



City of San Antonio

Agenda Memorandum

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Agenda Date: September 28, 2022

In Control: City Council B Session

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing regarding the City's Economic Development Department Strategic Framework.

SUMMARY:

Briefing regarding the City's Economic Development Department Strategic Framework.

BACKGROUND INFORMATION:

On February 17, 2022, City Council approved a professional services agreement with TIP Strategies, Inc. for completion of an Economic Development Strategy. The City is exploring innovative approaches to managing its incentives policy, ways to leverage investments and infrastructure to spur meaningful growth and development opportunities and determine the Economic Development Department's strongest and best role in the region's economic development delivery system.

In April 2022, the development of the strategic framework kicked-off with a robust stakeholder engagement process with an emphasis on diverse representation and multiple opportunities for participation. Additionally, consideration of and alignment with recent economic development planning efforts, including the Greater: SATX Regional Economic Development Strategy, drafted in 2019, and the Alamo Area Council of Government (AACOG) Economic Development District

Comprehensive Economic Development Strategy 2018-2023; as well as other relevant plans, such as SA Tomorrow.

Throughout the course of nine days spread out over 3 weeks, the consultants in combination with EDD staff, conducted a total of 22 roundtables and 23 interviews. Key takeaways from this process include:

- San Antonio's authenticity, rich cultural history, and affordability are assets
- The City's economic development tools are fragmented, and many local organizations duplicate efforts
- An either/or mindset holds back opportunity
- There is tension between growth and preserving the status quo

A preliminary review of the strategic framework efforts was presented to Economic and Workforce Development Committee (EWDC) on June 10, 2022, followed by the Opportunity Phase in which a target industry review, organizational assessment, small business assessment, niche opportunities analysis, best practice review, and goals & objectives were completed. Additional targeted stakeholder meetings were conducted August 16-August 29, 2022.

On August 31, 2022, EDD staff and TIP Strategies, Inc. presented a draft framework to EWDC for consideration and feedback.

ISSUE:

The Economic Development Strategic Framework is a guiding document and defines the Economic Development Department's (EDD) role in the pathway to a more resilient economy, providing direction on competing with national and global peers. In addition to a robust stakeholder engagement process other key analysis undertaken include a review of the City's target industries, a Strength, Weaknesses, Opportunities, and Threats analysis and a perception survey of site selectors and real estate brokers.

The Framework outlines four main goals to leverage existing strengths, mitigate challenges, and build on the momentum of existing initiatives, which are listed below. Recommended strategies for each goal are outlined in the Framework. Each of these goals will be measured against Economic Performance Indicators to gauge progress and Growth Targets to measure long-term outcomes.

1. Innovation and Industry - Retain, expand, and attract businesses within each strategic industry cluster, provide more effective small business support, and facilitate innovation-centric entrepreneurship.
2. Placemaking and 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.
3. Talent and Workforce - Ensure San Antonio residents have accessible pathways to well-paying jobs and employers have access to a robust pipeline of talent.
4. Capacity and 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.

The Strategic Framework will serve as a foundational guiding document and is accompanied by a departmental workplan. The departmental workplan focuses on each of the four goals and the tasks identified within each goal. Tasks are assigned ranges for completion and some are identified as ongoing due to the nature of the task.

During FY 2023, EDD will focus on building its business intelligence, data analytics and research team; revising the incentive guidelines; developing and approving a revised workplan for SAEDC; and beginning and continuing conversations around partnerships, undertake process improvement efforts regarding the Small Business Economic Development Advocacy Program as identified in the Disparity Study, business recruitment, retention, and expansion (BRE); TIRZ utilization; and placemaking.

In FY 2024, the department will focus on its BRE program as well as continuing the work started in FY 2023. In FY 2025, the department will focus on the continuation of strategies implemented in preceding years as well as placemaking strategies and revising the incentive guidelines as required by state law every two years.

The Strategic Framework includes both economic performance indicators and growth targets for consideration in tracking progress. In FY 2023, the EDD will evaluate the suggested economic performance indicators and growth targets and develop a benchmarking dashboard to measure performance. The Strategic Framework and Workplan are scheduled for full City Council action on October 20, 2022. Following acceptance, EDD will provide implementation updates to the Economic and Workforce Development Committee every six months.

ALTERNATIVES:

Without acceptance of this framework, the EDD would need to explore alternative options to setting a strategic vision and priorities for the department.

FISCAL IMPACT:

There is no fiscal impact.

RECOMMENDATION:

The EDD recommends acceptance of the Economic Development Strategic Framework.