

ECONOMIC DEVELOPMENT STRATEGIC PLAN



CITY OF SAN ANTONIO, TEXAS



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AGENDA

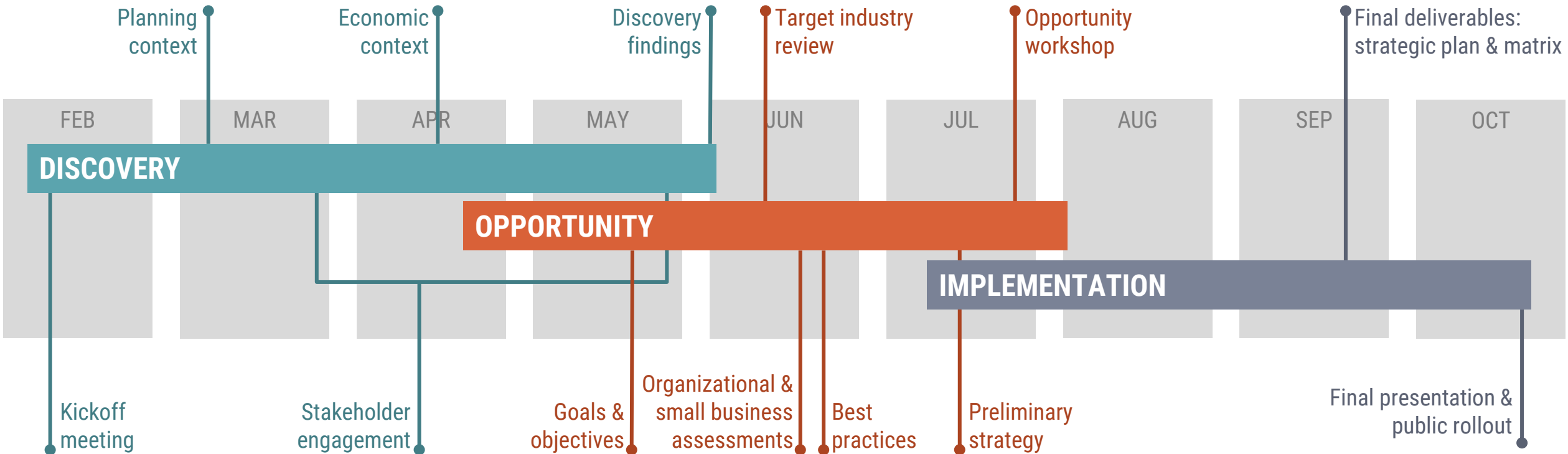
- ▶ Project Update
- ▶ Planning Context
- ▶ Plan Framework
 - ▶ Innovation & Industry
 - ▶ Placemaking & Real Estate
 - ▶ Talent & Workforce
 - ▶ Capacity & Resources



PROJECT UPDATE



SCHEDULE



NOTE: TIP has a production process that should be factored into timelines for the development of deliverables. This process includes professional proofreading and design. The time required for production may vary based on the type of deliverable, planned uses and audiences, and amount of content.

WHAT INFORMS THE STRATEGIC PLAN?



WHAT YOU TELL US

- ▶ Meetings with community leadership and staff
- ▶ Focus group discussions
- ▶ Stakeholder interviews, surveys, and workshops



WHAT THE DATA TELL US

- ▶ Economic assessment
- ▶ Benchmarking vs. competitors and peer cities
- ▶ Cluster and target industry analysis



WHAT OUR EXPERIENCE TELLS US

- ▶ Strategies and initiatives
- ▶ Best practices
- ▶ Trends in economic development

PLANNING CONTEXT



COVID-19 Impacts and Acceleration of Existing Trends



INDUSTRIAL DEVELOPMENT

Several factors are contributing to the unprecedented demand for industrial space

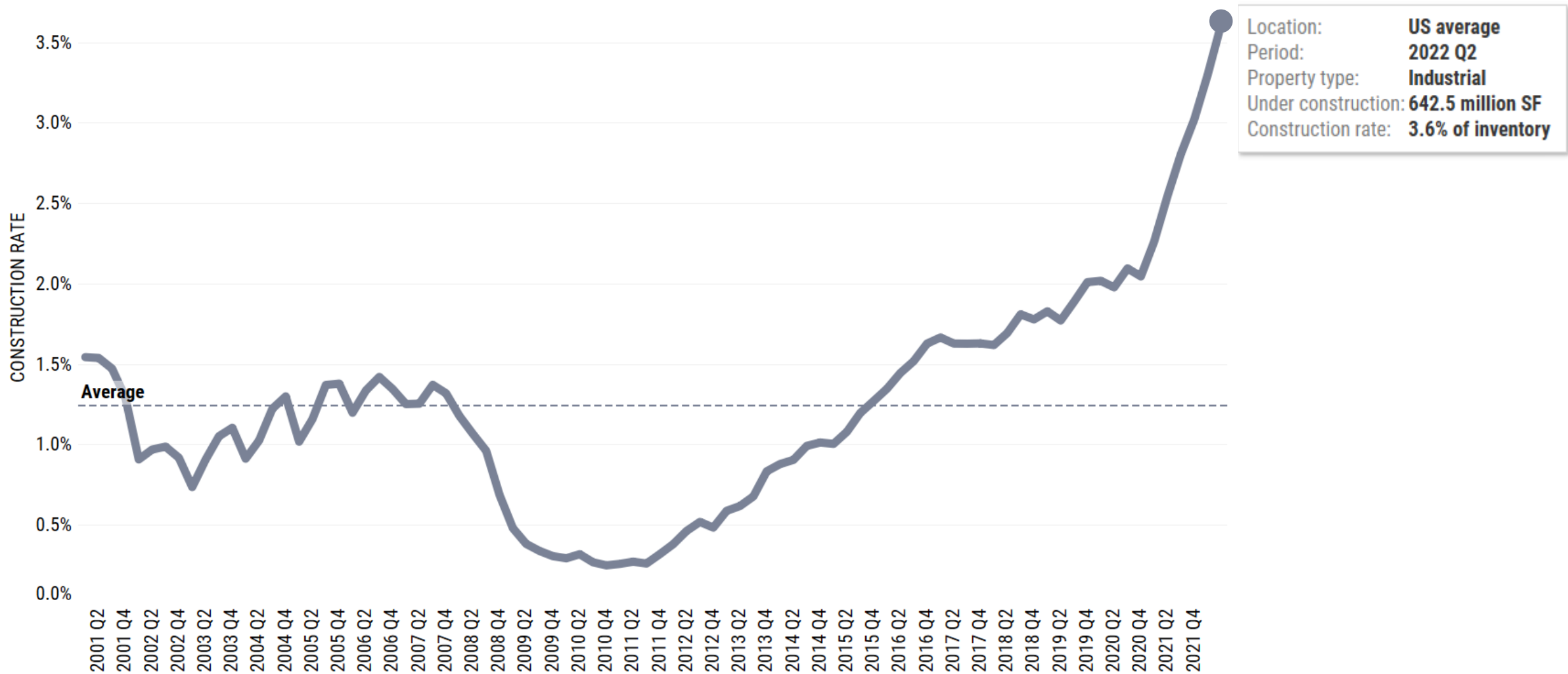
- ▶ Supply chain restructuring driven by trade policy (tariffs and protection of national industries)
- ▶ Vertical integration of multiple industries
- ▶ JIT delivery model (warehousing and logistics)
 - ▶ Cold storage
 - ▶ Data centers

The US economy is in a new “golden age” of industrial development.



US INDUSTRIAL CONSTRUCTION RATE

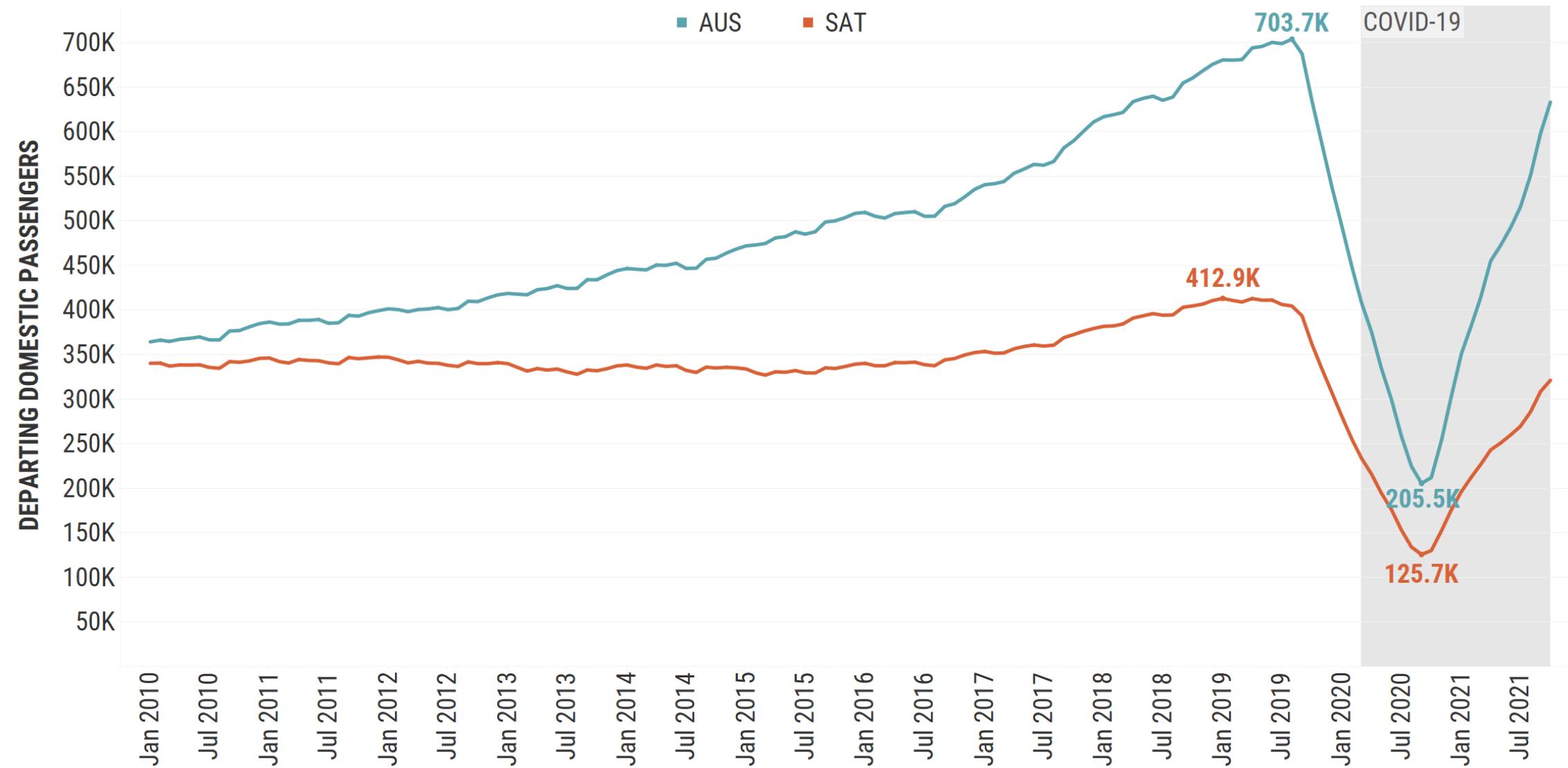
Industrial space underway as a percentage of existing inventory, 2001 Q2 through 2022 Q2



Source: CoStar
Notes: Industrial construction rates are calculated based on square feet.

AIRPORTS AS ECONOMIC DEVELOPMENT DRIVERS

SAT's airport expansion is critical



Source: US Bureau of Transportation Statistics, T-100 Segment Reports for All Carriers; TIP Strategies, Inc.
Notes: Only includes scheduled passenger flights, non-scheduled civilian passenger flights, and destinations with at least 100 annual passengers.

STRATEGIC INDUSTRY CLUSTERS

1. RESEARCH

QUANTITATIVE

Traditional industry analysis completed during the Discovery phase

QUALITATIVE

Review of anchors and assets that provide regional competitive advantage

STRATEGIC

Understanding of emerging trends and patterns that influence future investments

2. STRATEGIC GROWTH AREAS



IT SECURITY & INFRASTRUCTURE



MOBILITY



SUSTAINABLE ENERGY



CORPORATE SERVICES



BIOSCIENCE ANCHORS & CATALYSTS

3. REAL-TIME UNDERSTANDING

ANALYSIS OF JOB POSTINGS

To determine real-time in-demand occupations and specialized skillsets unique to each target in (near) real-time

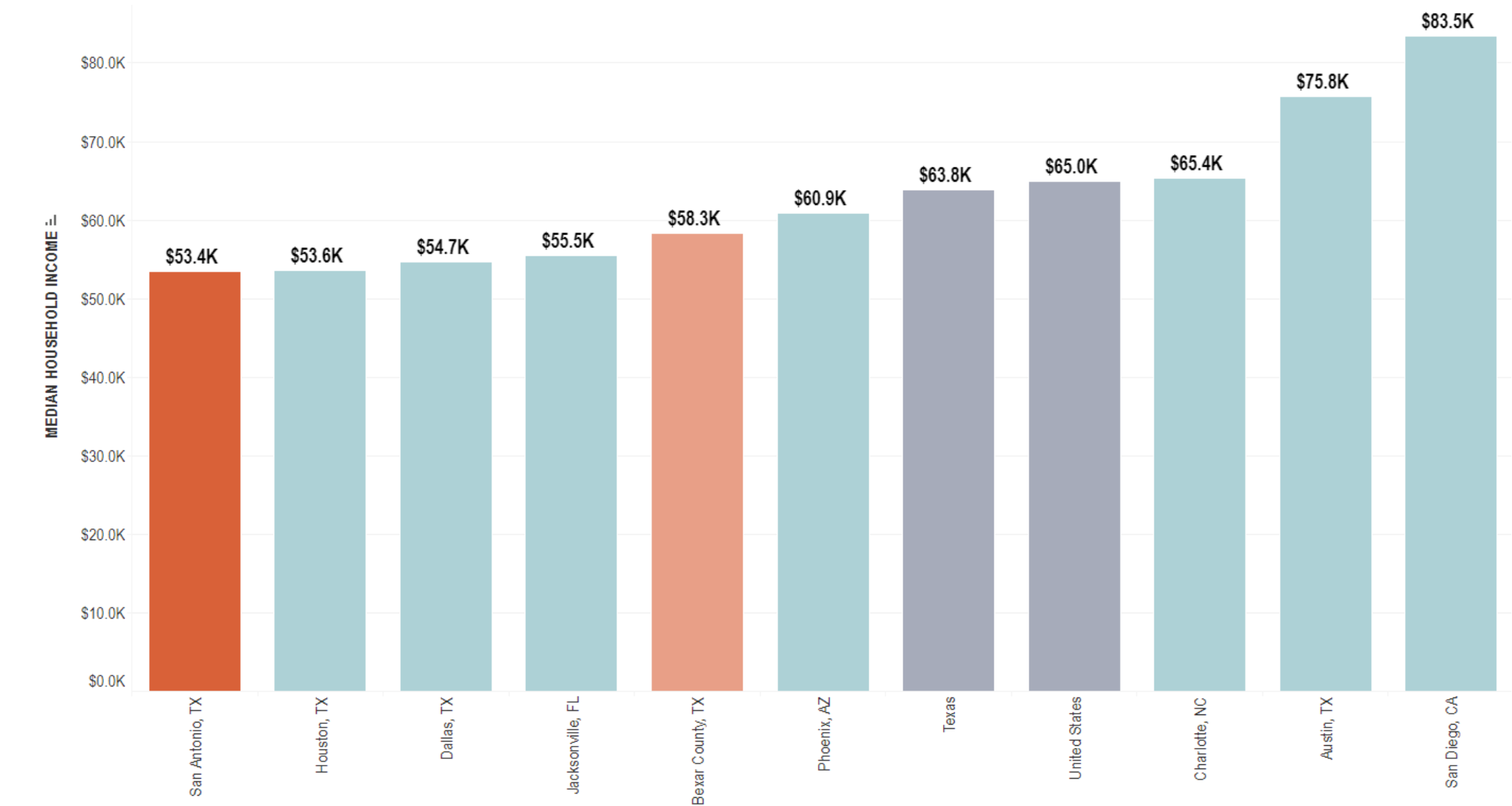
4. WORKFORCE FOCUS

ANALYSIS OF TALENT

To determine local workforce capacity and readiness for the top occupations of each target

A LEGACY OF LOW-WAGE WORK

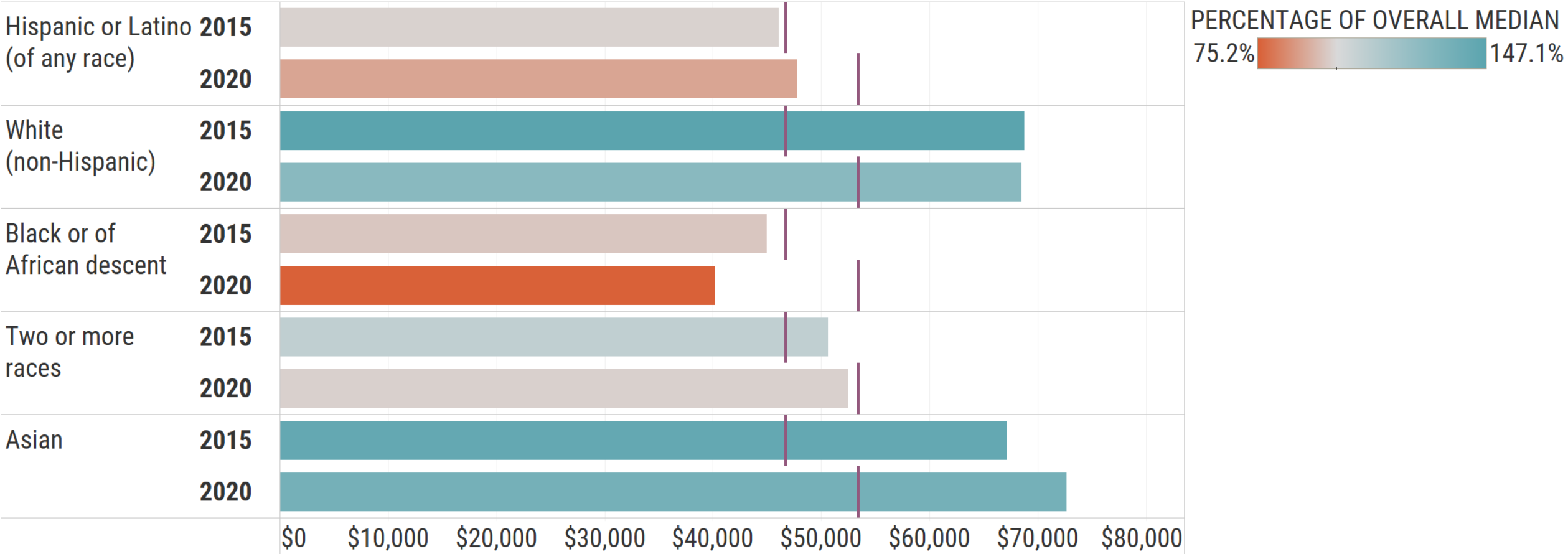
San Antonio has the lowest median household income (\$53,400) compared to peer cities



Source: American Community Survey, 2020 5-year sample; TIP Strategies, Inc.

WORSENING DISPARITIES ACROSS RACIAL AND ETHNIC GROUPS

Median incomes vary drastically in San Antonio



Source: American Community Survey, 2015 and 2020 5-year samples; TIP Strategies, Inc.

Notes: Overall median household income is shown by the violet bars. All median household income values are in inflation-adjusted 2020 dollars. The US Census Bureau categorizes Hispanic or Latino as an ethnic group rather than a race. The "Hispanic or Latino" group includes all races; the "White (non-Hispanic)" group excludes Hispanics or Latinos. The remaining groups do not distinguish between ethnicities, so Hispanics and Non-Hispanics may both be included. Other racial groups are excluded from this analysis due to small sample size and to conserve space. These data are based on self-identification and reflect a social definition of race/ethnicity.

PLAN FRAMEWORK



PLAN OVERVIEW

PLAN OBJECTIVE

To position the City on the path toward a **more resilient economy**, to provide direction on **competing with national and global peers**, and to specifically **define the role EDD** should play in that effort

GUIDING PRINCIPLES



ECONOMIC HEALING

Bolster all neighborhoods and engender economic healing



RESILIENCE

Position the City on path toward a resilient economy



INVESTMENT & GROWTH

Cast vision to drive investment and growth



TAX BASE

Increase tax base and wealth of residents and businesses in equitable manner



EQUITY

Ensure that strategies are approached through an equity lens

GOALS

1

INNOVATION & INDUSTRY

- 1.1 Business Development
- 1.2 Small Business
- 1.3 Entrepreneurship

2

PLACEMAKING & REAL ESTATE

- 2.1 Place-based Development
- 2.2 Culture & Amenities
- 2.3 Infrastructure

3

TALENT & WORKFORCE

- 3.1 Workforce Development
- 3.2 Talent Retention & Attraction
- 3.3 Wraparound Support

4

CAPACITY & RESOURCES

- 4.1 Tools
- 4.2 Partnerships
- 4.3 EDD Staffing

GOAL 1. INNOVATION & INDUSTRY

Retain, expand, and attract businesses within each strategic industry cluster, provide more effective small business support, and facilitate innovation-centric entrepreneurship.

1.1. BUSINESS DEVELOPMENT

1.1.1. Business Retention & Expansion

1.1.2. Business Attraction

1.1.3. Business Intelligence

1.1.4. Marketing

1.1.5. Foreign Direct Investment

1.2. SMALL BUSINESS

1.2.1. SBEDA

1.2.2. Business Development Organizations

1.2.3. Financing

1.2.4. Buy Local

1.3. ENTREPRENEURSHIP

1.3.1. Capital

1.3.2. Entrepreneurial Support Organizations

1.3.3. Reverse Pitch Competition

1.3.4. Youth Entrepreneurship

1.3.5. R&D and Commercialization

1.1. BUSINESS DEVELOPMENT. Retain and expand San Antonio's existing employer base and attract domestic and international business operations within the strategic industry clusters.

- 1.1.1. Business Retention & Expansion.** Expand the City's business retention and expansion (BRE) efforts focused on the five strategic industry clusters, with greater:SATX servicing major employers and EDD enhancing the competitiveness of mid-size companies that are eager to grow.
- 1.1.2. Business Attraction.** Assist greater:SATX in targeting domestic and international firms within the strategic industry clusters for business attraction because of each cluster's strong support for significant new investment and employment growth in San Antonio.
- 1.1.3. Business Intelligence.** Bolster competitiveness by enhancing EDD research capabilities on business intelligence.
- 1.1.4. Marketing.** Expand marketing efforts to increase San Antonio's presence at the national and international level.
- 1.1.5. Foreign Direct Investment.** Position the City of San Antonio as a rising international city to increase foreign direct investment (FDI) and export activities, building off the Metro Priority Plan.

GOAL 2. PLACEMAKING & REAL ESTATE

Accelerate place-based real estate development projects that create quality spaces for new jobs and investment in San Antonio's regional centers and neighborhood economic nodes.

2.1. PLACE-BASED DEVELOPMENT

2.1.1. Regional Centers

2.1.2. Community Areas

2.1.3. Corridors

2.1.4. Land Banking

2.1.5. Innovative Financing

2.2. CULTURE & AMENITIES

2.2.1. Community Heritage

2.2.2. Arts and Culture

2.2.3. Outdoor Amenities

2.2.4. Tourism

2.3. INFRASTRUCTURE

2.3.1. Airport

2.3.2. Transportation

2.3.3. Utilities

2.3.4. Resilient Systems

2.1. PLACE-BASED DEVELOPMENT. Drive place-based initiatives to stimulate business development, placemaking, redevelopment, and revitalization in regional centers, community areas, and corridors identified as having the greatest need and greatest economic potential for targeted efforts, using the San Antonio Economic Development Corporation (SAEDC) as a hub for funding.

- 2.1.1. Regional Centers.** Target a diverse array of real estate development in San Antonio's major regional centers to support business development.
- 2.1.2. Community Areas.** Focus culturally rooted placemaking within specific community areas identified as having the greatest need for targeted economic development.
- 2.1.3. Corridors.** Invest in redevelopment along aging commercial corridors to help re-envision low-density commercial zones as more dense, walkable, livable, mixed-use areas with the potential to attract new private sector investment that aligns with market opportunities.
- 2.1.4. Land Banking.** Launch a land banking project to identify and facilitate investment and job growth, with an emphasis on using publicly owned land prime for redevelopment or infill opportunities.
- 2.1.5. Innovative Financing.** Expand the use of innovative financing options to attract investments.

GOAL 3. TALENT & WORKFORCE

Ensure San Antonio residents have accessible pathways to well-paying jobs and employers have access to a robust pipeline of talent.

3.1. WORKFORCE DEVELOPMENT

3.1.1. Ready to Work

3.1.2. Training

3.1.3. Higher Education

3.1.4. Underserved Populations

3.2. TALENT RETENTION & ATTRACTION

3.2.1. Young Professionals

3.2.2. Military Personnel

3.2.3. Remote & Hybrid Workers

3.2.4. Targeted Talent Attraction

3.3. WRAPAROUND SUPPORT

3.3.1. Housing

3.3.2. Transit

3.3.3. Broadband

3.3.4. Child Care

3.3.5. Health

3.2. TALENT RETENTION & ATTRACTION. Grow and reinforce San Antonio's talent base through retention and attraction programs.

- 3.2.1. Young Professionals.** Develop strong ties to the community by engaging local students and young professionals in talent retention programs, such as Alamo Fellows and the San Antonio Chamber of Commerce's Leadership San Antonio program.
- 3.2.2. Military Personnel.** Work with the Military & Veterans Affairs Office to connect military personnel and military families to local training and employment opportunities.
- 3.2.3. Remote & Hybrid Workers.** Retain remote and hybrid workers currently residing in San Antonio, ranging from tech workers at major companies like USAA to freelancers and entrepreneurs working from home.
- 3.2.4. Targeted Talent Attraction.** Launch new marketing efforts and initiatives (e.g., networking and resources to better connect talent to each other, to events, and to unique amenities in the City) that promote San Antonio to several targeted audiences.

GOAL 4. CAPACITY & RESOURCES

Align the City's economic development tools around strategic growth and coordinate with local organizations on shared goals and actions that benefit San Antonio as a whole.

4.1. TOOLS

4.1.1. SAEDC

4.1.2. Incentives

4.1.3. TIRZ

4.1.4. Bonds

4.2. PARTNERSHIPS

4.2.1. greater:SATX

4.2.2. Other External Partners

4.2.3. Interdepartmental
Collaboration

4.3. EDD STAFFING

4.3.1. Business Retention
& Expansion

4.3.2. Placemaking

4.3.3. Research

4.1. TOOLS. Leverage the City's economic development tools to drive comprehensive and strategic investment and growth across City departments.

- 4.1.1. **SAEDC.** Repurpose the SAEDC to serve as the real estate and place-based development hub and appropriate additional annual funding to the SAEDC to facilitate this work.
- 4.1.2. **Incentives.** Target and align incentive tools (e.g., fee waivers, zoning policy changes, tax abatements) to encourage business growth within the five strategic industry clusters.
- 4.1.4. **TIRZ.** Work with Neighborhood and Housing Services Department to explore opportunities to amplify the benefits of Tax Increment Refinancing Zones (TIRZ) for place-based development and redevelopment beyond housing projects.
- 4.1.5. **Bonds.** Begin to set up the next bond package in 2027 to elevate projects that impact economic development goals and strategies of this plan.

CAPACITY & RESOURCES *Align local leadership and utilize existing and new funding from both public and private sources to facilitate explosive growth.*

INITIATIVES & ACTIONS	LEAD ORGANIZATION	SUPPORTING PARTNERS	ONGOING	TIMELINE			STATUS	KEY ACCOMPLISHMENTS / NOTES
				SHORT (1-2 YRS)	MEDIUM (3-5 YRS)	LONG (6-10 YRS)		
5. ENHANCE THE EFFECTIVENESS OF EXISTING INCENTIVES AND CREATE NEW INCENTIVES TO ENCOURAGE BUSINESS GROWTH AND TO FACILITATE DEVELOPMENT AND REDEVELOPMENT.								
5.3. Create new Allen County incentive tools.								
5.3.1. Create a façade grant program for Main Streets and downtown areas in unincorporated and rural communities.	County	GFW, FW		■				
• Work with the Northeast Indiana Regional Coordinating Council to create additional grant and community development assistance to unincorporated and rural communities in Allen County.	County	NIRCC, GFW, FW		■	■			
5.3.2. Create a more streamlined permitting process for broadband internet infrastructure.	County	GFW, FW		■	■			
• Adopt a more efficient permitting process than the current parcel-by-parcel approach.	County	GFW, FW		■	■			
• Waive fees associated with broadband infrastructure development.	County	GFW, FW		■	■			
5.3.3. Create a site assessment and preparation fund to jumpstart development of new sites for industrial projects (similar to AEP's Quality Sites Program).	County	GFW, FW, AEP		■				
5.3.4. Develop a policy to determine City of Fort Wayne and Allen County participation on large-scale economic development projects (such as projects with at least \$100 million of capital investment, and with jobs paying above prevailing wage rates) to create a more standardized City/County local incentive agreement.	GFW	FW, County		■				
5.3.5. Create targeted incentives (tax increment financing and 100 percent, 10-year tax abatements) in designated portions of the County that mirror the City's SEED incentives.	County	SEED, FW, GFW	■					
• Include local income taxes paid within a designated tech park or industrial park to further incentivize high-paying jobs through investment in infrastructure (including telecommunications), workforce training, and investment in R&D, engineering, and advanced manufacturing.	County	GFW, FW	■					
5.3.6. Create a local match for the state's Next Level Jobs employer training grant.	County	FW, GFW		■				

QUESTIONS?

THANK YOU



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