



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 3

Agenda Date: December 16, 2022

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 Small Business Construction Mitigation Pilot Program.

SUMMARY:

This briefing will provide an overview of the proposed small business construction mitigation pilot program that seeks to reduce negative impacts of major City-funded construction projects on small businesses in commercial corridors. City Council approved \$400,000 in the FY 2023 General Fund Budget for the Economic Development Department (EDD) to develop this program.

BACKGROUND INFORMATION:

Major City-funded construction projects in commercial corridors have the potential to negatively impact San Antonio's small businesses in a variety of ways including, but not limited to, customer and delivery service access, utility outages, and customers being deterred from visiting affected areas. Recognizing this, City Council approved \$400,000 in the FY 2023 General Fund Budget for EDD to develop a construction mitigation pilot program to help businesses navigate these

challenges.

Past efforts have assisted small businesses impacted by long-term construction projects. In 2014, City Council approved a program to provide \$225,000 in utility-assistance loans to businesses along the Blanco Road 2007 Bond Program project. Five applications were received, with four being deemed eligible. An amount of \$13,140 in loans were disbursed from the total available program funds. Recently, City Council allocated \$17 million in ARPA funding in FY 2022 towards the COVID Impact Grants Program. Grant applicants in 19 designated construction zones that met eligibility requirements were eligible to receive a \$10,000 construction impact grant supplement. As of December 5, 2022, 81 applicants received the supplement.

In October 2022, the Small Business Advisory Commission (SBAC) voted to create the Construction Mitigation Subcommittee to collaborate with EDD staff on the design of this program. Three meetings were held from November 3, 2022 to November 30, 2022 to provide recommendations and feedback on the pilot program. The Subcommittee's final recommendations were presented to SBAC on December 7, 2022 and received the Commission's support.

ISSUE:

EDD, in collaboration with Public Works, Communications & Engagement, and SBAC, is implementing a holistic program that strives to meet current and future needs. This will be accomplished through leveraging both the City's existing resources and assets, and \$400,000 in the FY 2023 General Fund Budget.

The pilot program will target 13 project zones, categorized as ongoing, early-stage, and future.

1. Broadway Street Corridor
2. N. St. Mary's Street
3. N. New Braunfels Avenue
4. Old Highway 90
5. Goliad Road
6. S. Presa Street
7. Bulverde Road
8. S. Alamo Street
9. Zona Cultural Projects (San Saba, Santa Rosa, Commerce Streets)
10. Roosevelt Avenue
11. Probandt Street
12. Flores Street
13. Dolorosa Street

Additional projects not specifically identified within this pilot program will still benefit from early outreach and improved communication efforts by EDD and Public Works.

In addition to the collaboration among departments and the SBAC, the proposed pilot program was developed in consultation with numerous external stakeholders including Business Development Organizations, Chambers of Commerce, affected businesses, and other cities

implementing similar programs. These stakeholders have assisted in identifying and prioritizing mitigation strategies to address the most common areas of concern, which include:

1. Businesses do not know who to contact to remedy issues at construction sites.
2. There is inadequate or ineffective signage to direct the public to businesses in construction sites.
3. Businesses are not fully aware of the impacts of long-term construction projects.
4. Lack of trust in the City's ability to complete projects in a timely manner.
5. Businesses are not aware of the resources available through the City, business development organizations, and technical assistance providers.

From these themes, re/building trust with impacted small businesses, increasing business resiliency and sustainability, and the creation of a sustainable and scalable program were identified as desired outcomes of this program. EDD is proposing a multifaceted construction mitigation pilot program to achieve these outcomes through direct and indirect benefits to affected small businesses. Pilot program recommendations include:

1. Branding - \$50,000: Provides a consistent message to the public, generates excitement around the benefits of Bond Program projects, and destigmatizes visiting construction areas.
2. Marketing and promotion on behalf of small businesses - \$310,000: Utilizes branded assets to advertise and promote affected businesses. through improved signage, targeted mailers and outreach, activation tools and events, as well as leverage the City's ARPA-funded Web Presence Program.
3. Small Business Toolkit - \$15,000: Provides businesses with a printed and digital resource far in advance of construction to share important contacts, innovative ideas for mitigating disruption, and to connect businesses with community partners, City programs, and technical assistance.
4. Technological improvements - \$25,000: Builds on existing Waze for Cities partnership as a user-friendly way of sharing lane closures, and brings value to residents and business owners through ease of navigation and logistics planning.

Additional investments from Public Works include expansion of its outreach and communication efforts to include earlier outreach before project groundbreaking, tailored communication plans with businesses, and more frequent public meetings.

The program's outcomes will be assessed at 6 months from implementation in June 2023, and reallocations of funds will be proposed at that time if necessary. Potential measures could include surveys on loss of revenue pre- and post-mitigation, qualitative assessments by business owners of whether their needs are being met, and the reach and impressions of marketing campaigns.

FISCAL IMPACT:

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ALTERNATIVES:

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RECOMMENDATION:

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