

City of San Antonio



Minutes

Economic and Workforce Development Committee

2021 – 2023 Council Members

Chair: Manny Pelaez, Dist. 8

Mario Bravo, District 1 | Phyllis Viagran, Dist. 3

Dr. Adriana Rocha Garcia, Dist. 4 | Teri Castillo, Dist. 5

Tuesday, May 23, 2023

2:00 PM

City Hall Complex

The Economic and Workforce Development Committee convened a regular meeting in the City Hall Council Briefing Room beginning at 2:04 PM. Deputy City Clerk Aurora Perkins took the Roll Call noting a quorum with the following Committee Members present:

Members Present: Manny Pelaez, *Chair*
Mario Bravo, *Member*
Phyllis Viagran, *Member*
Dr. Adriana Rocha Garcia, *Member*
Teri Castillo, *Member*

Members Absent: None

Approval of Minutes

1. **Approval of the minutes from the Economic and Workforce Development Committee meeting on April 25, 2023.**

Councilmember Rocha Garcia moved to Approve the minutes of the April 25, 2023 Economic and Workforce Development Committee meeting. Councilmember Bravo seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Bravo, Rocha Garcia, Castillo

Absent: Viagran

Councilmember Viagran entered the meeting after the Minute vote was taken.

Public Comments

None.

Briefing and Possible Action on the following items

2. **Briefing on the Capacity Building & Bonding Assistance Program.** [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Economic Development Department Administrator Michael Sindon provided an update on the Capacity Building and Bond Assistance Program and noted that the Program was redesigned to include a workgroup that consisted of City staff and external small business stakeholders. Sindon stated that recommendations from the work group included the establishment of a pool of funds to assist SMWBEs who sought to do work with the City of San Antonio.

Sindon stated that the City Council approved a funding agreement with the San Antonio Economic Development Corporation (SAEDC) on June 23, 2022 to establish and implement the Contractor Capacity and Bond Assistance Program. The Program would be administered by Alamo Surety Bonds for an amount not to exceed \$600,000 for a one-year term. Sindon reviewed the Program components to include eligibility requirements and metrics. He noted that scopes of services included education, guidance, financial assistance, marketing, program review and implementation of budget/metrics.

Sindon stated that the pilot program launched on October 3, 2022 established a program procedures manual, marketing plan to identify program participants and a fundraising plan to establish a \$500,000 pool of funds from lending institutions. Sindon reviewed the next steps of the Program to include up to an extension to exercise the one-year agreement of SAEDC, target new prime contractors and evaluation of the pilot program.

Sindon reviewed the course work under the Program and stated that there were 11 courses but participants were not required to take all courses based on their need. Sindon noted that to date, 10 firms had participated in the coursework and he reviewed increased capacities of participating firms.

Chair Pelaez asked how the Program was working with the Small Business Coalition. Jim Swindell with Alamo Bonds stated that his staff had reached out to the coalition which had been without a director for over a year to provide outreach events.

Councilmember Castillo asked what roles Business Development Organizations (BDOs) had in the pilot program. Sindon stated that all stakeholders were promoting the Program to their clients. Councilmember Castillo expressed her support of the pilot program.

Councilmember Rocha Garcia asked if the construction industry had a large concentration of participants in the Program. Sindon stated that the construction industry had challenges for cost overruns and bonding and that there was a great need to build capacity in the construction industry to participate in City contracts. Councilmember Rocha Garcia asked if the Program would concentrate on subcontractors specifically. Sindon replied that a marketing plan would be developed to guide Alamo Bonds on that effort.

Councilmember Bravo expressed his support of the Item.

Councilmember Viagran expressed concern for women owned businesses and requested more communications to small women owned businesses and Asian owned businesses.

No action was taken on this Item.

3. Briefing on Buy Local Assessment to estimate local market share captured by independent businesses in selected retail and dining categories in San Antonio. [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Kaitlyn Cowart, Economic Development Manager, provided an overview of the Buy Local Assessment to estimate local market share captured by independent businesses in selecting retail and dining categories in San Antonio. She introduced Matt Cunningham with Civic Economics who worked with City staff to conduct a study assessing the Buy Local Program.

Cowart reviewed the study components which included a quantitative market analysis conducted by Civic Economics. She reviewed the retail businesses included in the study and noted that San Antonio consumers supported local retails more than in other cities in the nation. She noted that the residents supported small businesses but that consumers did spend more money at large chain restaurants than the national average. Cowart noted that locally owned retailers and restaurants had a larger impact to the local economy with a multiplying factor for economic impact for their workers and customers.

Cowart reviewed the findings and recommendations of the study to include that San Antonio consumers were aware of the importance of supporting locally owned businesses. She reviewed the Buy Local Implementation Plan recommendations included hiring Jamee Haley, a subject matter expert, to facilitate a targeted effort to assess feasibility of building a local first alliance in San Antonio. She noted that the Program would take about a year to implement.

Councilmember Viagran stated that a large population of Council District 3 residents visited large chain restaurants and that she had concerns about how the program would assist the small businesses in her council district. She expressed concern of an outside vendor providing an assessment of local businesses and building their businesses. Ana Bradshaw, Assistant Director for the Economic Development Department, stated that staff would work closely with the local chambers of commerce and other stakeholders to build and expand local businesses and that the plan would assess how to meet that growth. Councilmember Viagran expressed concerns that this program would be performing the work that chambers of commerce should be doing and that program funding should be used for direct support to small businesses rather than an assessment.

Councilmember Bravo expressed his support of the \$500,000 assessment and building of the buy local program since it would have a multiplier effect for local businesses. He asked how the Program would focus on building “local gem” businesses and building those unique services. Bradshaw stated that Haley had been able to build local businesses in different cities and enhance the connectivity of opportunities within the communities.

Councilmember Bravo asked for clarification on the definition of local firms. Cowart stated that franchises were not included in locally owned businesses even if a unique service was being provided. Cowart stressed the importance of the local business multiplier effect for economic development. Bradshaw stated that there were different levels of defining local business such as locally owned or national franchises with local owners and how that both supported local businesses economy.

Councilmember Castillo stated that it was important to take into consideration that certain small businesses may not have been able to be used by all consumers due to the cost of their goods. She stated that the cost of capital of those goods was important to take into consideration in evaluating the Program.

Councilmember Rocha Garcia agreed with challenges that many local consumers enjoyed services from large chains and was seen as a treat to frequent those businesses. She also noted that supporting local small businesses was different based on the services they provided.

Councilmember Rocha Garcia asked what input the Small Business Advisory Committee had for the assessment. Bradshaw stated that the Committee did review the Program and provided input on recommendations. Councilmember Rocha Garcia stressed the importance of small business pop ups and partnerships. Councilmember Rocha Garcia asked for a copy of the assessment for her review.

Councilmember Rocha Garcia asked for clarification on the contract with Jamee Haley. Bradshaw stated that the contract would build on the steering committee, convene working groups, engage local philanthropic organizations and develop a business model including organizational structure, staffing needs and pro-formas. Assistant City Manager Alex Lopez stated that this contract was needed since staff did not have the capacity to build these items.

Councilmember Rocha Garcia asked for clarification on how much of the \$500,000 contract fee would be administrative costs for the consultant. Bradshaw stated that \$98,000 of the contract would be directed to the contractor and the rest of the contract would be directed to direct program development and implementation. Councilmember Rocha Garcia expressed concern that local chambers of commerce should be providing these services to include marketing of buy local program components. Assistant City Manager Lopez clarified that when going out for proposals, staff stressed the importance of marketing of businesses and education to the general consumer and noted that the chambers did not apply to the proposals and usually only supported their members.

Chair Pelaez noted the challenges of supporting a buy local program and businesses since the need was different in each council district. He also noted that the large growth of the City was in large part the key challenge of consumer buy local programs. He stressed that as a city of gastronomy it was important to market our unique culinary and cultural businesses and demand for a localism movement. Chair Pelaez expressed his support of the assessment.

Councilmember Castillo expressed her support of Councilmember Viagran's concerns of supporting small local businesses and their need for marketing. She expressed concern of another assessment or study rather than direct support to local businesses and building of business/marketing plans.

Councilmember Viagran noted that many businesses who did not qualify for ARPA funding were still in need of marketing or business plan efforts. She stressed that it was important to engage chambers of commerce to assist these businesses instead of paying a consultant. Councilmember Viagran stated that she was eager to review the assessment and the specifics of small business needs and stated that more information was needed. Assistant City Manager Lopez clarified the

Committees ask for information on marketing efforts and noted that the Committee was asking for different ways to implement the program.

4. Briefing on the Smart Cities Roadmap and Smarter Together Initiative. [John Peterk, Assistant to the City Manager; Brian Dillard, Chief Innovation Officer, Office of Innovation]

Innovation Officer Brian Dillard provided an update to the Smart Cities Roadmap and provided an overview of the program's background which was established in 2017. He noted that Roadmap goals included providing a vision of San Antonio as a Smart City, guiding investments and development of the metrics for the Program.

Dillard reviewed the engagement of consumers and stakeholders for the Smart City Vision and noted that the City of San Antonio was on the leading edge of digital innovation in local government with other stakeholder partnerships. Dillard reviewed the guiding principles of the Smart City Roadmap which were identified through in person community engagement efforts and stated that they represented community vision for the Roadmap.

Dillard reviewed the strategies for organizational impact in the categories of business operations, data gathering and resident engagement. He reviewed the community challenges in moving to be a Smart City which included access to public information, public safety, resiliency, safe infrastructure and access to transportation. Dillard noted that a website (smartertogetherSA.com) had been developed to provide information to the general public.

Councilmember Rocha Garcia noted that there were city departments that needed assistance in providing data to the public which included Animal Care Services, Department of Human Services and the Development Services Department. She also noted that there were other departments that had certain build over all department initiatives but that certain programs still needed expansion to include the Workforce Programs.

Councilmember Rocha Garcia asked for clarification on how the Smart City Program worked with local stakeholders. Dillard stated that staff worked closely with stakeholders to obtain their input, provide services to the general public and build connectivity. Councilmember Rocha Garcia asked if there was an educational component to the public for them to gain knowledge of technology expansion. Dillard stated that staff would willingly work with stakeholders to build educational components.

Councilmember Castillo expressed her support of the Item and noted that it was important to see what other cities were doing regarding smart city initiatives such as the City of Denver.

Councilmember Viagran expressed her support of the Item and noted that it was important to build Smart City initiatives. She stated that it was important to take into consideration the costs of new technology and impacts to the budget so to better plan in the budgeting process. She noted that it was important to consider the use of drones in studies of traffic patterns and other survey areas. She acknowledged the possible need of additional staff to move the Smart City Initiatives.

Councilmember Bravo asked if staff was able to identify a true timeline for smart city classification. Dillard stated that it was difficult to identify a true timeline due to the level of digital services within each city.

Chair Pelaez expressed his support of the Item and staff's work on the initiative. He noted the challenge of a Smart City definition and how to have the correct approach to reach Smart City classification. He stated that different cities had different challenges and that solving the direct issues for the City of San Antonio was crucial. Chair Pelaez expressed concerns of current innovation zone statuses and initiatives for those areas. Dillard provided an update on efforts to expand each zone and partnerships within each of the zones to move forward with Smart City efforts.

No action was taken on this Item.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 3:33 PM.

Approved

Manny Pelaez, Chair

Debbie Racca-Sittre, City Clerk