the Foreign Direct Investment Attraction Plan.

The EDD Strategic Framework, accepted by City Council in 2022, upholds the Metro Priority Plan (MPP) and emphasizes the importance of FDI. MPP was implemented in 2020 based on research from 2017 through 2019 and developed with the goals of focusing efforts on key global markets; increasing San Antonio's global access through diplomacy, business, culture, and education; and elevating San Antonio's reputation on the global stage.

The MPP defined San Antonio's industry specializations, identified and assessed markets that show potential for economic linkage, compiled data to sort priority cities by target industry, and solicited industry and community feedback to validate the data. As a result, four metro areas were identified as being good matches for San Antonio FDI-related engagement: Toronto, Canada; Frankfurt, Germany; Tokyo, Japan; and Seoul, S. Korea. Additional regions where San Antonio has established relationships also serve as the core target markets for FDI attraction efforts.

ISSUE:

In alignment with the Economic Development Strategic Framework, staff began evolving the focus of the foreign trade office program known as Casa San Antonio in 2023 from a focus on Mexico to broader FDI attraction. In addition, the South Korea FDI prospecting consultant contract transitioned from EDD to gSATX. In line with these transitions, staff developed an FDI Attraction Plan involving coordinated efforts through gSATX as the lead for target markets in South Korea, Europe (United Kingdom and Germany), Canada, India and Japan. EDD remains the lead entity in pro-active FDI attraction efforts associated with Mexico and Latin America. This coordination between EDD, greater:SATX and other partners, increase the return on investment, through job creation and increased capital investment, on City funds used for FDI attraction efforts.

FDI plays an important role in creating jobs and increasing tax revenue for our community. Since 2017, the San Antonio region has won projects from 12 countries representing more than 9,400 new announced jobs and \$2.5 billion in new capital investment. In FY24, FDI accounted for 44% of the \$1,214,320,000 of total corporate investment in San Antonio. These investments include JCB's 1,580 jobs and \$267 million in investment, along with Toyota's expansion project that will add over 400 jobs and \$531 million of capital investment.

FISCAL IMPACT:

This item is for briefing purposes only.

ALTERNATIVES:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.