

City of San Antonio



Minutes Economic and Workforce Development Committee

2021 – 2023 Council Members

Chair: Manny Pelaez, Dist. 8

Mario Bravo, District 1 | Phyllis Viagran, Dist. 3

Dr. Adriana Rocha Garcia, Dist. 4 | Teri Castillo, Dist. 5

Friday, December 16, 2022

10:00 AM

City Hall Complex

The Economic and Workforce Development Committee convened a regular meeting in the Norma S. Rodriguez Council Chamber in the Municipal Plaza Building beginning at 10:05 PM. Deputy City Clerk Aurora Perkins took the Roll Call noting a quorum with the following Committee Members present:

Members Present: Manny Pelaez, *Chair*
Mario Bravo, *Member*
Phyllis Viagran, *Member*
Dr. Adriana Rocha Garcia, *Member*
Teri Castillo, *Member*

Members Absent: None

Approval of Minutes

1. Approval of the minutes from the Economic and Workforce Development Committee meeting on November 22, 2022.

Councilmember Rocha Garcia moved to Approve the minutes from the Economic and Workforce Development Committee meeting on November 22, 2022. Councilmember Bravo seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Bravo, Viagran, Rocha Garcia
Absent: Castillo

Councilmember Castillo entered the meeting at 10:17 AM after the minute vote was completed.

Public Comments

Reflected in Item 3.

Briefing and Possible Action on the following items

2. **Briefing and possible action on an Incentive Agreement for G.J. Sutton Project.** [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Assistant City Manager Lori Houston provided an update on the GJ Sutton Project Incentive Agreement with Texas Research and Technology Foundation (TRTF). She stated that the agreement was the second phase of the incentive projects with proposed incentives of \$3.5 million in public improvements with total costs of approximately \$7 million. She noted that the project would receive SAWS and other City waivers and reviewed the specifics of the agreement terms to include scope of work, wages, and objectives of the agreement. She stated that the project would be serviced by the Inner City Tax Increment Reinvestment Zone (TIRZ) and that the project would need to be completed within five years or the incentive funds would need to be returned back to the City. Assistant City Manager Houston stated that the project would be monitored by the Economic Development Department. She stated that the agreement would not include any tax rebates at this time but could be evaluated by the Committee at a later date depending on the tenant of the rehabilitated GJ Sutton Building.

Assistant City Manager Houston provided an overview of the Economic Development Incentive Fund (EDIF) strategic target industry per job grant requirements and associated wages. She also reviewed the fiscal impact to the Inner City TIRZ over the years of 2026 through 2030. She stated that staff recommended approval of the execution of the funding agreement and reviewed the timeline for execution which included City Council consideration in January 2023.

DISCUSSION

Councilmember Bravo asked for clarification on wage requirements for the funding agreement and the organization that took control of the building after renovations. Assistant City Manager Houston provided clarification between TRTF staff and then later incentives for wages to the company that occupied the building. Rene Dominguez, President of TRTF, discussed the objective for appropriate wages and industries that would bring that wage scale to the area. He also noted that the TRTF worked closely with the military research and development sector to establish jobs and economic development in the area.

Councilmember Rocha Garcia asked if the occupations and project would concentrate on specific job categories. Dominguez stated that TRTF would concentrate on biomedical or lab technology industry for the facility.

Councilmember Rocha Garcia asked if the current economic environment and increasing costs of interest rates would impact the project. Dominguez stated that higher interest rates would impact the project but that staff was working on contingency plans to address economic impacts. Councilmember Rocha Garcia asked if TRTF was working with SA Works to address workforce needs. Dominguez stated that discussions would be coordinated to discuss partnerships. Councilmember Rocha Garcia requested future reports on efforts and plans for the Internship

Program.

Councilmember Viagran expressed support for job growth in the City but wanted to make sure that construction of the facility did not greatly impact neighboring residents. She asked if there was a timeline for job creation. Assistant City Manager Houston stated that current “quiet recruitment” was occurring but once the Item was approved by City Council a full report would be provided on recruitment efforts.

Councilmember Viagran stressed that City Council communications on efforts was important reaching out to High Schools for possible recruitment of students in technical programs.

Councilmember Castillo stated that her support would be dependent on the minimum wage guidelines and asked if wages had been secured. Assistant City Manager Houston stated that TRTF had committed to those wage requirements which would be reflected in the contract.

Chair Pelaez asked what TRTF efforts were in military recruitment. Chief Executive Officer Randy Harig with TRTF provided clarification on TRTF efforts in the area of the military medicine sector and work with local military medical agencies in areas of medical research and technology. He noted continued discussions with the military leadership to bring in military tenants to the Sutton Building. Harig also discussed efforts with Communities in Schools to build future workforce for the military technology sector. Chair Pelaez noted his support for the Item and asked that consideration be made to expand Downtown Boundaries to include this facility within Innovation Zone.

3. Briefing on the Small Business Construction Mitigation Pilot Program. [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

Economic Development Assistant Director Ana Bradshaw provided an overview of the Small Business Construction Mitigation Program and funding associated with the Pilot Program. She reviewed the background on the impact of the COVID-19 Pandemic and economic strain on small businesses and spoke to previous and ongoing initiatives for COVID-19 assistance to businesses to include utility and rental assistance.

Bradshaw stated that the project scope included \$400,000 for construction mitigation and assistance for businesses impacted by City initiated road construction projects. She noted that staff conducted meetings to gain stakeholder input and reviewed feedback from those stakeholder meetings. Bradshaw reviewed the construction impact observations from small businesses. She reviewed other large City case studies which were considered in developing the City’s pilot programs.

Bradshaw spoke to the desired outcomes for the pilot program to include rebuilding trust with small businesses impacted by construction, enhanced economic sustainability and resiliency and managing City resources. She stated that the Small Business Advisory Commission (SBAC) supported the proposed tool kit and pilot program. Bradshaw provided specifics of pilot program funding to include communications, marketing/promotions, development of a small business tool kit and technology improvements related to construction impacts. She also reviewed the additional investments for the pilot program to include those from the Public Works Department and with

partner organizations such as LiftFund, SAGE, Prosper West and Southside First for communication and assistance efforts.

Bradshaw spoke to program outcomes and the implementation timeline for roll out and conducting of surveys with the first two project areas. She stated that staff would come back to the Committee in June 2023 with a status update.

PUBLIC COMMENT

Glenn Silbert, owner of Grunt Style, whose business had been impacted by construction on the Broadway Street corridor, noted his support of the Program. He stressed the need for accountability for the program and managers of the program and rebuilding of trust within the small business community.

Augustine Cortez Jr, owner of Augies BBQ, spoke to his concerns of the possible success of the pilot program and needs for small business assistance to those impacted by construction and economic impacts.

Bo Jean Lim, owner of Golden Star Cafe, spoke to the importance of assistance and support for businesses impacted by street construction projects. She stressed the need for communications and programs to assist small businesses.

Jeremy Roberts, former chair of the SBAC, stated his support of the work of the committee and stakeholders in the creation of the pilot program. He stressed the need for continued collaboration and a long term plan to meet the needs of impacted businesses.

Juanita Sepulveda, current Chair of the SBAC, stated that she was pleased with the efforts of the SBAC and stakeholders in providing input to the pilot program and stressed the need for small and long term goals and evaluation.

DISCUSSION

Chair Pelaez noted that the development of the program was beneficial but stressed long overdue to the current businesses impacted by construction and economic impacts. He stated that the Committee was committed to monitoring the program and providing a meaningful program for small businesses.

Councilmember Bravo thanked the business owners that took the time to speak to the Committee and noted the continued need for advocating for businesses impacted by economic impacts. He acknowledged business frustrations on meaningful support and he challenged his colleagues to develop programs and immediate action of programs. He noted his support of the pilot program for future needs but reiterated that current businesses who had been long impacted were still in dire need of assistance and the need to identify more programs to assist them.

Councilmember Castillo noted her concern for programs that already provided assistance to small businesses and the need for improved communications. Bradshaw stated that the pilot program

would create direct communications and marketing on behalf of the specific businesses. Councilmember Castillo stated that she wanted to discuss how TIRZ funding could be used to assist small businesses.

Councilmember Viagran stated that she felt that there was a disconnect between the SBAC and the EWDC and expressed concern of deliverable measures. She stressed that fiscal assistance to these businesses was direly needed and that a program needed to be developed to assist businesses in a meaningful way. She noted her support of the small business tool kit.

Councilmember Rocha Garcia thanked staff and SBAC members for their input on the program. She noted that there was always a need for funding to assist businesses and that she supported further discussion on review of the program. She stated that she was considering submittal of a Council Consideration Request (CCR) for Construction Company accountability and review. She expressed her concern that the City's previous actions resulted in anti-business stance which concentrated on street improvements without consideration of small business impact.

Councilmember Rocha Garcia requested future meetings to discuss direct fiscal assistance for small businesses.

Councilmember Bravo proposed that future construction companies be fined for late delivery or impact factors. Razi Hosseini, Public Works Director, stated that contract specifics would be addressed to assist small business during peak times and incentives for early completion of projects. Councilmember Bravo asked if particular project savings could be transferred to other projects needing additional funding to meet deadlines or early completion. Hosseini stated that staff continuously met with companies on the status of projects and coordinating completion. Councilmember Bravo stated that he supported Geographic Information Services (GIS) mapping of the project.

Councilmember Castillo clarified her request for consideration of TIRZ funding for direct assistance and one-time grant assistance.

Chair Pelaez noted the request of the Committee for immediate implementation of the program specifics and the need for assistance to small businesses. He asked for input on why businesses did not sign up for Ad-Hoc Committee Members to discuss communication needs. Former SBAC Chair, Jeremy Roberts, spoke to the factors for lack of volunteerism to the Ad-Hoc Committee and work of those that did volunteer and their outcomes. Chair Pelaez reiterated that the efforts of City staff and need for the programs and continued conversations for small business assistance programs.

Chair Pelaez asked Augustine Cortez for closing comments on the impact of construction projects and timeliness and planning of future street construction projects.

Assistant City Manager Lopez provided clarification on previous program restrictions and stressed that the City conducted surveys through the Ad-Hoc Committee and other community outreach by staff and stakeholder partners.

Chair Pelaez stressed the importance for City Councilmembers to appoint quality members to

committees who then provided meaningful input and effort to those committees.

No action was required for Item 3.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 11:58 PM.

APPROVED

Manny Pelaez, Chair

Debbie Racca-Sittre, City Clerk