

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

Wednesday, June 28, 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 2:02 PM. Deputy City Clerk Aurora Perkins 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*

Members Absent: None

Approval of Minutes

1. Approval of the minutes from the Economic and Workforce Development Committee meeting on May 23, 2023.

Councilmember Rocha Garcia moved to Approve the minutes of the May 23, 2023 Economic and Workforce Development Committee meeting. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Viagran, Rocha Garcia, Castillo

Public Comments

None.

Briefing and Possible Action on the following items

2. Briefing and possible action on the 2023 Small Business Economic Development Advocacy (SBEDA) Disparity and Causation Analysis Study (Disparity Study). [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Assistant City Manager Alejandra Lopez introduced the Item and Michael Sindon, Small Business Administrator with the Economic Development Department, who provided an overview of the City of San Antonio Disparity Study 2023. He noted that Colette Holt and Associates and aMAEzing Marketing Group were used as consultants for the Disparity Study. He noted that the purpose of the Disparity Study was to address any race or gender-conscious programs subject to “strict scrutiny” of judicial review and he noted that the studies were conducted every five years.

Sindon stated that the Disparity Study’s objectives were to meet Federal constitutional legal requirements, provide new data for goal setting, solicit Minority and Women Business Enterprises (M/WBE) input and experiences and to develop program recommendations. He added that the Study reviewed quantitative data sources provided by the City for awarded City contracts and qualitative data that included surveys of 101 participant businesses.

Sindon reviewed the study findings which included final contract data file, geographic market analysis of the San Antonio Metropolitan Statistical Area and product market data analysis. He stated that the final contract data file was comprised of \$887 million in total contract dollars, 549 prime contractors and 1,124 subcontractors.

Holt provided an overview of the utilization data and availability of minority and women owned businesses. She stated that the program had proved to be effective in increasing opportunities. She stated that the City had utilized M/WBEs at a 212% ratio of utilization goals of 53%.

Holt reported on an economy-wide disparity analysis of what would happen if the City had abandoned its SBEDA Program. She stated that in reviewing data provided from the Census Bureau’s American Community Survey and the Census Bureau’s Annual Business Survey, they showed that minorities and women form businesses at a lower rate and earn less compared to White males. She added that M/WBEs experienced disparities between the receipts that M/WBEs were able to earn compared to comparable non-M/WBEs

Holt reviewed anecdotal evidence from the Study that showed possible biased perceptions and negative assumptions about M/WBEs qualifications and capabilities remained. She added that M/WBE programs were crucial to the success, or even survival, of many M/WBEs.

Holt reviewed the recommendations from the Study to include: continuation of the SBEDA Program; review race and gender neutral measures; develop performance measures from program success; set a new program sunset date; and reevaluate data in approximately six years.

Sindon provided an overview of the Disparity Study adoption timeline which included SBEDA Committee review, public hearings and outreach, additional review by the EWDC and final consideration by the City Council. Sindon reviewed the various outreach conducted by staff and consultants.

DISCUSSION

Councilmember Viagran expressed her support of the Item.

Councilmember Rocha Garcia requested summary reports from meetings from the SBEDA and Small Business Advisory Committee for EWDC review. Assistant Economic Development Director Ana Bradshaw noted that the Small Business Advisory Committee had not been briefed yet and that staff would provide a summary once the meeting was completed.

Councilmember Rocha Garcia asked why the staff recommendation was to wait for the next disparity study to be performed in six years. Holt stated that market data did not change rapidly and studies were time extensive and time could be spent better to improve programs and education of the program.

Councilmember Rocha Garcia asked if there were a way to address procurement process challenges and the need for bonding for small businesses. She asked that staff work with the Procurement Division to discuss and address issues. Sindon stated that staff would continue to work with the Procurement Division to address challenges and he reminded the Committee that a Bonding Assistance Program was in place and he would provide data to the Committee for review.

Councilmember Castillo expressed her support of the Item and noted that she looked forward to future presentations to the full City Council.

Chair Pelaez thanked the team for their work and noted the qualifications of Colette Holt nationally. Chair Pelaez asked if the Asian Chambers of Commerce were included in outreach. Sindon confirmed that the chamber was included in the study. Chair Pelaez asked if it was possible to monitor consulting firms and their utilization of women and minority contracts. Sindon stated that vendors awarded City contracts were required to meet small business contracting requirements for awarded City funding. Chair Pelaez asked why we could not require them to meet small business standards for all their contracts whether awarded by the City or not. Holt spoke to the legal limitations of monitoring or requiring small business contracting standards. City Attorney Christina Ramirez noted that on various solicitations it is asked if their utilization of diversity was met but that no points were awarded for that information.

Chair Pelaez asked if the City program was “best in class” for their procurement utilization of minority and women small businesses. Holt stated that the City was close to if not the top in class or minority and women small business utilization and was looked to as a leader in procurement. Chair Pelaez thanked the team for the work and no action was taken on this Item.

3. Briefing and possible action on the status and proposed updated strategy for the Corridor Program Pilot funded by the American Rescue Plan Act (ARPA) State & Local Fiscal Recovery Funds (SLFRF). [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development Department]

Economic Development Department Director Brenda Hicks-Sorenson provided an overview on the status and proposed updated strategy for the Corridor Program Pilot funded by the American Rescue Plan Act (ARPA) and State and Local Fiscal Recovery Funds (SLFRF). She noted that based on the corridor studies conducted by Main Street America, staff recommended a shift in

strategies of the program.

Hicks-Sorenson stated that the proposed program elements included the development of a Commercial Corridor Revitalization Program to increase business capacity and expanded training to small businesses. She stated that it was important to build peer to peer networks and adaptive training and leadership education would be provided by Main Street America.

Hicks-Sorenson stated that staff recommendations would incorporate additional funding to establish two cohorts of up to 20 participants each who would receive six months of intensive technical assistance and adaptive training. She added that participants would present a project proposal to receive a \$10,000 grant to implement their project within three months following the conclusion of training.

DISCUSSION

Councilmember Castillo expressed her support that more than the two specified corridors would be considered for the pilot program and that previously not considered companies could be considered as well. Councilmember Castillo asked if the 20 slots for businesses to be considered for participation would be considered for all corridors and industry. Hicks-Sorenson stated that specific qualifications were still being considered and that she welcomed input from the Committee Members.

Councilmember Rocha Garcia asked if input was gathered from small businesses within the preliminary applicants. Hicks-Sorenson stated that input was gathered by current participants and applicants to gain data on needs and challenges. She also stated that surveys were taken of the chambers of commerce and other stakeholders.

Councilmember Rocha Garcia asked if transportation and business assets were considered in addressing the needs of businesses in corridors. She asked if discussions were conducted with large institutions in those corridors to gather data on impact to businesses and residents. Hicks-Sorenson stated that discussions were conducted in order to gather relevant data on impact to corridors.

Councilmember Viagran expressed her support of the two cohorts of 20 participants and asked of the possibility of expanded funding if not all funds were used in one or the other cohort. Hicks-Sorenson stated that based on the recommendations of Main Street America, it would keep grants to \$10,000 per participating business. Councilmember Viagran noted the need for marketing for businesses to expand and requested more information on the outreach and education components of the program. Councilmember Viagran expressed her support of the pivot in the program and called for a discussion with Public Works to determine future road construction and future development.

Councilmember Viagran moved to Approve. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Viagran, Rocha Garcia, Castillo

EXECUTIVE SESSION

Chair Pelaez recessed the meeting into Executive Session at 3:06 p.m. to deliberate and discuss the following:

A. Consultation with the City Attorney's Office concerning attorney client matters under Chapter 551 of the Texas Government Code

Mayor Nirenberg reconvened the meeting in Open Session at 3:20 p.m. and announced that no official action was taken in Executive Session.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 3:20 p.m.

Approved

Manny Pelaez, Chair

Debbie Racca-Sittre, City Clerk