



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 2

**Agenda Date:** April 10, 2024

**In Control:** City Council B Session

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**DEPARTMENT:** Economic Development Department

**DEPARTMENT HEAD:** Brenda Hicks-Sorensen

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Briefing on the Small Business Construction Support Grants Program.

**SUMMARY:**

This briefing will provide an update on the proposed Small Business Construction Support Grants program based on feedback provided by City Council at the B Session on February 28, 2024.

**BACKGROUND INFORMATION:**

As the City of San Antonio makes much-needed investments to improve streets, drainage, and other large infrastructure, local small businesses continue to be impacted. As a result, the City has dedicated significant resources to support the survival of pre-existing small businesses impacted by construction.

In FY 2022, City Council allocated \$17 million in American Rescue Plan Act (ARPA) funding towards the COVID Impact Grants Program. Grant applicants in 19 designated construction zones that met eligibility requirements could receive a \$10,000 construction impact grant supplement. A total of \$15.64 million was awarded to 524 small businesses. Of the 524 businesses, 135 received the additional \$10,000 construction impact supplement. The average grant award was \$29,942.

In FY 2023, City Council allocated \$2.45 million in ARPA funding to further help businesses navigate these challenges through the COVID/Construction Recovery Grants Program. A total of \$2.45 million was awarded to 91 small businesses. The average grant award was \$26,856.

Additionally, in FY 2023, City Council allocated \$400,000 to construction mitigation programs, which included: developing and distributing a construction toolkit; providing complimentary signage to affected businesses; targeted marketing support via social media influencers and City communication channels; and, hiring a dedicated team of Business Outreach Specialists who are responsible for proactively communicating with small businesses impacted by construction. An additional \$500,000 was allocated in FY 2024 to continue and expand the services being offered to impacted businesses. New programs include the Buy Local Savings Pass, free digital consulting services, and subsidized memberships with Visit San Antonio.

A Council Consideration Request was filed by Councilmembers Jalen McKee-Rodriguez (District 2) and Marc K. Whyte (District 10) and \$1.4 million of ARPA funds were identified to fund a potential financial assistance program. Economic Development Department (EDD) staff were requested to identify options to provide financial assistance to pre-existing small businesses impacted by City-initiated construction projects to support their survival, growth, and continued contribution to local economies.

Most recently, staff briefed Council at B Session on February 28, 2024, on a proposed grant program. Councilmembers proposed changes to the eligibility and scoring criteria that were presented, such as prioritizing microbusinesses and including a cap on personal net worth as a criterion for eligible business owners applying for grants.

#### **ISSUE:**

Staff will brief the City Council on the potential impacts of suggested changes to eligibility criteria on the proposed grant program for small businesses with store front operations (i.e., a retail or service business that depends on in-person traffic for typical operations) within commercial corridors where major, City-initiated construction projects are underway.

Staff will begin by summarizing recommended changes proposed by Councilmembers and the potential impacts of those changes on program administration, cost, and/or timeline. The briefing will include staff's recommendation regarding program eligibility and scoring criteria, and an overview of next steps.

#### **ALTERNATIVES:**

This item is for briefing purposes only.

#### **FISCAL IMPACT:**

This item is for briefing purposes only.

**RECOMMENDATION:**

This item is for briefing purposes only.