



City of San Antonio

Agenda Memorandum

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Agenda Date: February 22, 2022

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

A briefing and possible action on consideration of the San Antonio Economic Development Foundation Services Agreement and 2022 Business Plan.

SUMMARY:

This is a briefing by the San Antonio Economic Development Foundation (SAEDF), now known as greater:SATX (gSATX), and City of San Antonio Economic Development Department (EDD) on the gSATX's business plan for 2022.

BACKGROUND INFORMATION:

The partnership between EDD and gSATX is based on recommendations of the 2009 Mayor's Corporate Retention and Recruitment Committee, which consisted of business and community members, and called for the development of a strategic plan, a process for coordination and collaboration to include a business retention and expansion (BRE) program, and improved resource utilization. In 2015, a private sector sub-committee evaluated the partnership between the

City and gSATX and confirmed the continuation of the partnership as an effective model, along with recommending the development of the Forefront SA economic development strategic plan (Forefront SA). Forefront SA was implemented by gSATX, in collaboration with EDD and additional economic development partners, from 2017 till 2020.

Altogether, the Forefront SA strategy had the goal to facilitate the creation of 20,000 new jobs and secure \$1.5 billion in capital investment by the end of 2020. Of the jobs, 50% of them were to be in targeted industries and 55% high-wage. In order to strengthen the community already in San Antonio, the strategy included 350 BRE assists to local companies. In their final Forefront SA report, gSATX's efforts led to the creation of 17,609 jobs (including 11,974 target industry jobs and 7,395 high-wage jobs) and a total capital investment of \$2.2 billion in the San Antonio area. The efforts surpassed the BRE target with 427 assists. The shortage of job numbers was partially due to COVID-19 which greatly affected their operations in 2020.

From June 2019 to January 2020 the economic development consulting firm Market Street Services conducted a strategic planning process with gSATX and produced a regional economic development strategy that structured recommendations through jobs, people, and place. From this process ten strategic initiatives were developed into an implementation plan.

The 2021 Service Agreement shifted to a performance-based payment structure for the third and fourth quarter. As a result of the actual performance shown below, gSATX is projected to receive approximately \$535,742 of the maximum payment of \$635,000. Recruitment and BRE projects were concentrated in the advance manufacturing, financial services, IT, and biosciences sectors.

The following table provides the 2021 goals along with the reported results:

2021 COSA GOALS	2021 RESULTS
4,582 New Jobs	5292
100% Target Industry Jobs	100%
75% Wages > \$50K	62%
60% of Total MSA Job Growth	11%
100% Wages > Median for Zip	62%
\$506M Capital Investment	\$1.2B
\$100M Foreign Direct Investment	\$92M
8 Proactive Company Pitches	4
200 Local Business Assists	208

ISSUE:

Following the conclusion of the first year of the Services Agreement, the staff is seeking Council's approval for the 2022 Business Plan. The strategic framework states that gSATX exists to grow jobs, build people, and improve place. As part of these three pillars, there are ten initiatives with activities outlined to meet the goals and outcomes as indicated in the operations plan.

Jobs: The efforts on jobs are focused on growing, attracting, and retaining quality jobs. Efforts will include targeted business attraction, regional collaboration, comprehensive lead generation, enhanced trade and export development, and a revised business retention and expansion (BRE) program that include comprehensive employer outreach, enhanced data, and minority-owned business memberships into gSATX. gSATX's budget for this pillar is \$2.25M.

People: The People pillar is focused on developing, recruiting, and retaining talent. Activities focused on people will include SA Ready to Work and talent pipeline management, career pathways and job matching, youth digital skills badging, a manufacturing marketing campaign, SA WORK Alumni Network, and a talent recruitment marketing strategy. This specific work is covered by a separate agreement and not included in the proposed 2021 Services Agreement but is important to economic development efforts. gSATX's budget for this pillar is \$1.21M

Place: The focus on place is to elevate the quality and perception of gSATX. Efforts will include a national media campaign with enhanced contact development. gSATX will also focus on activating bond investment, supporting the airport and a flight fund, and regional talent engagement. gSATX's budget for this pillar is \$2.15M.

In the 2022 operations plan, gSATX will continue to focus on industry-led initiatives in Cybersecurity, Biomedical/Healthcare, Advanced Manufacturing, Financial Services, and Aerospace; and execute these activities in accordance with the agreement. gSATX has quarterly objectives for talent attraction, global business development, business attraction, regional marketing, and BRE. The workforce team has quarterly objectives concerning youth work-based learning opportunities, SA WORX alumni network, ACD promise badging, Youth Pre-Apprenticeship Program, online career pathways and a job matching tool. The Marketing teams quarterly objectives focus on regional brand, national PR, and regional PR.

Additionally, as part of gSATX's mission towards improving equity amongst our business community, part of the City's funding will go towards sponsoring memberships for small, minority, and women-owned businesses that may not have had access otherwise. This initiative was made with the goal of increasing the diversity of gSATX's members and empowering the whole community to have a voice on city and region focused recruitment and retention efforts.

Finally, as part of the annual operations plan, key performance indicators and goals have been developed for these pillars to measure the impact of gSATX's activities on San Antonio and the region. gSATX has developed goals specifically for the City of San Antonio to measure the impact of San Antonio specific activities. The specific 2022 goals for the City of San Antonio are as follows:

2022 COSA GOALS
5,200 New Target Industry Jobs
75% Wages > \$50K
60% of Total MSA Job Growth
100% Wages > Median for Zip

2022 COSA GOALS
\$500M Capital Investment
\$100M Foreign Direct Investment
12 Proactive Company Pitches
200 Local Business Assists

FISCAL IMPACT:

This item is for briefing purposes only.

Should the committee approve this item for full City Council consideration, the fiscal impact of this agreement is \$635,000. The funds are available in the Economic Development Incentive Fund (\$500,000) and the General Fund (\$135,000).

ALTERNATIVES:

This item is for briefing purposes only.

Should the committee not approve this item for full City Council consideration, the services provided by the San Antonio Economic Development Foundation to the City would be discontinued.

RECOMMENDATION:

Because gSATX has not legally changed their name from SAEDF, staff recommends approval of the San Antonio Economic Development Foundation 2022 Business Plan by the Economic and Workforce Development Committee and to advance this item for full City Council consideration.