



**San Antonio Economic Development Corporation (SAEDC)
Board Meeting Minutes
City Hall – Council Briefing Room
Monday, June 13, 2022, 11:00 AM**

BOARD MEMBERS PRESENT:

Mayor Ron Nirenberg, President
Councilmember Manny Pelaez, Vice-President
Councilmember Melissa Cabello Havrda, Council District 6
City Manager Erik Walsh, Secretary
Erika Moe, At-Large Citizen
Dr. Christine Burke, At-Large Citizen

STAFF, OUTSIDE COUNSEL, and COMMUNITY MEMBERS PRESENT:

Dr. Corey Levenson, San Antonio Military Medical Innovation Director, SAEDC
Alejandra Lopez, Executive Director, SAEDC
Brenda Hicks-Sorensen, Director, Economic Development Department, City of San Antonio
Ana Bradshaw, Assistant Director, Economic Development Department, City of San Antonio
Michael Sindon, Administrator, Economic Development Department, City of San Antonio
Ben Rickelman, Economic Development Manager, Economic Development Department, City of San Antonio
Shuchi Nagpal, Economic Development Manager, Economic Development Department, City of San Antonio
Margaret Toscano, Economic Development Manager, Economic Development Department, City of San Antonio
Alondra Ramirez, Economic Development Coordinator, Economic Development Department, City of San Antonio
Christina Ramirez, City Attorney, City Attorney's Office, City of San Antonio

AGENDA ITEM #1: CALL TO ORDER.

Mayor Nirenberg called meeting to order at 11:10 AM and six (6) members were present meeting the requirement for quorum.

AGENDA ITEM #2 (ACTION): APPROVAL OF MINUTES OF THE SEPTEMBER 13, 2021, SAEDC BOARD OF DIRECTORS MEETING.

Mayor Nirenberg moved to Item 2. He entertained a motion for approval. Councilmember Cabello Havrda made the motion which was seconded by Councilmember Pelaez. With no further discussion, the motion passed unanimously.

AGENDA ITEM #3 (ACTION): ACTION TO APPROVE THE SAEDC FY2021 ANNUAL REPORT.

Mayor Nirenberg moved to Item 3. He called Executive Director Lopez for a presentation of the Annual Report highlights. Mayor Nirenberg entertained a motion for approval. Councilmember

Cabello Havrda motioned for approval and Councilmember Pelaez seconded. The motion passed unanimously.

AGENDA ITEM #4 (ACTION): Resolution to approve a Funding Agreement for \$600,000 with the City of San Antonio, for the establishment and implementation of a Contractor Capacity Building & Bonding Assistance Program, to approve an amendment to the fiscal year 2022 San Antonio Economic Development Corporation budget, and to authorize the execution of a Professional Service Agreement with Alamo Surety Bonds in an amount not to exceed \$100,000 for Program administration services

Mayor Nirenberg called for a presentation from Ms. Bradshaw on the Capacity Building and Bonding Assistance Program (“Program”), which was provided.

Mayor Nirenberg entertained a motion for approval. Councilmember Pelaez motioned, and Councilmember Havrda seconded. Mayor Nirenberg asked if there were any questions. Councilmember Pelaez asked Executive Director Lopez to confirm that she was confident the Program would be successful. Executive Director Lopez confirmed she was.

Councilmember Cabello Havrda expressed concern that Alamo Surety Bonds (“Alamo”) had a lower evaluation score in the “Experience, Background, Qualifications” section, as compared to Merriweather & Associates, and asked for clarification on the decision-making process. Ms. Bradshaw shared that Alamo Surety Bonds received a lower score because they haven’t stood up an independent program like this before but stated that they do have experience consulting with TXDOT. Ms. Bradshaw also stated that while Merriweather & Associates has experience working with LA County, Alameda County, and San Francisco, but they do not have experience in the state of Texas.

Councilmember Cabello Havrda asked what guidance Alamo Surety Bonds would receive in starting up this program. Ms. Bradshaw shared that the Economic Development Department (EDD) Small Business Team has already started meeting with Alamo Surety Bonds to prepare for Program implementation and that staff is committed to taking a hands-on approach.

Dr. Burke asked why if it is a problem that small businesses take on small contracts and if this Program addressed the problem of medium-sized companies not bidding for larger contracts. Ms. Bradshaw clarified that the Small Business Administration (“SBA”) defines small businesses in contracting as businesses that earn \$38 million in gross receipts. Ms. Bradshaw explained that they see it as a progression in growing the smallest companies, that may only be doing sub-contracting work with the City, into prime contractors. Ms. Bradshaw shared that the long-term goal is to help those businesses that want to grow so that they can compete with larger non-certified businesses.

Dr. Burke then asked if the plan was for businesses to go through a training program to be eligible. Ms. Bradshaw affirmed that after an assessment that identifies the business’s gaps, Alamo Surety Bonds would work to identify what training they would need to undergo, which could include a course with Alamo Colleges with which there is a close partnership through the City’s Mentor Protégé Program.

City Manager Walsh asked what the plan of attack was for going back to the banks, whom the team originally had conversations with, to match the revolving fund to convert the \$500,000 funding into \$2.5 million. Ms. Bradshaw stated that the banks initially wanted more substance regarding to the Program. She stated that they decided to go ahead with the pilot to document Program substance to go back to the banks and show why this is worth investing in.

Councilmember Pelaez asked which banks. Ms. Bradshaw stated they originally met with the larger banks in San Antonio. Councilmember Pelaez asked if Ms. Bradshaw would welcome conversations with the smaller banks, which he described as hungrier for this investment. Ms. Bradshaw affirmed that she would.

City Manager Walsh recalled that Bexar County allocated money to create a similar program last fall and asked if Ms. Bradshaw had approached the County during this effort. Ms. Bradshaw clarified that the County program still does not have a concrete funding allocation from the Commissioner's Court. Ms. Bradshaw stated that while there were internal conversations on partnering with the County, the City wanted to begin this pilot Program now, and then work toward scaling regionally. Ms. Bradshaw stated that they would continue to keep the County engaged.

Ms. Moe asked for confirmation that the legal team had reviewed the SAEDC state statutes to administer this Program. Executive Director Lopez confirmed the legal team reviewed the statute.

Mayor Nirenberg shared that he was in favor of the pilot Program as it would give us an opportunity to assess how large the support needs to be in growing small businesses, which is one of the SAEDCs foundational economic goals. He stated that we want to make sure that if the Program gets maxed out, we have the capacity to support more.

Mayor Nirenberg stated he is looking forward to more additional creative conversations about the mission of this organization and the use of the tool to gain a more effective impact. He concluded by saying he is glad we are doing this.

There were no further questions and the motion passed unanimously.

AGENDA ITEM #5 (INFORMATIONAL): EXECUTIVE DIRECTOR'S REPORT.

Mayor Nirenberg called on Executive Director Lopez to give the Director's Report. Executive Director Lopez began by highlighting the San Antonio Military Medical Industry Day, which was not held the past two years, but we did have it this year. She stated that it started with a couple mini symposiums that Dr. Levenson and VelocityTX co-hosted to drum up interest and support. She stated that for the event in April, there were over 400 people registered and 232 attended the event in person. She stated that there is interest in these kinds of events and that it remains after the pandemic.

Executive Director Lopez then stated that as far as the SAEDC is concerned and having just heard a briefing on other potential uses for how the SAEDC can be used for economic development, they are going to continue to explore the avenues the SAEDC can use via the EDD strategic planning process that is currently underway.

Executive Director Lopez asked if there were any other questions after concluding the report. Dr. Burke asked for clarification on who is doing the EDD strategic planning process. Executive Director Lopez responded that EDD was going through the strategic planning process which would identify goals, as well as tools to accomplish goals, such as the SAEDC.

City Manager Walsh added that the SAEDC was created to organize for a very specific opportunity that we had and that we remain within that area. He recalled previous SAEDC conversations over the last year which emphasized the possibilities for leveraging the SAEDC for more citywide initiatives beyond its current application in military medicine and biomedicine company investment. He mentioned the opportunity for SAEDC to spread across the City including in the areas of property development, and the recruitment and retention of businesses and programs. He described the SAEDC as a tool that we should be using for the City to assist with Council in vetting. He also stated that SAEDC gives us access to tools we don't normally have at our disposal as a City.

Mayor Nirenberg added that we haven't been using the SAEDC to its full capacity and City Manager Walsh agreed.

Dr. Burke asked if there were any plans to increase funding and leverage federal money to promote business growth in the City. City Manager Walsh recommended for Ms. Hicks Sorensen, who is in the middle of the EDD strategic plan, to provide a briefing to the SAEDC in mid-summer or early-fall.

Mayor Nirenberg added that the work EDD is performing looks at the wholistic economic development mission, and that the SAEDC is one piece of it that is hopefully moving the ball forward. He agreed that that is a conversation that should be had.

AGENDA ITEM #6 (INFORMATIONAL): EXECUTIVE SESSION.

Mayor Nirenberg read into executive session at 11:44 AM.

Councilmember Pelaez left at 11:59 AM.

Mayor Nirenberg brought back into regular meeting at 12:25 PM. No official action was taken.

AGENDA ITEM #7: MEETING ADJOURNMENT.

Mayor Nirenberg adjourned the meeting at 12:25PM.

APPROVED:

City Manager Erik Walsh
Secretary, San Antonio Economic Development Corporation