

TO: Mayor and City Council

FROM: Alejandra Lopez, Executive Director, San Antonio Economic Development Corporation

SUBJECT: San Antonio Economic Development Corporation: FY 2023 Review and FY 2024 Updates

COPIES: Erik Walsh, City Manager; Brenda Hicks-Sorensen, Director, Economic Development Department

DATE: August 30, 2024

The purpose of this memo is to provide the City of San Antonio's City Council with a review of the San Antonio Economic Development Corporation's (SAEDC) operations during Fiscal Year 2023 and Fiscal Year 2024 updates through July 31, 2024.

The 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, which the Mayor and City Manager serve as the President and Secretary, respectively. Assistant City Manager, Alex Lopez, is the Executive Director with staff from the Economic Development Department (EDD) providing logistical support to the SAEDC. City Council is charged with providing oversight of the Corporation by approving project investments as determined by the bylaws; the SAEDC's annual budget; at-large Board member appointments; issuance of bonds, notes, and other debt; and grants and loans from the City to the SAEDC.

FY2023 Review and FY 2024 Updates

The SAEDC remains committed to supporting economic development in San Antonio. The Capacity Building and Bonding Assistance Program, established in FY 2022, was implemented to build the capacity of small, minority, women-owned business enterprises (S/M/WBE) construction contractors and provide technical and financial assistance. Over the two- year pilot period, there were twenty-two participating firms who took advantage of forty classes, and eighty-nine consulting hours. The program resulted in increasing the participants' bonding capacity by 561%, increasing from \$1.4M to \$9.3M. The participants submitted twenty-five bids with City of San Antonio and other public agencies, resulting in five awards thus far, with combined contracts totaling in \$3.2M.

While established as a two-year pilot program, the Capacity Building and Bonding Assistance Program will be extended for one year, due to anticipated solicitations and bonding opportunities associated with the 2022 Bond Package. The City has partnered with Alamo Surety Bonds to administer the program, and the administration cost for an additional year will reflect the previous year's cost of \$50,000.

In FY 2023, the Professional Services Agreement (PSA) with VelocityTX was executed to provide technical assistance services in connection with the implementation of the San Antonio Military Medical Innovation Initiative (SAMMI), as well as support for the commercialization of military medical products. The agreement allows for the continuation of services to support and expand the entrepreneurship and innovation in military medical communities in San Antonio. New in FY 2024 was the AIM Conference,

which combined Military Medical Innovation Day (MMID), San Antonio Military Health and Universities Research Forum (SURF,) and Bexar Bio Pitch. In FY 2023, the MMID and Bexar Bio pitch conference had 347 registrations and 266 attendees, and the June 2024 event had over 970 registrations and 755 attendees. The SAEDC will execute the third and final year of the contract for FY 2025. FY 2023 and FY 2024 performance, through July 31, are as follows:

Metric	Target	FY 2023	FY 2024 (as of July)
Companies presented to Military Medical groups	7	11	11
Informational Symposiums	5	5	7
Partnerships Established	2	2	1
New Companies Created	2	0	0
Non-San Antonio Companies with Local Presence Established	2	15	3

In FY 2024, staff developed a workplan that aligns with the Economic Development Strategic Framework's Placemaking and Real Estate goals, with anticipated implementation in FY 2025. The plan will include reviewing vacant or otherwise underutilized city-owned properties, in key commercial corridors. In this process, the SAEDC will serve as a Revitalization hub to advance equitable opportunities across the city and strengthen the economic and social vitality and resiliency via mixed-use, infill development that incentivizes the meeting of community-expressed needs.

SAEDC Investments

Beginning in 2010, SAEDC has supported economic development projects, mostly through grants and convertible promissory notes. The SAEDC has made a total of twelve (12) investments to date and the corporation maintains four active agreements. In FY 2014, the SAEDC Board approved the establishment of the SAEDC Investment Fund via a Ch. 380 Economic Development Grant Agreement in the amount of \$500,000. The purpose of the fund was to undertake economic development projects in accordance with the established SAEDC Investment Fund Guidelines.

In FY 2023, staff continued to monitor the investment portfolio. In FY 2022, one of the SAEDC's portfolio companies, Parlevel Systems, Inc, was acquired by Retail Markets, LLC. Following the initial receipt of approximately \$385,000 from the sale, SAEDC received \$18,540 in FY 2023 and is anticipating \$3,927 in FY 2024 with an anticipated \$8,564 to be received in FY 2025

In addition to individual company investments, The SAMMI Fund, was created in FY 2020 out of the SAEDC Investment Fund with a focus on local, early-stage companies with technologies that are both relevant to military medicine and industry. The Board committed to funding five (5) companies via promissory notes for up to \$50,000 upon meeting agreement requirements. As of July 2024, \$225,000 of the total \$250,000 committed funds had been disbursed.

In FY 2024, the SAEDC anticipates that Alt-Bionics, one of the SAMMI Fund investments, will pay \$51,680 on a \$45,000 convertible note awarded in FY 2021. The SAMMI funds have allowed the company to invest in a Quality Management System, develop a website, pursue prototype development, and receive their Medical Device Manufacturing License for the Genesis Hand. The Genesis Hand has optimized grip stability, a lightweight design that eases joint strain for prosthetics and robotics, and six individually powered joints enhance functionality and simplify usability.

SAEDC At-Large Members

The three At-Large Board members, Dr. Christina Burke, Jose Padilla, and Erika Moe, remain in holdover in FY 2024.

Alejandra Lopez

Executive Director

San Antonio Economic Development Corporation