



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 2

Agenda Date: September 26, 2023

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing on the state of the bioscience industry in San Antonio.

SUMMARY:

Briefing on the state of the bioscience industry, with updates from the San Antonio Medical Foundation, BioMedSA, and VelocityTX.

BACKGROUND INFORMATION:

The bioscience and healthcare industry is one of San Antonio's largest drivers of local economic development and has been identified as a Strategic Industry in the Economic Development Strategic Framework. According to the 2021 Greater San Antonio Chamber of Commerce Bio Science Economic Impact report; the industry has had an annual impact of \$44.1 billion in the city and directly employs approximately 180,000 people locally – meaning 1 out of every 5 employees in San Antonio works in the industry. While healthcare constitutes most of that impact, biomedical research and technology are significant contributors to the local ecosystem and help advance San

Antonio's image as a place of innovation and advancement. This impact has continued to grow over the last decade, largely due to the work of partners like BioMedSA, VelocityTX, the San Antonio Medical Foundation, and more.

San Antonio's healthcare and bioscience industry is also an important driver of local wage growth. In 2021, the average annual employee earnings was \$61,860 – about 12% higher than the average just two years prior and 8% higher than the average for all workers in San Antonio. More specifically, the average bioscience employee's annual salary was \$83,049 in 2021. Locally, the largest employers in these industries include University Health System, Methodist Healthcare System, and Southwest Research Institute (SwRI).

A unique component of San Antonio's industry cluster is the size and specialization of military medicine. San Antonio is home to the Defense Health Agency's largest multi-service market and the Department of Defense's only stateside Level 1 Trauma and Burn Center. The San Antonio military ecosystem includes the Brooke Army Medical Center, Wilford Hall Ambulatory Surgical Center, numerous stand-alone military treatment and dental facilities, and over 100 specialty services. Additionally, it supports over 240,000 military beneficiaries and is staffed by approximately 14,000 Army, Navy, Air Force, civilian, and contract personnel with an annual impact over \$4 billion.

From a bioscience ecosystem perspective, one of the significant hurdles that the local industry faces is the lack of available wet lab space for clinical trials. The Strategic Framework set a goal of developing at least 500,000 square feet of wet lab, office, and manufacturing space for the bioscience industry. Furthermore, as San Antonio's demographic composition more closely mirrors national trends in racial diversity, researchers are increasingly looking here to conduct clinical trials that meet federal guidelines for sample populations.

ISSUE:

As the community's "Industry Liaison" for the bioscience industry, EDD manages relationships and agreements with various organizations providing leadership in the ecosystem, such as the San Antonio Medical Foundation, BioMedSA, and VelocityTX.

In 1944, a community initiative began to lobby for the establishment of a University of Texas System medical school in San Antonio. Out of this initiative, community leaders founded the San Antonio Medical Foundation in 1947. In 1961, the Foundation was deeded 170 acres on the City's north side, adjacent to the then-planned Methodist Hospital. Approximately 407 additional acreage was acquired by the Foundation from 1961-1965, and in 1968 both the teaching hospital, University Hospital, and medical school, UT Health at San Antonio, opened on this accumulation of land, which is now known as the Medical Center. The Foundation continues to support medical research, medical services, public health, and the long-term development of the Medical Center.

BioMedSA is a non-profit organization with over 219 member and subsidiary organizations. The organization helps align and leverage San Antonio's industry assets, convenes and connects industry, academic, and military leaders, and supports the identification and mobilization of resources for the industry.

VelocityTX was founded in 2017 as a non-profit subsidiary of the Texas Research & Technology Foundation (TRTF) to foster collaboration and innovation in San Antonio's technology industries. VelocityTX provides local industry partners with resources to scale their operations, connect to other entrepreneurs, and accelerate professional and technical growth. VelocityTX operates out of their state-of-the-art facility in the near eastside, which is also home to several local start-ups and tech companies.

The San Antonio Medical Foundation, BioMedSA, and VelocityTX will jointly provide a briefing on the state of the bioscience industry and updates on each of their respective priorities and initiatives.

FISCAL IMPACT:

This briefing is for information purposes only.

ALTERNATIVES:

This briefing is for information purposes only.

RECOMMENDATION:

This briefing is for information purposes only.