



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 3

Agenda Date: November 22, 2022

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing and possible action on FY 2023 business development organization partner agreements for San Antonio for Growth on the Eastside (SAGE), Westside Development Corporation (dba Prosper West San Antonio), and Southside First Economic Development Council (Southside First).

SUMMARY:

This briefing will provide an overview of the FY 2023 accomplishments and update on the FY 2023 goals and reporting metrics for local business development partner organizations: SAGE, Prosper West, and Southside First. Business development organization partners promote essential economic development support, provide community leadership in their respective geographical areas, and contribute to the city-wide small business ecosystem. Funding for these organizations was approved as part of the FY 2023 General Fund Budget and associated contracts will be presented for City Council consideration in December 2023.

BACKGROUND INFORMATION:

The business development partner organizations are geographically dispersed through San Antonio, each with unique service areas. The organizations work to provide direct, hands-on assistance to small businesses in the form of technical assistance, workshops, and referrals to other small business support organizations. In addition, Prosper West and SAGE provide direct financial assistance to small business through the Prosper West Loan and Grant Program and the SAGE Storefront Grants program.

EDD assumed management of the partner agreements in FY 2021 and executed new contracts that reflected each partner's individual mission with the aim of improving the quality of life of individuals, families, neighborhoods, and businesses in each of their geographical regions with a focus on each partners' small business outreach and technical assistance efforts. Annual funding for these agreements is comprised of a combination of funds from the General Fund and Economic Development Incentive Fund (EDIF) as follows:

- SAGE
 - General Fund: \$258,668 Operations Support
 - EDIF: \$100,000 Storefront Grants Program
- Prosper West
 - General Fund: \$258,668 Operations Support
 - EDIF: \$100,000 Loan and Grants Program
- Southside First
 - General Fund: \$100,000 Operations Support

Recognizing a need to identify and track key outcomes, the agreements were amended for FY 2022 to identify goals and metrics for each partner's programs. They also introduced the requirement for an outcomes report that included success stories and data tracking metrics that demonstrated program impact on participants served. Target goals were included to record technical assistance, financial assistance, referrals, and small business workshops.

In addition to this work, recently the partner organizations played a key role in the outreach and technical assistance efforts for the COVID Impact Grants Program funded through the American Rescue Plan Act (ARPA). Collectively, partners reached out to over 5,000 businesses and provided technical assistance via email, phone or in-person to 313 grant applicants.

ISSUE:

The proposed agreements for FY 2023 reflect a shift in scope and includes enhancements to better align the work of the organizations with the Economic Development Department's Strategic Framework and ARPA Small Business Implementation Plan, and reflect improvements to services for small businesses. The FY 2023 agreements focus on the following goals:

- Identify and address barriers to create opportunities;
- Increased opportunity and access to capital;
- Coordinate a sustainable small business ecosystem;
- Support of placemaking efforts and identify future opportunities; and
- Serve as a trusted resource partner, liaison, and advocate for the City.

The equitable outcomes expected from the established performance metrics will be measured via follow-up surveys at intervals of six (6), eighteen (18) and thirty-six (36) months. The surveys will be developed in partnership with a local institution of higher learning collaboratively with partner organizations. Survey creation and logistics will be mutually agreed to by both parties no later than on June 30, 2023. Survey metrics will report on the following outcomes:

- Businesses in the hardest-to-reach areas and most historically underserved have increased opportunity
- Economic recovery and growth
- Economic stability
- Improved economic resiliency, well-being and opportunity for growth
- Increased opportunity and access to capital
- Strengthened connection between people and places

Additionally, recommended changes to agreements include:

- Operations from a physical location with accessible hours within the geographical area of service.
- Two place-based business corridor activation projects or events aimed to energize the community and increase foot traffic.
- Support for Ready to Work by identifying businesses to sign the employer pledge and by participating in industry specific job fairs and recruiting small businesses to participate in two roundtables per year, as requested.
- Co-promotion of the Economic Development Department on programs and events as appropriate.
- Support of World Heritage Office to support Missions area businesses (Southside First only)
- Preparation of an annual report

The agreements retain previous scope of work deliverables such as technical assistance outreach, small business referrals, capacity building and access to capital programs (Back Office Support, Store Front Grant Program, Small Business Loans and Grants, as examples), monthly partner meetings, quarterly reports, and submission of participant testimonials and photographs. TheShou 50% match of the City's General Fund contribution for operational support will remain with the funding schedule in three distributions as follows:

- Payment 1: upon agreement execution
- Payment 2: upon satisfactory performance in Q2 report
- Payment 3: upon 100% match of 50% of City's General Fund contribution

Proposed partner agreements are scheduled to be considered by City Council on December 15, 2022.

FISCAL IMPACT:

The FY 2023 Adopted General Fund Budget includes funding for these contracts consistent with prior fiscal years.

ALTERNATIVES:

Should EWDC choose not to approve this item, the Economic Development Department will collect feedback from the Committee and make updates to the proposed agreements for future City Council consideration.

RECOMMENDATION:

The Economic Development Department recommends approval of the FY 2023 funding agreements with Prosper West, SAGE and Southside First by the Economic and Workforce Development Committee.