



**CITY OF SAN ANTONIO
OFFICE OF THE CITY COUNCIL
COUNCIL CONSIDERATION REQUEST**

COSA - CITY CLERK
2023 JUL 07 PM 12:57:33

TO: Mayor and City Council
FROM: Councilman Jalen McKee-Rodriguez and Councilman Marc K. Whyte
COPIES TO: Erik Walsh, City Manager; Debbie Racca-Sittre, City Clerk; Andy Segovia, City Attorney; John Peterek, Assistant to the City Manager; Emily McGinn, Assistant to City Council
SUBJECT: Creation of a grant fund to aid small businesses effected by construction delays.
DATE: July 7, 2023

Issue Proposed for Consideration

I ask for your support for the inclusion of the following item on the agenda of the earliest available meeting of the Governance Committee:

Request City Staff to develop a construction mitigation grant program, included within the scope and budget of major City-initiated construction projects expected to negatively impact pre-existing small businesses.

Development of the program should involve stakeholder input to determine eligibility criteria and the scope/duration of projects that will warrant grants, length of time after receiving funds before regaining eligibility, as well as opportunities for financial and other support. Grant opportunities should, at minimum, consider payment of utility bills for the duration of construction and should also consider fiscal impacts of temporary business closures during time periods of significant revenue specific to certain businesses. Program development should also consider permanent funding sources, including, but not limited to, CPS revenue.

Brief Background

As the City of San Antonio makes much needed investments in long-neglected areas of town, businesses that have sustained themselves prior to construction projects will suffer economic hardships. It is a consequence of our own lack of investment that businesses have shut down as a result of ongoing construction projects.

Delays in infrastructure development can have significant impacts on small businesses and local economies, creating ripple effects that can impede growth and development. While construction is necessary and generally a public good, the preservation and sustainability of existing businesses should be a key priority in any adjacent construction project.



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Construction setbacks can result in long-term business deterioration. Prolonged road closures, or infrastructure damage, may affect services, access, and customer convenience. This reduces foot traffic or overall customer needs, and significantly affects small business revenue.

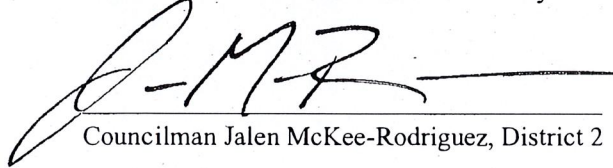
Smaller businesses generally operate on thinner cash flows and have less financial security. Consequently, any unexpected delays could exacerbate financial vulnerability, cause financial problems and, in the worst-case scenario, lead to the closure of the business.

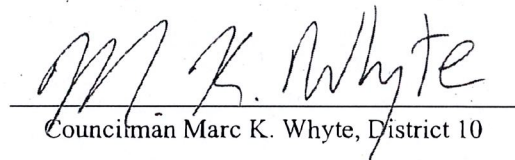
Uncertainty associated with long-term City infrastructure projects can make it difficult for small businesses to plan and make informed investment, inventory, and staffing decisions.

Financial assistance can help businesses absorb the unexpected costs of delays, keeping them operational. This ensures the preservation of local goods, services, and jobs. A grant, to include a utility fund, can act as a crucial lifeline for small businesses impacted by delayed infrastructure projects, supporting their survival, growth, and contribution to local economies.

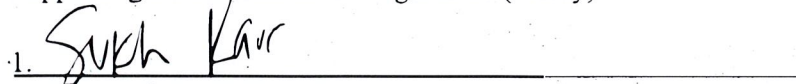
In fulfilling this request, City staff should seek feedback from stakeholders such as business owners who have experienced loss directly tied to construction and those businesses on corridors expected to undergo similar construction projects. Though we expect a final report on the impacts of our ARPA-funded construction grants, these funds are finite while the need for a program such as this will be ongoing. Eligible construction projects should be presented at a committee level to those that oversee transportation/mobility and/or workforce and economic development, as determined by the structure established by the sitting Mayor.

Submitted for Council consideration by:


Councilman Jalen McKee-Rodriguez, District 2


Councilman Marc K. Whyte, District 10

Supporting Councilmembers' Signatures (3 only)

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District

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3. 

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