

**CITY OF SAN ANTONIO
ECONOMIC DEVELOPMENT DEPARTMENT
SMALL BUSINESS ADVISORY COMMISSION (SBAC)
Wednesday, November 17, 2021
10:00 a.m.**

Call to Order:

The meeting was called to order at 10:07 a.m. by Ms. Brenda Hicks-Sorensen acting as the presiding officer. A quorum was not established. Economic Development staff present included, Ms. Brenda Hicks-Sorensen, Director, Ms. Ana Bradshaw, EDD Assistant Director, Ms. Samantha Diaz, Economic Development Coordinator, Ms. Olympia Cuellar, Sr. Economic Development Specialist, Ms. Monica Flores, Small Business Liaison, Ms. Caitlin Cowart, Public Relations and Marketing Manager, Mr. Terrance Stokes, Marketing Specialist Ms. Valarie Carmona, Exec. Secretary. Additional City Staff Present include, Ms. Christina Ramirez, Assistant City Attorney, Ms. Alex Lopez, Assistant City Manager, Ms. Veronica Carrillo, COVID-19 Executive Officer, Mr. Isaac Bernal, Interim EMA.

Roll Call:

DISTRICT 1 APPOINTEE VACANT		DISTRICT 6 APPOINTEE VACANT	
DISTRICT 2 APPOINTEE VACANT		DISTRICT 7 APPOINTEE Katie Sirakos	Present
DISTRICT 3 APPOINTEE Judy Canales	Present	DISTRICT 8 APPOINTEE Sarah Shakil	Present
DISTRICT 4 APPOINTEE Juanita Sepulveda	Absent	DISTRICT 9 APPOINTEE Jeremy Roberts	Present
DISTRICT 5 APPOINTEE Vickie Willoughby	Absent	DISTRICT 10 APPOINTEE Jim Hollerbach	Present
Mayoral Appointee Julissa Carielo	Present		

PUBLIC COMMENT: Deferred to after the staff presentation.

Briefing and Possible Action on the following items

1. Briefing and Discussion on American Rescue Plan Act (ARPA) Fiscal Recovery Funds and the COVID-19 Impact on Small Businesses.

Ms. Hicks-Sorensen as presiding officer acknowledged that the commission was established to review upcoming policies, regulations and issues affecting small businesses outside of the SBEDA Ordinance and provide feedback and recommendations to City staff, Mayor, and City Council. A series of meetings was requested of SBAC considering ARPA, for small business owners to provide input. Ms. Carrillo briefed the commission and audience on the negative effects of COVID-19 on small businesses discussed funding that has become available through the federal government. The following items were discussed:

- Purpose
- American Rescue Plan Act (ARPA) Background
- San Antonio Strategy & Framework
- SBAC Role
- Next Steps

October 20, 2021 kicked off the ARPA community engagement process. During that “B” Session, City Council requested feedback from the small business community, to learn where the community is at today and what the needs are to move forward. ARPA was passed by Congress in March 2021. It provides for a strong and equitable recovery from the COVID-19 pandemic. ARPA allocated \$350 billion directly to state and local governments to respond to the impacts of the COVID-19 pandemic. For citizens of San Antonio this means, the City of San Antonio received \$326 million in two allocations. The first portion of \$163.45 million was allocated in May 2021, \$163.45 will be allocated May 2022. Cities must obligate funds by December 2024 and spend by December 2026. Use of the funds must follow U.S. Treasury guidelines.

Eligible uses of ARPA funds include, replacing public sector revenue loss, supporting public health response, addressing negative economic impacts, and water, sewer, and broadband infrastructure. The City’s strategic approach is in two phases. Phase I included stabilizing City budget & immediate community needs. Phase 2 is now active and includes leveraging funding & community priorities after budget adoption. Ms. Carrillo reviewed how funds have been used to date. The total allocation to the City was \$326.9 million, and through the fiscal year 2022 budget \$97.5 million have been allocated to stabilize the budget. \$46.5 million were used in the General Fund and \$51.0 million in the hotel occupancy tax fund. The remaining balance is now \$229.4 million. Strategy guiding principles include, COVID-19 response, address immediate community needs, and use the funds to leverage impactful investments. Other categories include leveraging partnerships, i.e., Bexar Co., school districts, and VIA. Once the City understands the communities’ priorities, it will help with deciding to partner with these entities. Once time investments are the last category where the funds would only be distributed once as funds are only one time in nature, not expecting these funds to be available on a yearly basis from the government.

Proposed spending framework of the \$229.4 million:

Proposed Spending Framework \$229.4 Million		
COVID-19 Response	Community Needs*	Impactful Investments*
\$50 Million <ul style="list-style-type: none"> • Vaccinations • Testing • Employee Personal Protective Equipment • Contingency 	<ul style="list-style-type: none"> • Utility Assistance (\$30 Million) • Arts • Small Business 	<ul style="list-style-type: none"> • Mental Health • Domestic Violence • Homelessness • Economic Development • Resiliency Hubs • Infrastructure in Qualified Census Tracts

Discussion during the October 20, 2021, Council B Session included overall support for the guiding principles

reviewed. City Council discussion on spending priorities include utility assistance, small business, arts, mental health, infrastructure (streets, drainage, and parks), broadband/digital divide, and youth programs. Ms. Carrillo shared that since the pandemic, the city has allocated support for small businesses with \$45 million in grants, \$2 million in PPE, and \$1.1 million in outreach and HUB programs. She addressed the question of “What do we need from SBAC”. The goal is to understand where small businesses are at today and to identify how ARPA dollars can serve the small business community to move forward. Feedback will be shared with City Council on December 9, 2021, during B Session.

Next steps include, ongoing community engagement, developing a priority list. December 9, 2021, take advice of Council, business community and needs and priorities, and January 13, 2022, share recommendation with Council and public during A Session.

Public Comment:

- **Martin Gutierrez- Director of Policy & Business Advocacy, San Antonio Hispanic Chamber of Commerce**
Recommendation is to use ARPA funding to create a grant program for small businesses that meet the suggested criteria:
 - Located in San Antonio
 - Registered business operating in San Antonio
 - Must have 50 or fewer employees
 - In operation before March 2020
 - Experienced negative impact on operations due to the pandemic
 - Annual revenue of less than \$1,000,000.00 in 2019 and 2020
 - Be in good standing with the Texas Comptroller’s office with no outstanding tax obligations or liabilities.

Mr. Gutierrez stated the Chamber strongly believes economic relief in the form of grants will help small businesses recover from the pandemic and speed up local economy. He asked for support direct relief in the form of grants.

- **Micha Hall-Russell- H. Russell Ming, LLC DBA Auntie Anne’s Pretzels**
Ms. Hall-Russell thanks SCTRCA for their assistance in becoming SBEDA eligible. She shared concerns small businesses are having growing their businesses. She stated the City of San Antonio is giving major city contracts to big businesses that are not committed to empowering small, minority, and women-owned businesses. She feels that there are other entities in play that can get those contracts and distribute those funds. This company has been negotiating multiple business contracts with two large city contractors, Black Tie Savor and H-E-B. Experiences negotiating business with these companies has been very difficult despite exceeding expectations in sales, revenue, and overall performance that has been documented. Ms. Hall-Russell would like support from the commission moving forward. These issues plus more have caused their business to close with rent still being met monthly. To offer more benefits or higher wages to employee’s small businesses need to have a seat at the table.
- **Cecile Montanez- Educare San Antonio**
Ms. Montanez shared the initiative of Educare and asked for support for more childcare which has been greatly affected by the pandemic. She asked for the support to address three issues, the shortage of childcare in South San Antonio, Educare will support and train teachers around the San Antonio area, and they will support small business operations in the community to allow families to return to work,

offering families the opportunity to send their kids to school. She asked for the commission to support a one-time, long-term impactful investment in Educare.

- ***Bonnie Berkley- Social & Health Research Center Non-Profit***

Ms. Berkley attended to advocate for non-profits in the small business sector. She feels non-profits tend to be left out of funding opportunities even with similar business models and similar effects due to covid. The Social & Health Research Center (SAHRC) is a nonprofit center committed to the social and health wellbeing of populations at-risk.

- ***Linsey Lindberg- Artisan Oddities and Entertainment***

Ms. Lindberg shared how her business has been affected directly by COVID-19. She is representing the Texas Life Events Coalition as the Director of Advocacy on behalf of her industry. She shared data and statistics on how her industry has struggled since COVID and how confirmed contracts were lost. The ask from Ms. Lindberg and her industry is a minimum of \$12 million in the form of a one-time grant directly to small businesses in San Antonio to help with negatives in balance books. They are struggling to meet people's wage expectations to return to work.

- ***Robert Garcia- Robert Garcia CPA Group, LLC.***

Mr. Garcia described himself as an advocate for small businesses for some time. He shared the struggles and confusion he's heard in the community since CARES out rolled out. Clarity on definition is a big confusion out in the community. Normalizing the term micro businesses has been done but no one has landed on the definition of number of employees it really defines. Small business can be defined as 0-100 with millions in revenue and small businesses with 20 employees with less revenue. Being intentional with definitions to target the correct partners and the monies go directly to those organizations. He would also like to see an emphasis on the targeted underserved areas in San Antonio, we are continuing to see the same demography in areas being underserved. Emphasizing awareness needs to continue. One-time grants were extremely helpful and impactful. Underwriting is something else he'd like to see in the future, like to see underwriting to legitimate businesses. Ms. Sirakos questioned Mr. Garcia about underwriting and if he is referring to getting their LLC. Mr. Garcia replied yes, the \$308 associated with the LLC. Mr. Garcia suggested more bank institutions offer more business-friendly accounts. He also encouraged more collaboration between the CPA community and small business service providers. Lastly, Mr. Garcia spoke on resources in the city that are disconnected and creating a more systematic approach to avoid silos which will help propel small businesses.

- ***Jason Beck- RAM 2 Utilities***

Mr. Beck stated he was encouraged to see that some funds can possibly be allocated for projects such as water infrastructure as it an important piece to the growing San Antonio area. Investing in water infrastructure is investing in small businesses and as supplies, material, and labor become tighter over the next couple years, it is going to squeeze small contractors as material gets more expensive.

- ***Anthony Rose- United By Design***

United By Design is an Art Agency that builds large scale art murals and other art installations across the United States. Mr. Rose wanted to talk about creativity as an economic developer. He stated resources are limited. He believes there is an opportunity to partner up artists with small businesses to enhance occupied buildings and create a secondary narrative and messaging on how the company may be

impacting the existing neighborhood it serves. Utilizing arts to showcase branding and messaging for large businesses in terms of advertisement, large scale ads, there is an opportunity to utilize group of artists to work with these large businesses to help have a positive impact. Allowing companies to invest and enhance the community without plastering messages on walls. Mr. Rose discussed a gap that has been seen between the arts and businesses, where digital art and artistry used by businesses to promote a brand while on the other side there are public arts programs meant to enhance and cultivate the neighborhoods, they belong in. He believes there is an opportunity to start a conversation between both to come together to push out opportunities by using funds from these entities not just from government and HOT taxes.

Small Business Advocacy Commission Feedback:

Ms. Julissa Carielo stated she was very thankful to hear from the organizations and small businesses that came forward to speak. She believes there is a lot of great information that can be put together a good plan. A concern Ms. Carielo shared is the labor shortage and workforce development. Workforce development with existing businesses is very important and she stated just because training is being provided workers shouldn't be lost. She encouraged a workforce development update will be provided to the commission in the future.

Ms. Judy Canales shared her notion that the pandemic pivoted the opportunities on how to reach small businesses. She has been working with many other small business service providers to provide technical assistance to small business owners. The notion of first come first serve did not reach many small businesses the first go around. She indicated that it was challenging to work with small businesses on the South Side of San Antonio helping them to apply for the grants and recognizing that not everyone knows how to use a computer or navigate an application. She said there is need for additional helping hands is huge moving forward to provide technical assistance. Asking individual small businesses, "where are you now?". She is looking forward to the commission's efforts moving forward. "There has to be a better way to work together to get information to small businesses in a proactive way", stated Ms. Canales.

Ms. Katie Sirakos, a micro business owner. She stated that proposals for small grants and technical support is what she took away from the community input and appreciates the pitch about the need for CPAs in the community, as this type of service is out of reach for many small business owners. She questioned what a resiliency HUB is and how the concept applies to the ongoing conversations. Ms. Carrillo responded to what a resiliency HUB is by stating it's a center set up during an emergency where residents can go and have resources available. They are on the list to share with community members to see if they are desired and if more should be added.

Ms. Sarah Shakil feels the best way she believes to help is by a two-prong approach where you first help small businesses on how to start the process and resources throughout and helping them manage it. Workforce development is important, getting trained, moving blue-collar employees to white-collared but backfilling the blue-collar.

Mr. Jeremy Roberts, believes understanding the integration of how the funds should be spent and the empowerment of getting someone to want to get back to work. Childcare as an example was used, many people want to return to work but childcare issues are preventing them from doing so. Mr. Roberts would like to see more data to see what is driving aspects. It is a combination of infrastructure, small

business support, access to funds, activating funds, etc. He stated big businesses thrive when small businesses are around them and credit should be given to them. He is looking forward to working with the commission, look at data, and figure how to partition the monies appropriately. What he believes the funds need to do is create innovation.

Mr. Jim Hollerbach believes the labor issue is the main problem, getting people to work, and getting them back for the right pay. He specified outreach is very important as well as education.

Ms. Hicks-Sorensen closed by stating there will be another meeting on November 29, 2021, at 2:00-4:00 p.m. and small businesses will have another opportunity for input. If individuals are unable to attend, they are encouraged to complete the online feedback form available on the SA Speak Up website. If anyone does not have access to the internet, people are encouraged to call the Economic Development Office at (210) 207-3922 for assistance.

A. Adjournment

The meeting was adjourned at 11:21 a.m.

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