



CITY COUNCIL A SESSION



PROFESSIONAL SERVICES AGREEMENT WITH ECONOMIC & PLANNING SYSTEMS, INC. (EPS)

JUNE 14, 2018

Rene Dominguez, Director, Economic Development Department

Agenda Item # 26

SUMMARY

Staff recommends approval of an agreement for up to \$100,000 with Economic & Planning Systems, Inc. (EPS).

Purpose: Seek best practices on development of an Inclusive Growth Framework for adoption in December within the 2019-2020 Tax Abatement Guidelines.



BACKGROUND

Presented to the Economic and Workforce Development Council Subcommittee:

- Overall economic development strategy has evolved.
- There are areas of the City not experiencing the same growth and opportunity.

According to the Economic Innovation Group: 2017 Distressed Communities Index, over 400,000 residents of Bexar County live in Distressed Communities.

- Distressed Communities: Zip codes exhibiting distress in 7 categories such as Poverty Rate, Housing Vacancy and Job Growth.
- Each variable is ranked against all other zip codes in the United States.



THE 2017

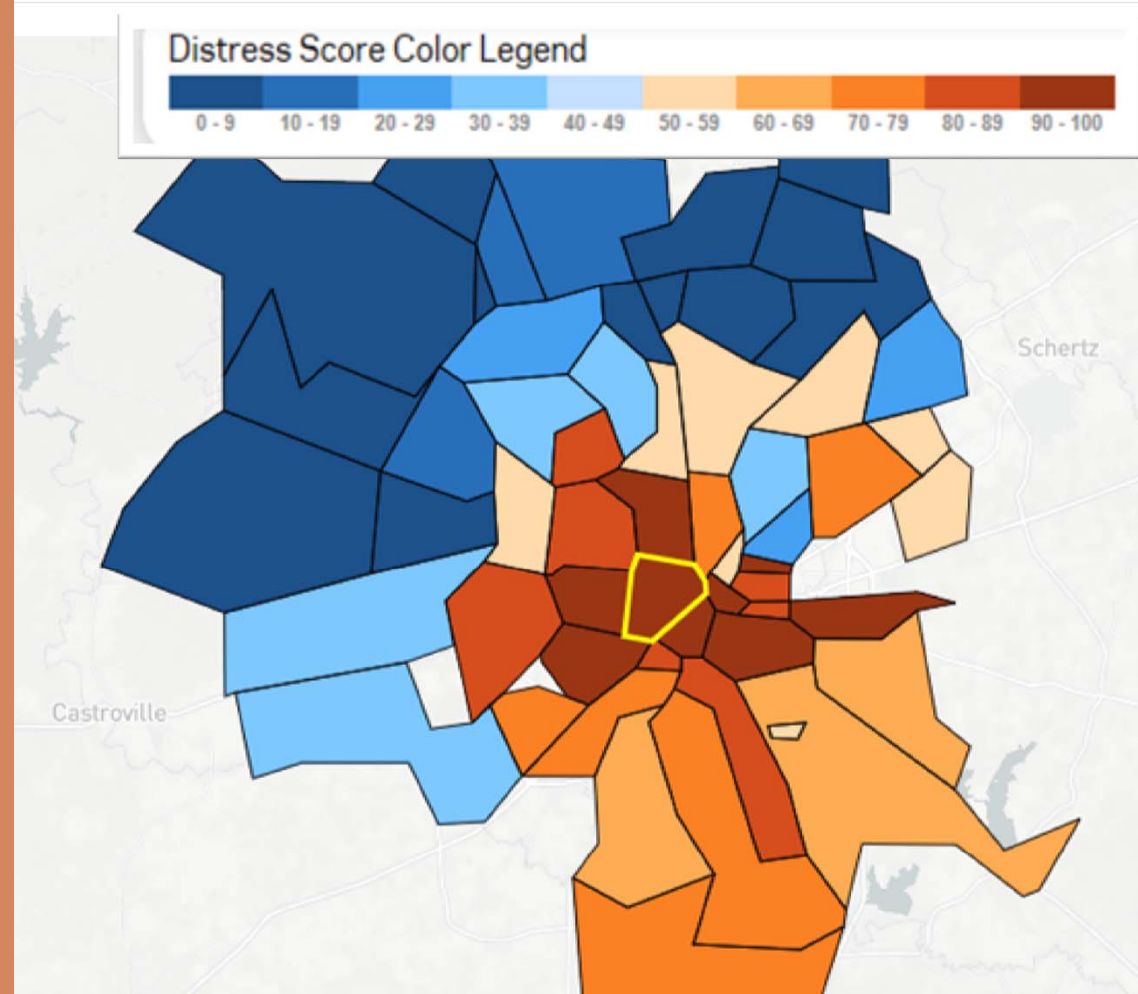
DISTRESSED COMMUNITIES INDEX

ECONOMIC
INNOVATION
GROUP

Economic Indicators for San Antonio, TX

City Population:	1,413,880
% Minority:	74.0%
% in Distressed Zip Codes:	28.7%
% in Prosperous Zip Codes:	24.5%
City Inequality Rank:	91 of 100

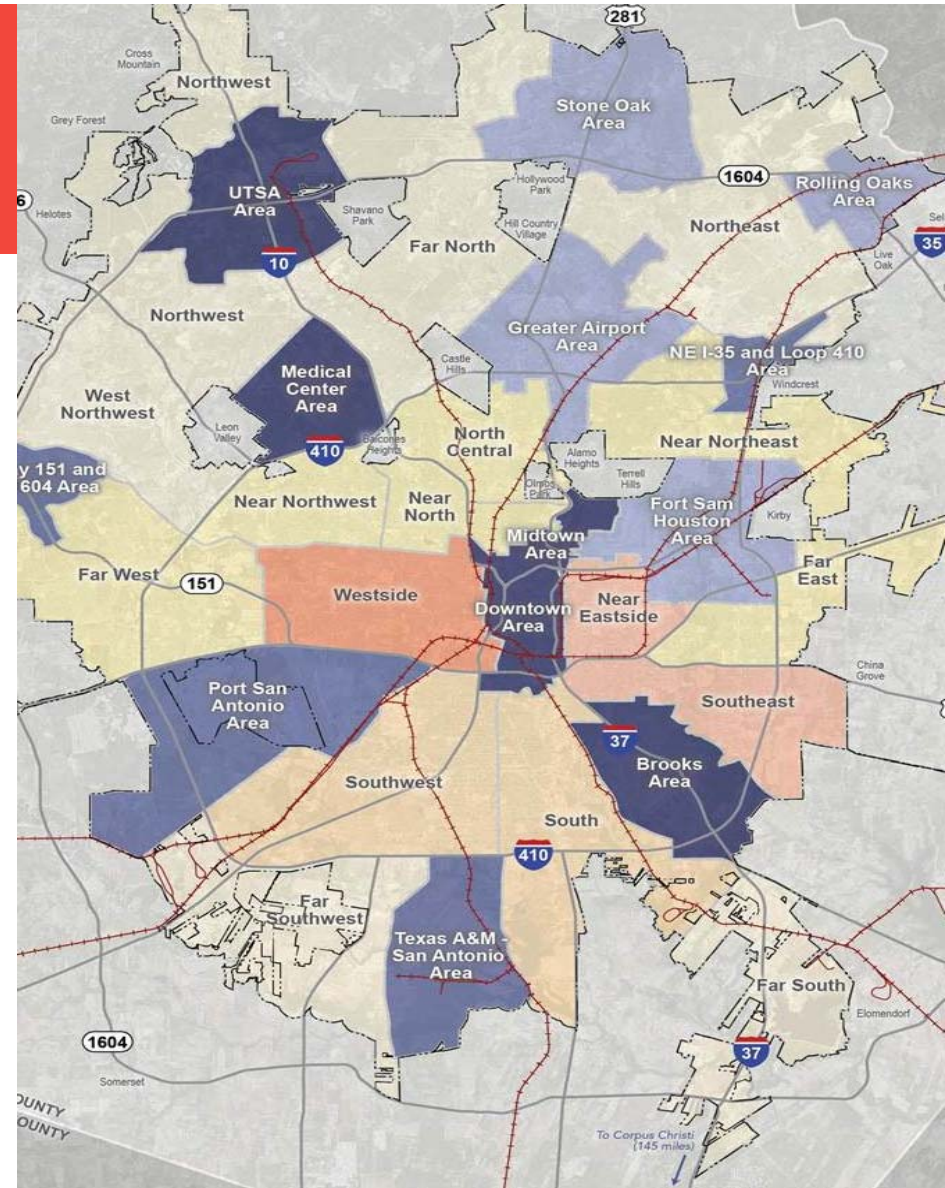
	San Antonio, TX	78207
No High School Diploma:	18.6%	47.3%
Housing Vacancy Rate:	8.1%	12.0%
Adults Not Working:	29.2%	46.4%
Poverty Rate:	19.8%	40.7%
Median Income Ratio:	87.9%	44.6%
Change in Employment:	9.9%	-0.9%
Change in Business:	71.1%	-6.5%
Distress Score:		98.2



County	Core City	Total Population in Distressed Zip Codes	% Population in Distressed Zip Codes
Bexar County, TX	San Antonio	412,520	22.6%

POLICY DEVELOPMENT

- **Inclusive Growth Framework:**
 - **Traditional Growth Model:** Growth of Targeted Industries in pursuit of higher wages.
 - **Inclusive Growth Model:** Expanding industry incentive partnerships to target distressed communities in mutually beneficial ways.
- **Continued evolution alongside adoption of SA Tomorrow sub-area plans.**



2019-2020 TAX ABATEMENT GUIDELINES

- Outlines the principles for investing in economic development projects.
- Outreach every two years to review and amend the Tax Abated Guidelines.
- Stakeholders briefings on this effort to define how our city will pursue Inclusive Growth.

CITY OF SAN ANTONIO TAX ABATEMENT GUIDELINES



*Effective January 1, 2017 through December 31, 2018
(Approved by City Council December 15, 2016)*



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SCOPE AND ESTIMATED TIMELINE

- Phase I (July): Assessment of national best practices, including metrics and modes of funding.
- Phase II (September): Assessment of impact of policies on effectiveness of incentives in securing new jobs.
- Phase III (November) : Co-development of 2019-2020 Tax Abatement Policy to adopt an Inclusive Growth Framework.

FISCAL IMPACT

Funding in the amount of \$100,000 is available in the Economic Development Incentive Fund FY 2018 Budget.



RECOMMENDATION

Staff recommends approval of an agreement for up to \$100,000 with Economic & Planning Systems, Inc. (EPS).





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ABOUT ECONOMIC & PLANNING SYSTEMS, INC. (EPS)



- Founded in 1983 in Denver, CO with offices in Oakland, Sacramento, and Los Angeles.
- Core Team for this engagement include:
 - Andrew Knudtsen, Managing Principal
 - Matt Prosser, Vice President
 - Rachel Shindman, Associate
- Contractor for SA Tomorrow Comprehensive Plan and Sub-Area Plans, Housing Task Force as well as VIA, SAHA, and other community plans