



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 2

Agenda Date: June 10, 2022

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

This item is a briefing to the Economic and Workforce Development Committee (EWDC) on the status of the City's Economic Development Department Strategic Plan.

SUMMARY:

This item is a briefing to the Economic and Workforce Development Committee (EWDC) on the status of the City's Economic Development Department Strategic Plan.

BACKGROUND INFORMATION:

On February 17, 2022, City Council approved a professional services agreement with TIP Strategies, Inc. for completion of an Economic Development Strategy. The City is exploring innovative approaches to managing its incentives policy, ways to leverage investments and infrastructure to spur meaningful growth and development opportunities and determine the Economic Development Department's strongest and best role in the region's economic

development delivery system. This work will result in a blueprint for guiding the City of San Antonio in driving long-term economic vitality and a more resilient economy.

To accomplish this goal, the effort will require two equally important components. The first component is understanding and analyzing the city's economy, focusing on the identification of key opportunities and threats associated with the city's current economic advantages, challenges, and long-term sustainability needs. The second component is developing a focused plan that emphasizes implementable strategies for the Economic Development Department (EDD) with the goal of expanding opportunities for residents and growing the city's economic base.

While the strategic plan will entail many elements, staff has emphasized the construction of a plan that increases the city's tax base and the wealth of its residents and businesses in an equitable manner. Over San Antonio's history, large sections of the community have suffered from long-term disinvestment and inequitable distribution of resources. These inequities have been particularly evident during the global COVID-19 pandemic.

To create a resilient economy, San Antonio needs all its component parts, from neighborhoods to industries to residents, to work equitably and together towards the same goals. Therefore, a key objective of the proposed Strategy is to create a plan that bolsters all of San Antonio's neighborhoods and residents. The completed strategy will recommend goals for strengthening and further building the city's economy, along with recommended strategies, tactics, guidelines, and timelines for achieving such goals.

Corresponding to the Strategy, the Consultants and EDD will utilize the information gathered to review the economic development toolbox, including the Incentive Policies. EDD is currently working on an Impact Analysis with Dr. Steve Nivin to review the incentive portfolio through performance year 2021 as part of this endeavor.

ISSUE:

In April 2022, the strategic plan kicked-off with a robust stakeholder engagement process with an emphasis on diverse representation and multiple opportunities for participation, as well as consideration of and alignment with recent economic development planning efforts, including the Greater: SATX Regional Economic Development Strategy, drafted in 2019, and the Alamo Area Council of Government (AACOG) Economic Development District Comprehensive Economic Development Strategy 2018-2023; as well as other relevant plans, such as SA Tomorrow.

Throughout the course of nine days spread out over 3 weeks, the consultants in combination with EDD staff conducted a total of 22 roundtables and 23 interviews. Key takeaways from this process include:

- San Antonio's authenticity, rich cultural history, and affordability are assets
- The City's economic development tools are fragmented, and many local organizations duplicate efforts
- An either/or mindset holds back opportunity
- There is tension between growth and preserving the status quo

The planning process now moves into the Opportunity Phase, in which a target industry review, organizational assessment, small business assessment, niche opportunities analysis, best practice review, and goals & objectives are identified. This process will be followed by the drafting of the strategic plan, including an implementation matrix.

The strategic plan is expected to be completed in late summer/fall 2022. Likewise, the incentive impact analysis will be completed in late summer/early fall. Revised incentive guidelines will be drafted with City Council consideration prior to the current policy expiration date of December 31, 2022.

FISCAL IMPACT:

This is for briefing purposes only.

ALTERNATIVES:

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RECOMMENDATION:

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