

City of San Antonio



Minutes

Economic and Workforce Development Committee

2023 – 2025 Council Members

Chair: Manny Pelaez, Dist. 8

Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4

Teri Castillo, Dist. 5 | Marc Whyte, Dist. 10

Tuesday, September 26, 2023

2:00 PM

City Hall Complex

The Economic and Workforce Development Committee convened a regular meeting in the Norma S. Rodriguez Council Chamber in the Municipal Plaza Building beginning at 2:05 PM. Executive Assistant SueAnn Reyes took the Roll Call noting a quorum with the following Committee Members present:

Members Present: Manny Pelaez, *Chair*
Phyllis Viagran, *Member*
Teri Castillo, *Member*
Marc Whyte, *Member*

Members Absent: Dr. Adriana Rocha Garcia, *Member*

Approval of Minutes

1. Approval of the minutes from the Economic and Workforce Development Committee meeting on August 22, 2023.

Councilmember Whyte moved to Approve the minutes of the August 22, 2023 Economic and Workforce Development Committee meeting. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Pelaez, Viagran, Castillo, Whyte

Absent: Rocha Garcia

Public Comments

There were no citizens registered to speak.

2. Briefing on the state of the bioscience industry in San Antonio. [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development Department]

Assistant City Manager Alex Lopez introduced Director of Economic Development Brenda Hicks-Sorensen who provided an overview of the Bioscience Industry which was identified as a strategic industry in the Economic Development Strategic Framework in 2022. She stated that Bioscience and Healthcare had a \$44.1 billion annual impact employing over 180,000 people and Military Medicine had a \$4 billion annual impact.

Hicks-Sorensen introduced Heather Hanson representing BioMed SA who presented the organization's mission and how it provided individual and consolidated support of bioscience businesses in San Antonio. She mentioned the annual entrepreneurial Biofest Invest event. She spoke positively regarding the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Grant Matching Program and announced the new Federal funding agency Advanced Research Projects Agency for Health (ARPA-H) which was planned to be located in Texas.

Hanson reported that their Life-Sciences Career Packets would be distributed in September 2023. She spoke regarding San Antonio as a clinical trial hub and outlined national strategic partnerships and grants. Hanson stated that BioMed SA had been working on marketing, attending international conferences, hosting BioTX events in the Austin-San Antonio corridor, coordinating Bio Tours of San Antonio, assets and relocation project support for small companies and international trade missions. Hanson provided information on upcoming initiatives.

Jim Reed, President of the San Antonio Medical Foundation (SAMF), explained that the SAMF was an organization dedicated to supporting the South Texas Medical Center (STMC) which included 17 hospitals and 40 health organizations. Reed reported that the economic impact of the STMC was \$11.9 billion with 86,660 high paying jobs and \$350 million in biomedical and healthcare research. Reed announced new hospitals and facilities planned to open in the next two years including a new Veterans Affairs Hospital and outpatient facility on 60 acres in the STMC.

Assistant City Manager Alex Lopez introduced Rene Dominguez, President and CEO of Velocity Texas / Texas Research and Technology Foundation (TRTF) provide copies of an impact report and provided a historical account of the 40-year history of the organization. She noted that this began with the 1,500 acre Texas Research Park in 1986 in partnership with University of Texas Health in far west Bexar County off of US Highway 90 and State Highway 211. Assistant City Manager Lopez reported that in 2015, Microsoft bought some of the land which shifted the focus to the near eastside of downtown. Velocity Texas planned a mixed-use Innovation District for Science and Technology at the former site of Merchant's Ice near the urban core.

Dominguez provided a high-level overview of the plan to develop the Innovation District through entrepreneurial, business, and workforce development. Dominguez proposed partnerships with local developers and local government to accomplish creation of the District which would redevelop the G.J. Sutton Complex and Merchant's Ice which was a total of 11+ acres and included an anchor tenant in the military medical research industry.

DISCUSSION:

Chair Pelaez supported the work of Velocity Texas and requested information on new investors such as Alamo Angels. He expressed concern about gentrification that could be created through economic development. Dominguez described their action plans and anti-displacement policies, noting that it would need to be a partnership with the City.

Councilmember Viagran commented that Brooks Air Force Base later became an aerospace medical center and offered to promote Biofest Invest. Hanson stated that they planned to approach the City with a proposal for use of the Convention Center and other assets.

Councilmember Viagran requested help with transportation to get residents from the southern sector to the STMC. Reed stated that his organization worked closely with VIA Metropolitan Transit and noted that the Office of Innovation and Smart Cities met with VIA to discuss this issue. Councilmember Viagran recommended more digital access to telehealth for her residents as well as physical transport.

Councilmember Viagran recommended the eastside investment ensure that healthcare services would be affordable to existing residents and include healthy relationships with healthcare providers.

Councilmember Castillo supported positioning San Antonio as a leader in the biosciences industry and noted the high economic impact and wages in the STMC were in conflict with the statistics for the rest of the City, noting there could be barriers such as training. She requested that workers be provided with quality healthcare and medical insurance and that any development should consider established communities and the need for jobs from disadvantaged populations including those formerly incarcerated.

Councilmember Whyte asked how BioMedSA attracted new businesses. Hanson stated that BioMedSA's goal was to provide technical expertise and guidance to companies while the City and Greater SATX incentivized financially. Councilmember Whyte recommended development of partnerships with universities to ensure that there was a qualified workforce for the companies to hire once they relocated and requested metrics.

Councilmember Whyte asked whether the biosciences industry would be asking the City for funds to develop lab space. Hanson explained that her organization was trying to work with local real estate owners to help keep the assets available so that when a tenant moved out of a lab, it did not get converted to office space. Dominguez stated that he hoped they would have a great enough opportunity to come ask the City for incentives. Councilmember Whyte supported the potential investments. Hanson also mentioned that they were having discussions with developers about building lab space.

Chair Pelaez mentioned that Clarity Guidance Center was in the STMC and the main goal of the STMC was to provide medical care to our community; with job creation being a wonderful side effect. Chair Pelaez suggested that the trans-Atlantic flight from San Antonio International Airport to Frankfurt Germany would open up more opportunities for medical. He commented that the City often focused on small businesses but noted that

these companies could exist in the biotech research industry. Chair Pelaez suggested that the Innovation District could be included in the next General Obligation Bond.

3. **Briefing and possible action on award recommendations from the Economic Development Incentive Fund (EDIF) for Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Matching Grant Program and SBIR/STTR Phase Zero Grant Program.** [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development Department]

Sarah Woeppel, Senior Economic Development Specialist, provided an update on the Growth Stage Grants Program and their goals.

Councilmember Castillo requested information on the minimum hourly wage and recommended a minimum wage standard of \$18 per hour. Hicks-Sorensen commented that the dashboard included old agreements that included lower wages per hour but the new incentives required a \$17.50 per hour minimum wage.

Councilmember Whyte asked how we ensured that the agencies that were funded stayed in San Antonio. Woeppel explained that there was a compliance component to the grants but, more importantly, a support system to keep them here.

Councilmember Viagran moved to Approve. Councilmember Whyte seconded the motion. The motion carried by the following vote:

Aye:	Pelaez, Viagran, Castillo, Whyte
Absent:	Rocha Garcia

4. **Briefing on current international and global engagement activities.** [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development Department]

Shahrazad “Sherry” Dowlatshahi, Chief of Protocol with the Global Engagement Office, presented an overview of international activity including official relationships such as sister cities and friendship cities, diplomacy and protocol, international business development, and study in San Antonio. Dowlatshahi provided the international economic development strategic framework and metro priority plan. She recognized the work of Greater SA TX, formerly known as the Economic Development Foundation.

Dowlatshahi listed the international markets and categorized engagements as local (civic participation and relationships with local representatives of international communities), inbound (receiving visitors), and outbound (traveling to other countries) which had shifted to some virtual engagements as a result of the COVID-19 Pandemic. She listed past and planned visits and outlined the 2024 All-Americas Summit which was expected to take place in May 2024 in San Antonio.

Dowlatshahi provided background information on the evolution of the Casa San Antonio program which had been focused on trade with Mexico since 1991 and included an office in Mexico City. She stated that the strategy for Casa San Antonio had been revised to

include expanded markets and to be more flexible with engaging consultants outside of Mexico to the other countries such as Korea, Japan, Israel, Canada, United Kingdom, Germany, India, Latin America (Columbia and Panama), but also including Mexico with activity-based engagements.

Councilmember Whyte asked about the difference between a Sister City and a Friendship City. Dowlatsahi stated that a Friendship City was a less formal process that must be approved only by the Mayor, however, a Sister City agreement required approval of the full City Council.

Chair Pelaez wanted to ensure that India was included in the plan and expressed concern that San Antonio had engaged so extensively with Mexico that other markets and countries might have been excluded. Chair Pelaez commented that India was an industry leader in cyber security and most of our foreign college students were from India. He mentioned that local organizations that represented various cultures had requested a multi-cultural center that would provide meeting space, immigration, and relocation assistance.

Assistant City Manager Lopez explained that Casa San Antonio's strategy had been expanded to include the entire international approach to business development, and reiterated that Casa San Antonio was not only for Mexico or Latin America.

Chair Pelaez commented that the All-Americas Summit would be critical to kickoff the new approach.

5. **Briefing on the City's Economic Development Department Strategic Framework and FY 2023 and FY2024 Work Plan Updates.** [Alejandra Lopez, Assistant City Manager; Brenda Hicks- Sorensen, Director, Economic Development Department]

The item was tabled to the next meeting.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 3:59 p.m.

Approved

Manny Pelaez, Chair

Debbie Racca-Sittre, City Clerk

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