



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 36

Agenda Date: December 15, 2022

In Control: City Council A Session

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

An ordinance approving the execution of business development organization partner agreements.

SUMMARY:

This ordinance authorizes the execution of funding agreements between the City and business development organization partners: \$358,668.00 for San Antonio for Growth on the Eastside (SAGE), \$358,668.00 for Westside Development Corporation (dba Prosper West San Antonio), and \$100,000.00 for Southside First Economic Development Council (Southside First). Business development organization partners promote essential economic development support, provide community leadership in their respective geographical areas, and contribute to the city-wide small business ecosystem. Funding for these organizations was approved as part of the FY 2023 General Fund Adopted Budget. The terms of the agreements are one year with two one-year renewal options. Funding for renewal options is contingent on City Council approval of the annual budget.

BACKGROUND INFORMATION:

The business development partner organizations are geographically dispersed through San Antonio, each with unique service areas. The organizations work to provide direct, hands-on

assistance to small businesses in the form of technical assistance, workshops, and referrals to other small business support organizations. In addition, Prosper West San Antonio and SAGE provide direct financial assistance to small business through the Prosper West Loan and Grant Program and the SAGE Storefront Grants program, both funded at \$100,000 annually from the Economic Development Incentive Fund. Economic Development Department assumed management of the partner agreements in FY 2021 and executed new contracts that reflected each partner's individual mission with the aim of improving the quality of life of individuals, families, neighborhoods, and businesses in each of their geographical regions with a focus on each partners' small business outreach and technical assistance efforts.

Recognizing a need to identify and track key outcomes, the agreements were amended for FY 2022 to identify goals and metrics for each partner's programs. They also introduced the requirement for an outcomes report that included success stories and data tracking metrics that demonstrated program impact on participants served. Target goals were included to record technical assistance, financial assistance, referrals, and small business workshops.

In addition to this work, recently the partner organizations played a key role in the outreach and technical assistance efforts for the COVID Impact Grants Program funded through the American Rescue Plan Act (ARPA). Collectively, partners reached out to over 5,000 businesses and provided technical assistance via email, phone or in-person to 313 grant applicants.

ISSUE:

The proposed agreements reflect a shift in scope to better align the work of the organizations with the Economic Development Department's Strategic Framework and ARPA Small Business Implementation Plan, and improvements to services for small businesses. The partner agreements focus on the following goals:

- Identify and address barriers to create opportunities;
- Increased opportunity and access to capital;
- Coordinate a sustainable small business ecosystem;
- Support of placemaking efforts and identify future opportunities; and
- Serve as a trusted collaborator and small business resource partner.

The equitable outcomes expected from the established performance metrics will be measured via follow-up surveys at intervals of six (6), eighteen (18) and thirty-six (36) months. The surveys will be developed in partnership with a local institution of higher learning collaboratively with partner organizations. Survey creation and logistics will be mutually agreed to by both parties no later than on June 30, 2023. Survey metrics will report on the following outcomes:

- Businesses in the hardest-to-reach areas and most historically underserved have increased opportunity
- Enhanced economic stability and growth
- Increased opportunity and access to capital
- Strengthened connection between people and places

Additionally, recommended changes to agreements include:

- Operations from a physical location with accessible hours within the geographical area of service
- Two place-based business corridor activation projects or events aimed to energize the community and increase foot traffic
- Support for Ready to Work by identifying businesses to sign the employer pledge and by participating in industry specific job fairs and recruiting small businesses to participate in two roundtables per year, as requested
- Co-promotion of the Economic Development Department on programs and events as appropriate
- Support of World Heritage Office to support Missions area businesses (Southside First only).
- Preparation of an annual report

The agreements retain previous scope of work deliverables such as technical assistance outreach, small business referrals, capacity building and access to capital programs (Back Office Support, Store Front Grant Program, Small Business Loans and Grants, as examples), monthly partner meetings, quarterly reports, and submission of participant testimonials and photographs. The 50% match of the City's General Fund contribution for operational support will remain with the funding schedule in three distributions as follows:

- Payment 1: upon agreement execution
- Payment 2: upon satisfactory performance in 2nd Quarter report
- Payment 3: upon 100% match of 50% of City's General Fund contribution

The EDIF funding contribution of SAGE and Prosper West San Antonio's respective grant programs consists of an amount of \$100,000 each. The funds will be paid in two equal distributions as follows:

- Payment 1: upon agreement execution
- Payment 2: upon spending 50% of initial EDIF funds

Staff briefed the Economic and Workforce Development Council Committee on November 22, 2022 and the committee unanimously supported moving these agreements forward for consideration by the full City Council.

ALTERNATIVES:

Should City Council choose not to approve this item, the Economic Development Department will seek feedback to make updates to the proposed agreements for future City Council consideration. However, if not approved, this will cause a delay in San Antonio small businesses receiving needed partner assistance and support.

FISCAL IMPACT:

This Ordinance authorizes business development organization partner agreements with SAGE for \$358,668.00, Prosper West San Antonio for \$358,668.00, and Southside First for \$100,000.00.

Funds in the total amount of \$617,336 are available from the FY 2023 General Fund Budget for these contracts. Of that amount, \$258,668 is available for SAGE and Prosper West San Antonio, respectively and \$100,000.00 for Southside First. Additional funding in the amount of \$100,000.00 is available from the Economic Development Incentive Fund for SAGE and Prosper West San Antonio, respectively. Funding for future years of the contracts are contingent on City Council approval of the annual budget.

RECOMMENDATION:

The Economic Development Department recommends approval of the funding agreements with Prosper West San Antonio, SAGE, and Southside First.