

# **Second Stage Grant Program Update**



**City Council A Session  
Agenda Item #20  
March 21, 2024**

**Brenda Hick-Sorensen, Director, Economic Development**

# Background

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## What is a Second Stage Business?

For this grant program, the definition of a second stage business is from the Edward Lowe Foundation, which defined a second stage business as:

- A for-profit privately owned business
- Garners between \$1m and \$50m in revenue annually
- Has between 10 and 99 employees
- Export-oriented business with intent to grow local market presence regionally, nationally, and/or internationally.

# Purpose of Funding

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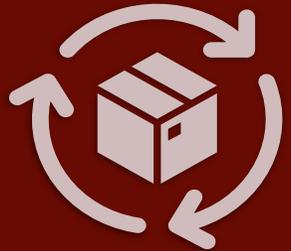
Support San Antonio-based companies that intend to make investments to expand locally and regionally, as identified via a written growth strategy submitted with the company's application.

- Up to \$50,000 per company based upon companies' needs, commitments, and leveraged resources.
- Capped at \$500,000 in total program awards

# Eligibility Criteria

- Must be a Second Stage business headquartered in San Antonio and remain so for one year from award date;
- Must provide documentation demonstrating company growth in employment and/or revenue in two of the past five years;
- Full-time positions must pay a minimum of \$17.50 per hour;
- Must offer workers' compensation and provide healthcare benefits package for all full-time employees; and
- Three-year compliance reporting, including required survey responses.

# Written Growth Plan Criteria



Growth Plan Strategies must include one or more of the following:

- Market Development;
- Product Strategy/Development; and/or
- Diversification.



3-yr Written Growth Plan:

- A description of expansion opportunities
- Financial goals broken down by year
- A marketing plan of how company will achieve growth
- A financial plan consisting of current assets and what capital is accessible during growth
- A breakdown of company's staffing needs and responsibilities

# Second Stage Grant Program Recommendation Summary



Company	Company Background	Growth Project Summary	Council District
<b>Laredo Technical Services, Inc.</b>	Talent acquisition firm specializing in healthcare and office administration	Funds will support the creation of a Business Manager position.	9
<b>Optimized Technical Solutions, Inc.</b>	Federal contractor specializing in cybersecurity, software development, and cloud services.	Funds will support product development for a federal contract pertaining to talent and workforce training.	1

Total Recommended Funding: \$50,000 per applicant

Total Remaining Program Funds: \$400,000



# Fiscal Impact

- Funding for the two (2) \$50,000 Second Stage Grant Agreements is available from the FY 2024 Economic Development Incentive Fund (EDIF)
- Total EDIF Awards: \$100,000



# Recommendation

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- Approval of an ordinance authorizing two (2) EDIF grant agreements:
  - Laredo Technical Services, Inc.
  - Optimized Technical Solutions, Inc.

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