

**SERVICES AGREEMENT BETWEEN THE ECONOMIC DEVELOPMENT  
FOUNDATION AND THE CITY OF SAN ANTONIO**

The City Council of the CITY OF SAN ANTONIO, TEXAS, a municipal corporation (the “*City*”), has approved the City’s engagement of the SAN ANTONIO ECONOMIC DEVELOPMENT FOUNDATION (“*EDF*”), a Texas non-profit corporation, to provide the “*Services*” (as defined below) set forth in this Services Agreement (“*Agreement*”).

**RECITALS**

**WHEREAS**, in 2008, as part of an effort to improve corporate retention and recruitment, the City formed a Corporate Retention and Recruitment Committee (the “*Committee*”) to develop a plan for the strategic development of San Antonio's economy, with a narrowed focus on developing recommendations for a more robust economic development structure that included a community-wide, long-range vision and strategic plan; and

**WHEREAS**, the Committee’s recommendations were presented to and accepted by the City Council on December 10, 2009; and

**WHEREAS**, City staff was directed to continue efforts toward implementation of the recommendations, including entering into an agreement with a third-party contractor to provide certain defined services for the City, including services relating to business recruiting and retention, image building, and market research functions; and

**WHEREAS**, the third-party contractor that will be the master convener for San Antonio’s economic and workforce development initiatives, propelling our community to an economically healthy and prosperous future is the EDF, in accordance with the SA Tomorrow Comprehensive Plan, Jobs and Economic Competitiveness Policy Area and is set forth in the Forefront SA Economic Development Strategic Plan Implementation Scope (the “Implementation Scope”) attached hereto and made a part hereof; and

**WHEREAS**, EDF is a private, non-profit organization that assists business and industry relocating or expanding into the San Antonio area; and

**WHEREAS**, EDF is a respected leader in the highly-competitive industry of corporate recruitment, whose activities and services include direct marketing, site selection, market research assistance, and other economic development activities; and

**WHEREAS**, EDF has achieved significant success in providing services similar to the Services to its other constituents; and

**WHEREAS**, pursuant to this Agreement, the City is engaging EDF to perform the Services (as defined below); and

**WHEREAS**, EDF’s provision of the Services is expected contribute to the achievement of the goals stated above; and

**WHEREAS**, the City understands the importance to the EDF mission, especially in the

area of recruiting new business to the San Antonio area, of maintaining a high level of confidentiality, and accepts that much of the information pertaining to prospects who are considering a location here is private and proprietary, and must be protected, and the City will work with EDF to maintain that confidentiality.

**NOW THEREFORE**, in consideration of the mutual promises and covenants contained herein, the City and EDF agree as follows:

## **I. TERM**

1.1 **Term.** The term of this Agreement shall commence on October 1, 2017, and will remain in full force and effect through September 30, 2018 (“***Term***”) unless sooner terminated, as provided below.

## **II. SCOPE OF SERVICES**

2.1 **Services for Compensation.** EDF agrees to provide the services described in the attached Forefront SA Implementation Scope in exchange for the compensation described hereafter (as listed in Section 2.2, the “***Services***”). City acknowledges that EDF contracts with various entities and organizations unaffiliated with City, and that under those agreements EDF may perform services and activities in areas outside the San Antonio Region (that Region is as shown on the attached **Exhibit “A”**). However, the parties have agreed that funds provided by City through this Agreement will be used for activities within the city limits of the City and its extraterritorial jurisdiction.

2.2 **Scope of Services.** EDF shall work to enhance public and private sector collaboration towards development and execution of strategies to increase the number and quality of jobs and capital investment to the San Antonio Region, and to coordinate a local business retention and expansion (“***BRE***”) program in accordance with the Implementation Agreement.

### **2.3 Forefront SA Implementation Scope**

a. **Development.** Within thirty (30) days of the execution of this Agreement, EDF and the City shall agree upon and attach hereto the Implementation Scope. The City and EDF shall work jointly to finalize the draft Implementation Scope, and each shall submit the draft Forefront SA Implementation Scope to its governing board or appropriate sub-committee for approval. After approval by each respective board or sub-committee, the Forefront SA Implementation Scope shall become incorporated into this Agreement as **Exhibit “B.”** The parties understand that circumstances during any period of time may differ from those contemplated when an Implementation Scope is established; however, any material changes to the approved Forefront SA Implementation Scope must be approved in writing by EDF and City.

b. **Forefront SA Implementation Scope Performance Targets.** As part of the development of each Implementation Scope, the City and EDF shall establish “Performance Targets” against which EDF’s execution of the Forefront SA Implementation Scope is evaluated. If there are changing market conditions, funding availability issues, unforeseen

expenses, or other circumstances beyond EDF's reasonable control, then the then current Performance Targets may be revised, with the City's written approval.

c. Reporting. As set forth in the Implementation Scope, EDF shall maintain reasonable levels of communication with the City staff throughout the term of this Agreement. EDF shall provide, upon reasonable request, reports to the City discussing in appropriate detail (in all cases, taking into account the need to maintain a high level of confidentiality with respect to proprietary and competitive matters) its progress in implementing the Forefront SA Implementation Scope and meeting Performance Targets, as specified in this Agreement, as well as reporting on any activity that EDF believes to be of interest to the City. EDF agrees to report to City as follows:

- (i) a monthly status report, which shall be provided during a monthly meeting, informally and orally to staff;
- (ii) provide a quarterly digital file with all details of any reported aggregated metrics to include data fields requested by City staff based on reported activities;
- (iii) quarterly and annual written status reports and general accountings due no later than the end of each month following City quarter end, and;
- (iv) on reasonable request of the City, periodic update presentations that address the Services provided pursuant to this Agreement.

EDF's demonstrated need to provide confidentiality shall take priority over any specific request for information made by the City.

2.4 City's Satisfaction. All work performed by EDF hereunder shall be performed to the reasonable satisfaction of the City. City shall have the right to terminate this Agreement, in accordance with Article VII entitled "Termination," in whole or in part, if EDF's work is not satisfactory to City, as determined by the City in its discretion.

### **III. COMPENSATION TO EDF**

3.1 Compensation. As compensation for the Services, the City shall pay to EDF the sum of FIVE HUNDRED AND NINETY THOUSAND DOLLARS AND ZERO CENTS (\$590,000.00), payable in advance in quarterly installments of \$125,000.00. The initial advance payment, and all other payments, shall not be due or owed until the occurrence of all of the following:

(A) execution of this Agreement and adoption of the Implementation Scope by both City and EDF; and

(B) execution of a Consulting Agreement between EDF and Hiroyuki Watanabe (a/k/a the Texas-Japan Office) in the amount of at least \$90,000; and

(C) upon EDF's submission to the City of an invoice in the amount of \$215,000.00, which shall represent the City's quarterly installment \$125,000 and an

additional \$90,000.00 applied by EDF to costs associated with the Consulting Agreement described in 3.1(C) above. Amounts less than the first installment may be paid to EDF prior to the execution of the Forefront SA Implementation Scope at the discretion of the City's EDD Department so long as such amounts are approved to be paid in advance by the City Manager.

The first quarterly installment will be due upon EDF meeting all obligations described above, the second and subsequent payments will be due upon submission of an invoice and the quarterly report as required by Section 2.3 c. (iii). As compensation for the Services for the City's fiscal year in which this Agreement is entered into, the City shall make an initial advance payment of \$125,000.00 to EDF which shall be credited against the first full quarterly amount due pursuant to this Article III.

No additional fees or expenses of EDF shall be charged by EDF nor be payable by the City for the Services provided under this Agreement. The parties hereby agree that all expenses of EDF that are compensable by the City have been provided for in the total payment to EDF. Those total payments cannot exceed the amount set forth above, without prior approval and agreement of all parties, evidenced in writing and approved by the San Antonio City Council's passage of an ordinance.

3.2 Use of Funds. The funding provided by the City under this Agreement shall be used solely in connection with EDF's providing the Services described in Article II, pursuant to the budget prepared as part of the approved Strategic Plan Implementation Scope. EDF shall segregate all funds provided under this Agreement into a separate account and shall not commingle any funds supplied by the City with the EDF's general funds or other funds received by any other entity.

3.3 Additional Services. Should any additional services outside the scope of this Agreement be requested and authorized by the City, and accepted by EDF, EDF shall be separately compensated for those services over and above the compensation discussed in this Article III, at an amount agreed to by the City and EDF.

3.4 Invoices. EDF shall submit City invoices to:

The City of San Antonio  
Economic Development Department  
P.O. Box 839966  
San Antonio, Texas 78283-3966

#### **IV. AUDIT**

4.1 EDF's Audit. In accordance with its standard practices, EDF shall obtain an audit conducted by an independent auditing firm annually during the Term of this Agreement. The audit shall include an audit of the separate account maintained to receive and disburse funds provided by the City to EDF pursuant to this Agreement. A copy of the Audit Report and Management Letter prepared as a result of the audit shall be provided to City.

4.2 City's Audit. The City or its authorized representative shall at all reasonable times, on five business days' prior written notice, have the right to examine, inspect, and audit all books, papers, and bank records of EDF directly related to the funds provided to EDF under this Agreement, to determine the accuracy of reports made under this Agreement. The cost and expenses incurred by the City incident thereto shall be the sole responsibility of and borne by the City. Those records shall be maintained by EDF for a period of four (4) years after the termination of the Initial Term of this Agreement and any applicable Renewal Term, and shall be made available for inspection and/or audit by the City or its agents at EDF's facility. Nothing in this Agreement shall be deemed to give the City authority to direct, question, review, audit, or otherwise influence the expenditure of any funds that are not directly paid to EDF by the City.

4.3 Dispute Findings. Either EDF or the City may dispute the findings of audits performed under this Agreement, by giving written notice to the other party within thirty (30) days of receiving the results of an audit. The Party electing to dispute audit results shall, within thirty (30) days following receipt of the auditor's report, submit such additional information as it believes is required to correct the auditor's report.

4.4 Scope. The City recognizes that EDF provides services to various entities and organizations unaffiliated with City and City's interest in EDF's activities is solely based upon the Services provided pursuant to this Agreement. Therefore, any audits, reports or information requested by City are understood to be limited in scope to the funding provided to EDF by City under the terms and conditions of this Agreement; provided, however, that no audit pursuant to this Article IV will identify any potential prospect or company by name or in enough detail for the identity to be discovered, nor shall any audit reveal or disclose any of EDF's proprietary information or trade secrets.

## V. DOCUMENTS

5.1 Documents. **The parties recognize that, to be successful, EDF depends on its ability to keep confidential the identity of its prospects and other proprietary information, and that EDF would not be achieve the same level of results from providing the Services, or any other services to its other clients and constituents, without being able to maintain that confidentiality. Accordingly, the parties acknowledge that certain writings, documents or information produced by or submitted to EDF in the course of its execution of the Services will be the sole property of EDF, are proprietary, and may be privileged under State law. Without waiving any available claim or privilege, EDF will in good faith share information derived from those writings or documents with City and, if any writings, documents or information are deemed non-proprietary or privileged, provide copies of those writings or documents to City. EDF understands and acknowledges that the City has the right to use those non-proprietary writings, documents and information as City desires, without restriction. If any "open records" or equivalent request is made of the City relating to this Agreement or the Services, the City shall promptly advise EDF, and the parties shall work cooperatively and in good faith to preserve EDF's trade secrets, proprietary documents, and confidential information. In all events,** the City shall not provide any information or documents that EDF considers proprietary to any third party without EDF's written consent, unless the City is legally obligated to do so and so advises EDF in writing. In addition, any third-party requests to EDF for records relating to this Agreement under the State's Public

Information Act shall be coordinated with City. City shall provide EDF, in accordance with the Public Information Act, the opportunity to submit third-party briefs to the Attorney General.

5.2 Documents to City. Upon expiration or termination of this Agreement, EDF shall transfer to City true and correct copies of any non-proprietary writings, documents or information in the possession of EDF and produced pursuant to the terms and conditions of this Agreement.

## **VI. RECORDS RETENTION**

6.1 Records. EDF and its subcontractors, if any, shall maintain all documents, papers, and records, and other evidence pertaining to the Services and funding provided for in this Agreement, and shall make such documents available to the City at their respective offices, at all reasonable times and as often as City may deem necessary during the Agreement period for purposes of the audit described in Article IV.

6.2 Retention. EDF shall retain any and all documents produced as a result of services or funding provided hereunder for a period of four (4) years from the date of termination of the Agreement. If, at the end of the retention period, there is litigation or other questions arising from, involving or concerning this documentation or the services provided hereunder, EDF shall retain the records until the resolution of such litigation or other such questions.

## **VII. SUSPENSION/TERMINATION**

7.1 Suspension. The City may summarily suspend this Agreement if it reasonably believes that EDF has breached this Agreement in any material way, including by violating any City, State or Federal laws. The City shall promptly apprise EDF of the basis of the City's reasonable belief. Any such suspension shall remain in effect until the City determines that appropriate measures have been taken to ensure EDF's future compliance. Grounds for such suspension include, but are not limited to the following:

7.1.1 Failure to abide by any terms or conditions of this Agreement;

7.1.2 Failure to keep and maintain adequate proof of insurance as required by this Agreement;

7.1.3 The commission or alleged commission of any crime by EDF, or any owner, part owner, partner, business associate, principal party, officer, or director.

7.2 Termination Defined. For purposes of this Agreement, "termination" shall mean termination by expiration of the Agreement term as stated in Article II. Term, or earlier termination pursuant to any of the provisions hereof.

7.3 Termination Without Cause. This Agreement may be terminated by either party upon sixty (60) calendar days' written notice, which notice shall be provided in accordance with Article VIII. Notice.

7.4 Termination For Cause. Upon written notice, which notice shall be provided in accordance with Article VIII. Notice, City may terminate this Agreement as of the date provided in the notice, in whole or in part, upon the occurrence of one (1) or more of the following events:

7.4.1 The sale, transfer, pledge, conveyance or assignment of this Agreement without prior approval, as provided in Article XI. Assignment and Subcontracting.

7.4.2 Ceasing operations for a period of time exceeding twenty (20) days;

7.4.3 The expenditure of City funds on gratuities in the form of entertainment, gifts, or otherwise offered or given by EDF, or any agent or representative of EDF, to any officer or employee of the City, County, State or business prospect with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performance of such contract.

7.5 Defaults With Opportunity for Cure. Should EDF default in the performance of this Agreement in a manner stated in this section, same shall be considered an Event of Default. City shall deliver written notice of the default, specifying in detail the matter(s) in default. EDF shall have fifteen (15) calendar days after receipt of the written notice, in accordance with Article VIII. Notice, to cure such default. If EDF fails to cure the default within such fifteen-day cure period, City shall have the right, without further notice or adoption of a City ordinance, to terminate this Agreement in whole or in part as City deems appropriate. The following actions are defaults that may be cured by EDF:

7.5.1 Performing unsatisfactorily, in the sole discretion of City.

7.5.2 Failing to perform or failing to comply with any covenant herein required as determined by the City.

7.5.3 Bankruptcy or selling substantially all of company's assets

7.6 Termination By Law. If any state or federal law or regulation is enacted or promulgated which prohibits the performance of any of the duties herein, or, if any law is interpreted to prohibit such performance, this Agreement shall automatically terminate as of the effective date of such prohibition.

7.7 Ceasing City Activity. Upon the effective date of expiration or termination of this Agreement, EDF shall cease all work being performed by EDF or any of its subcontractors on behalf of the City.

7.8 Transition Period. Regardless of the method by which this Agreement is terminated, EDF agrees to provide a transition period of termination for a period not to exceed two (2) months upon City's request. During such transition period, EDF may continue to provide services as provided for, and for which it will be compensated, under this Agreement.

## VIII. NOTICE

8.1 Written Notice. Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be deemed received at the time it is personally delivered, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) days after the notice is deposited in the United States mail addressed as follows:

**If to City:**

Rene Dominguez  
EDD Director  
City of San Antonio  
P.O. Box 839966  
San Antonio, TX 78283-3966  
Phone: 207-8080  
Fax: 207-8151

**If to EDF:**

Jenna Saucedo-Herrera  
President  
Economic Development Foundation  
602 E. Commerce  
San Antonio, TX 78205  
Phone: 226-1394  
Fax: 223-3386

8.2 Time. Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address or the person to receive notice by notifying the other party as provided in this paragraph.

## IX. INSURANCE

9.1 Certificate of Insurance. Prior to the commencement of any work under this Agreement, EDF shall furnish an original completed Certificate(s) of Insurance to the City's Economic Development Department and City Clerk's Office, and which shall be clearly labeled "Economic Development Foundation" in the Description of Operations block of the Certificate. The original Certificate(s) shall be completed by an agent authorized to bind the named underwriter(s) and their company to the coverage, limits, and termination provisions shown thereon, containing all required information referenced or indicated thereon. The original certificate(s) or form must have the agent's original signature, including the signer's company affiliation, title and phone number, and be mailed directly from the agent to the City. The City shall have no duty to pay or perform under this Agreement until such certificate shall have been delivered to City's Economic Development Department and the Clerk's Office, and no officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

9.2 Right to Review. The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement, but in no instance will City allow modification whereupon City may incur increased risk.

9.3 Financial Integrity. EDF's financial integrity is of interest to the City; therefore, subject to EDF's right to maintain reasonable deductibles in such amounts as are approved by the City, EDF shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at EDF's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and rated A- or



better by A.M. Best Company and/or otherwise acceptable to the City, in the following types and amounts:

<u>TYPE</u>	<u>AMOUNTS</u>
1. Workers' Compensation 2. Employers' Liability	Statutory \$500,000/\$500,000/\$500,000
3. Commercial General Liability Insurance to include coverage for the following: a. Premises operations b. Independent Contractors c. Products/completed operations d. Personal Injury e. Contractual Liability	For <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000 per occurrence

9.4 Copies. The City shall be entitled, upon request and without expense, to receive copies of the policies and all endorsements thereto as they apply to the limits required by the City, and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). So long as this Agreement is in effect, EDF shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided in Section 10.6 herein within 10 days of the requested change. EDF shall pay any costs incurred resulting from said changes.

9.5 Required Provisions. EDF agrees that with respect to the above required insurance, all insurance contracts and Certificate(s) of Insurance will contain the following required provisions:

- Name the City and its officers, employees, volunteers, and elected representatives as additional insureds as respects operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation and professional liability policies;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;

- Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City.

9.6 Cancellation/Non-Renewal. When there is a cancellation, non-renewal or material change in coverage which is not made pursuant to a request by City, EDF shall notify the City of such and shall give such notices not less than thirty (30) days prior to the change, if EDF knows of said change in advance, or ten (10) days after the change, if the EDF did not know of the change in advance. Such notice must be accompanied by a replacement Certificate of Insurance. All notices shall be given to the City at the following address:

City of San Antonio  
 Economic Development Department  
 P.O. Box 839966  
 San Antonio, Texas 78283-3966

City of San Antonio  
 City Clerk's Office  
 P.O. Box 839966  
 San Antonio, Texas 78283-3966

9.7 Failure to Maintain. In addition to any other remedies the City may have upon EDF's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order EDF to stop work hereunder, and/or withhold any payment(s) which become due to EDF hereunder until EDF demonstrates compliance with the requirements hereof.

9.8 Responsibility of EDF. Nothing herein contained shall be construed as limiting in any way the extent to which EDF may be held responsible for payments of damages to persons or property resulting from EDF's or its subcontractors' performance of the work covered under this Agreement.

9.9 Primary Insurance. It is agreed that EDF's insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

## **X. INDEMNIFICATION**

**10.1 EDF covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, CITY and the elected officials, employees, officers, directors, and representatives of CITY, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon CITY arising out of or resulting from EDF activities under this AGREEMENT, including any acts or omissions of EDF, any agent, officer, director, representative, employee, EDF or subcontractor of EDF, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this AGREEMENT. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT EDF AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT,**

**HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.**

10.2 The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. EDF shall advise the CITY in writing within three business days of any claim or demand against the CITY or EDF known to EDF related to or arising out of EDF's activities under this AGREEMENT and shall see to the investigation and defense of such claim or demand at EDF's cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving EDF of any of its obligations under this paragraph.

**XI. ASSIGNMENT AND SUBCONTRACTING**

11.1 Qualified Personnel. EDF shall supply qualified personnel as may be necessary to complete the work to be performed under this Agreement. Persons retained to perform work pursuant to this Agreement shall be the employees or subcontractors of EDF.

11.2 Subcontractors. It is City's understanding, and this Agreement is made in reliance on that understanding, that EDF shall identify in its annually-submitted budget to City any subcontractors that EDF then intends to use to provide Services under this Agreement. On the approval of the annual budget, the subcontractors identified in it are deemed approved by City. Any subcontracts that arise during the year that have an annual subcontracted value in excess of \$20,000.00 and that are not included in the budget, must be approved by City.

11.3 Written Agreement. Any work or services subcontracted by EDF hereunder with an annual value in excess of \$100,000.00 shall be by written contract and, unless specific waiver is granted in writing by the City, shall be subject by its terms to each and every provision of this Agreement. Compliance by subcontractors with this Agreement shall be the responsibility of EDF. City shall in no event be obligated to any third party, including any subcontractor of EDF, for performance of services or payment of fees.

**XII. INDEPENDENT CONTRACTOR**

EDF and the City covenant and agree that EDF is an independent contractor and not an officer, agent, servant or employee of City; that EDF shall have control of and right to control, in its sole discretion, the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and EDF; that the doctrine of respondeat superior shall not apply as between City and EDF, its officers, agents, employees, contractors, subcontractors and EDF, and nothing herein shall be construed as creating the relationship of employer-employee, principal-agent, partners or joint venturers between City and EDF. The parties hereto understand and agree that the City shall not be liable for any claims which may be asserted by any third party occurring in connection with the Services to be performed by the EDF under this Agreement and that the EDF has no authority to bind the City.

**XIII. CONFLICT OF INTEREST**

13.1 City's Ethics Code. EDF acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Part B, Section 10 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as city-owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

13.2 The Executive Committee of the EDF shall comply with the Conflicts of Interest Policy set out in Exhibit "C."

#### **XIV. LEGAL/LITIGATION EXPENSES**

14.1 Litigation Against City. Under no circumstances will the funds received under this Agreement or any other funds received from City be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the City or any other governmental or public entity.

14.2 Termination. During the term of this Agreement, if EDF files and/or pursues an adversarial proceeding against the City then, at the City's option, this Agreement and all access to the funding provided for hereunder may terminate if it is found that EDF has violated this Article.

#### **XV. AMENDMENTS**

Except where the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms hereof, shall be effected by amendment, in writing, executed by both City and EDF, and subject to approval by the City Council, as evidenced by passage of an ordinance.

#### **XVI. SEVERABILITY**

If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of the City of San Antonio, Texas, then and in that event it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal, or unenforceable, there be added as a part of the Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

## **XVII. LICENSES/CERTIFICATIONS**

EDF warrants and certifies that, to its knowledge, EDF and any other person designated to provide services hereunder has the requisite training, license and/or certification to provide said services, and meets all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

## **XVIII. COMPLIANCE WITH LAWS**

EDF shall provide and perform all services required under this Agreement in compliance with all applicable federal, state and local laws, rules and regulations.

## **XIX. NONWAIVER OF PERFORMANCE**

Unless otherwise specifically provided for in this Agreement, a waiver by either Party of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall not be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of either Party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option.

## **XX. LAW APPLICABLE**

**20.1 THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS.**

20.2 Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in the City of San Antonio, Bexar County, Texas.

## **XXI. LEGAL AUTHORITY**

The signer of this Agreement for EDF represents, warrants, assures and guarantees that he has full legal authority to execute this Agreement on behalf of EDF and to bind EDF to all of the terms, conditions, provisions and obligations herein contained.

## **XXII. PARTIES BOUND**

This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, and successors and assigns, except as otherwise expressly provided for herein.

## **XXIII. CAPTIONS**

The captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Agreement.

#### **XXIV. INCORPORATION OF EXHIBITS**

Each of the Exhibits listed below is an essential part of the Agreement, which governs the rights and duties of the parties, and shall be interpreted in the order of priority as appears below:

EXHIBIT A: Map of City Limits and ETJ

EXHIBIT B: Strategic Plan Implementation Scope

EXHIBIT C: EDF Conflict of Interest Policy

EXHIBIT D: EDF Acknowledgment of Conflict of Interest Policy

#### **XXV. ENTIRE AGREEMENT**

This Agreement, together with its authorizing ordinance and its exhibits, if any, constitute the final and entire agreement between the parties hereto and contain all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto, unless same be in writing, dated subsequent to the date hereto, and duly executed by the parties, in accordance with Article XV. Amendments.

***SIGNATURES ON FOLLOWING PAGE***

**IN WITNESS WHEREOF**, the parties hereto have executed the Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

**CITY OF SAN ANTONIO, TEXAS,**

A Municipal Corporation

**SAN ANTONIO ECONOMIC  
DEVELOPMENT  
FOUNDATION**

A Texas Nonprofit Corporation

---

**Sheryl L. Sculley**  
City Manager

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**Jenna Saucedo-Herrera**  
President

**ATTEST:**

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**Leticia Vacek**  
City Clerk

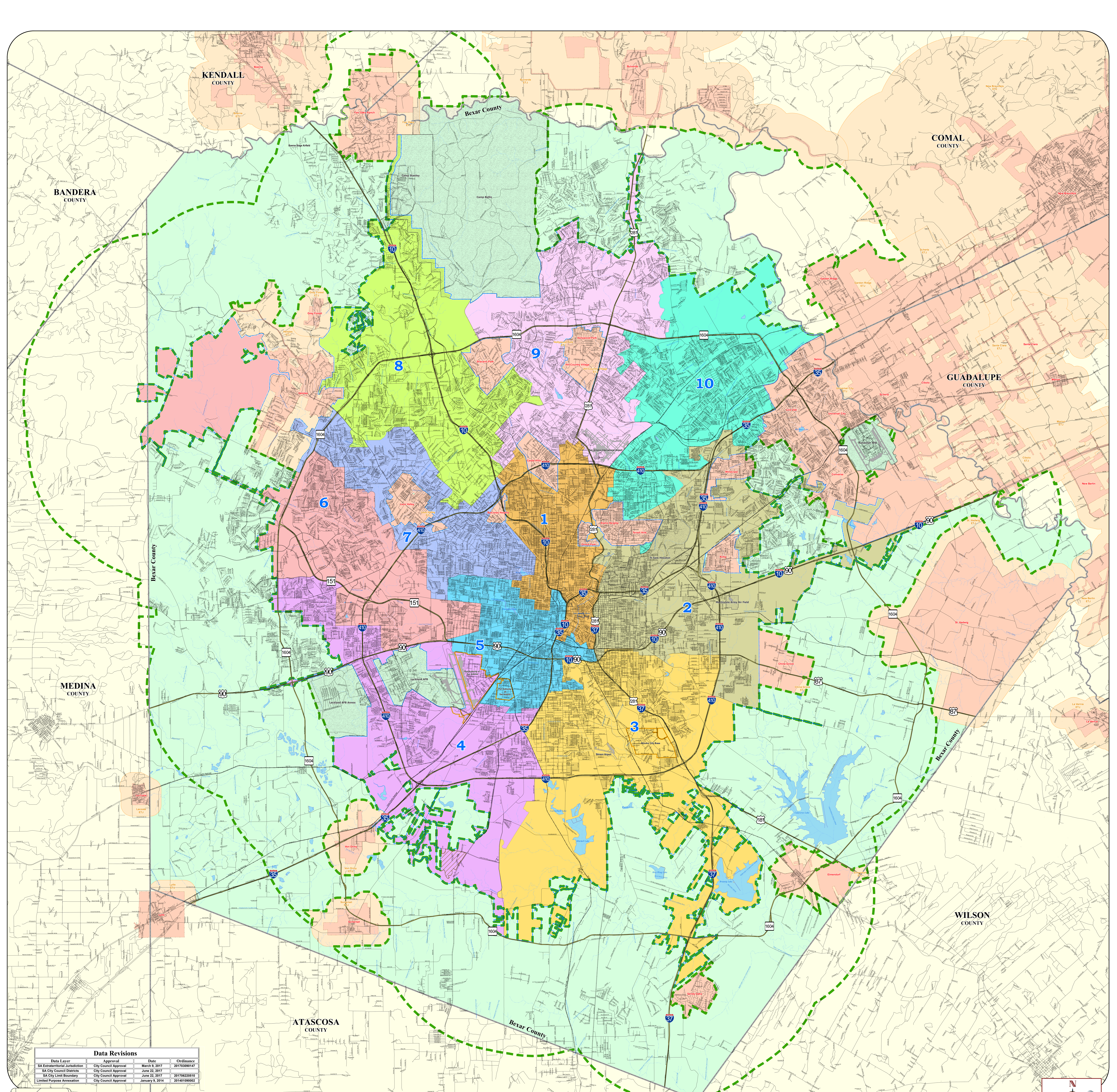
**APPROVED AS TO FORM**

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City Attorney

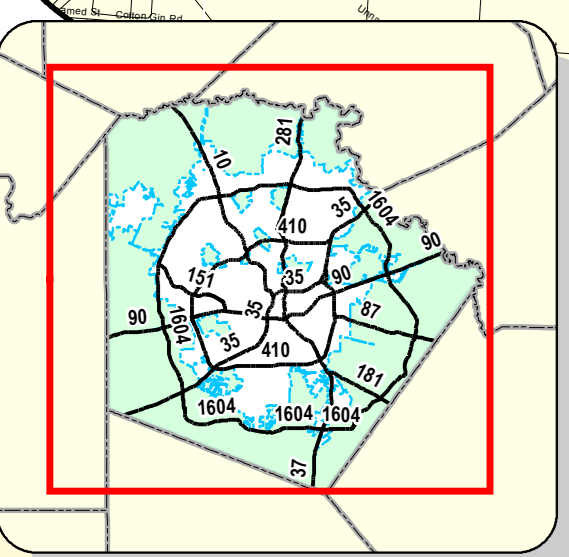
**EXHIBIT A:**  
**Map of City Limits and ETJ**





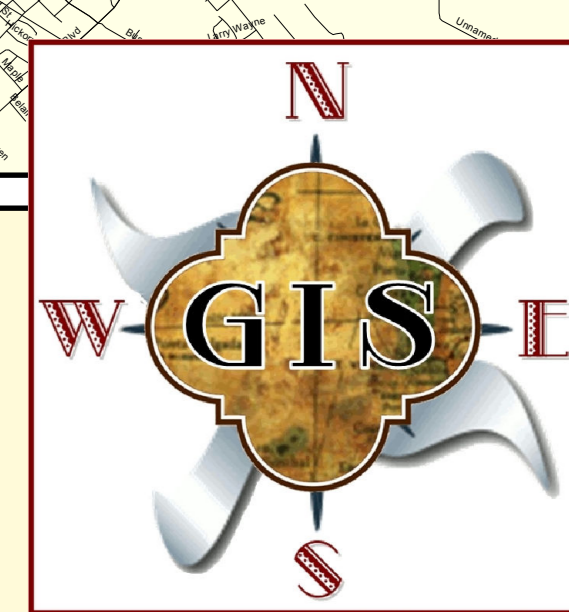
**Data Revisions**

Data Layer	Approval	Date	Ordinance
SA Extraterritorial Jurisdiction	City Council Approval	March 9, 2017	20170309147
SA City Council Districts	City Council Approval	June 22, 2017	
SA City Limits Boundary	City Council Approval	June 22, 2017	201706220510
Limited Purpose Annexation	City Council Approval	January 9, 2014	201401090002



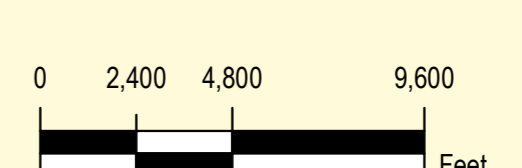
**Legend**

- District 1
- District 3
- District 5
- District 7
- District 9
- San Antonio City Limits Line
- Bexar County
- Cities and Towns
- Adjacent Counties
- Lakes
- Railroads
- District 2
- District 4
- District 6
- District 8
- District 10
- San Antonio Extraterritorial Jurisdiction Boundary
- Limited Purpose Annexation
- Cities and Towns E.T.J.
- Creeks
- Expressways



**City of San Antonio  
Extraterritorial Jurisdiction Boundary 2017**

Data Source: City of San Antonio Enterprise GIS, Bexar Metro 011, Bexar Appraisal District  
This map was prepared by the City of San Antonio's Information Technology Services Department. It is provided for informational purposes only. The City of San Antonio is not responsible for any errors or omissions in this map. The City of San Antonio is not responsible for any damages or liabilities arising from the use of this map. The City of San Antonio is not responsible for any damages or liabilities arising from the use of this map. The City of San Antonio is not responsible for any damages or liabilities arising from the use of this map.



**City of San Antonio**  
Information Technology Services Department  
GIS Public Services Division

Riverview Towers  
111 Soledad St. 9th Floor  
San Antonio, TX 78205

**EXHIBIT B:**  
**Strategic Plan Implementation Scope**

**San Antonio Economic Development Foundation (SAEDF)**  
*Forefront SA Business Plan: 2018*  
*City of San Antonio (COSA) Agreement Deliverables*

The San Antonio Economic Development Foundation (SAEDF) is the master convener for the region’s economic and workforce initiatives. The SAEDF continues to realign its resources to ensure that all day-to-day activity is focused on the performance metrics and coordination called for in the San Antonio Strategic Plan for Economic Development (Forefront SA) and in congruence with the Jobs and Economic Competitiveness section of the SA Tomorrow Comprehensive Plan.

**COSA / SAEDF Agreement Parameters:**

**Overview:** To establish and continue to develop a sustainable collaboration model and maximize allocated economic development resources, with the core focus continuing to be: 1) securing foreign and domestic job-producing investments from recruited companies, 2) supporting local industry retention and expansions, and 3) imaging/marketing of San Antonio as a progressive, well-educated city attractive to foreign and domestic targeted industry business investments. SAEDF will also exert a prominent role in reporting workforce development initiatives executed through SA Works.

The scope, metrics and deliverables contained in this plan are congruent with the SA Tomorrow Comprehensive Plan and the SA2020 Vision Plan, which secured public input and direction from residents, community stakeholders, business and other community partners. Studies and publications that serve as guiding documents for this scope include the 2013 Deloitte Economic Development Strategic Plan study, the 2015 Trade and Investment Strategy, the 2015 Cybersecurity Industry Market Study, the SA2020 Talent Pipeline Study and other community-wide studies speaking to industry growth, economic development goals and tactics, and workforce development supply and demand as it pertains to industry competitiveness.

**Service Area:** For purposes of SAEDF activities funded by COSA, services will be delivered for the principal benefit of the area and residents within the boundaries of City of San Antonio in effect during the contract term. COSA acknowledges that SAEDF also has obligations to Bexar County, CPS Energy, SAWS, and private sector member companies, provided, however, SAEDF will coordinate efforts and maximize the benefits of its efforts with all such parties. Such efforts should include, but not be limited to, keeping an open line of communication with all parties and negotiating on behalf of and for the benefit of all such parties.

**Updates and Reporting:** At the request of COSA, SAEDF will present to City Council and/or the Economic and Workforce Development Committee for regular updates.

**SAEDF Charter:**

**Vision:** To propel the San Antonio region to the forefront of today’s top performing cities.

**Mission:** Lead the development and diversification of the San Antonio regional economy through the location and expansion of quality employers and job producing investments.

**Unique Value Proposition:** As a public-private economic development organization, SAEDF serves as an extension of industry to build networks and develop business opportunities on behalf of our public-sector partners. SAEDF serves as the San Antonio region’s lead marketing organization working daily to promote the community as a prime location for quality employers and job-producing investments. SAEDF also provides complimentary site selection assistance through customized research and analytics, to streamline a company’s entrance into the San Antonio regional market.



San Antonio Economic Development Foundation (SAEDF)  
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**Governance:**

Implementation and monitoring of Forefront SA falls under the oversight of the President & CEO and Executive Committee of SAEDF. All tactics and strategies will continue to be evaluated by public sector partners, approved by the SAEDF Executive Committee, advised by the Mayor and County Judge, and be reflected in an annual update to Forefront San Antonio, which will be made available to elected officials and business leaders.

**Guiding Principles:**

- **Coordination and Collaboration:** Economic development is a team activity and requires consensus, clear direction, and action bias. This plan provides for both short-term tactic development and funding as well as longer-term initiative development tying together multiple annual work plans. The community must engage in a means of economic development coordination to facilitate private sector collaboration towards consistent and aggressive action towards economic development goals.
- **Private Sector Leadership:** Private sector leadership is key to the success of any economic development strategic plan and plays a key role in determination of goals, objectives, strategies and tactics. Private sector leaders must be provided a clear and consistent means to move city-wide economic development objectives forward.
- **Maximization of Resources:** Investment of public economic development funds are focused on the highest and best use in securing and growing new jobs and investment in Targeted Industries. This Business Plan seeks to ensure such dollars are focused on Targeted Industry Initiatives and leveraged through short and long-term coordinated planning and execution of tactics leveraging and driving all state, federal, foundation and industry funds available towards accomplishment of the community's economic development goals.
- **Agile Economic Development:** Economic development tactics and initiatives must be fluid and flexible and be continuously improved based on opportunities that occur at the speed of business.
- **Data Driven:** SAEDF is committed to ensuring all strategies and tactics are based on timely and relevant data both to inform action as well as measuring progress in meeting economic development objectives.

**Planning Assumptions:**

The San Antonio region has many assets that make it a desirable place for both residents and businesses. The region is estimated to capture a significant number of new residents by 2020 growing both business and adding to its existing workforce. Driving the influx is San Antonio's stability in its long-standing military cluster, growing financial institutions, tourism and hospitality sectors, and emerging bioscience and technology sectors.

This diversity and the region's business-friendly, low tax environment, municipally-owned utilities (CPS Energy and SAWS), and state-sponsored business relocation opportunities, have contributed to the economic growth and employment throughout the city.

Geographically, the region's location makes it an attractive place as it sits on major trade routes in close proximity to Mexico, seaports in Houston and Corpus Christi, as well as major interstates. Further opportunities are expected with significant growth in Austin, as new development closes the gap between the two cities. Merging the Central and South Texas economies opens new doors for both industry and employment.

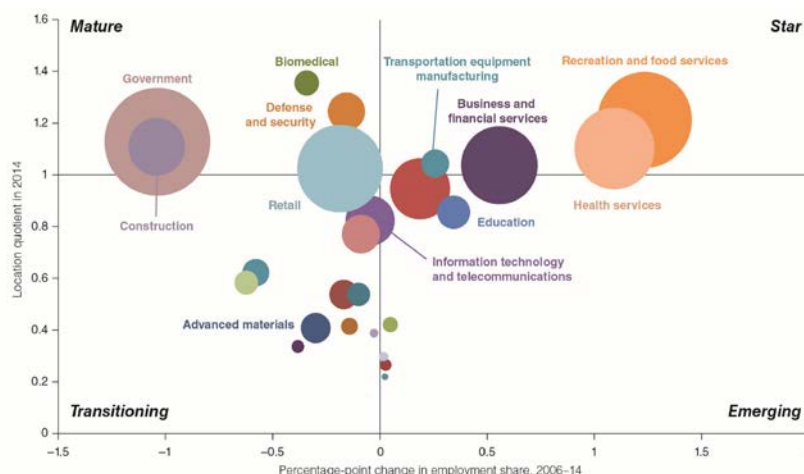
**Drivers:**

- Government continues to be the largest cluster on the strength of the region's three large military installations, which together employ approximately 85,000+ residents (cite: jbsa.mil) helping provide stability for the region's growth. Local hiring in 2017 is expected to grow at a faster pace than the previous year and is forecasted to continue. With forecasted increases the Dallas Fed, have raised their previous estimate for job growth from 2.5 percent to 3 percent for 2017.

**San Antonio Economic Development Foundation (SAEDF)**  
*Forefront SA Business Plan: 2018*  
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- Tourism is one of the area’s most important industries—local attractions draw millions of visitors annually —and, along with the travel industry, generated \$13.4 billion in economic impact in 2013 according to “The Economic Impact of San Antonio’s Hospitality Industry” study<sup>1</sup> San Antonio is also a top U.S. convention city. Employment in recreation and food services, the second-largest cluster, expanded 26 percent (26,100 jobs) from 2006 to 2014 and has remained at a 4 percent nominal increase into 2016<sup>2</sup>. Job increases in tourism and hospitality along are associated with recent increases in oil production inventories offsetting fuel costs for consumer industries and individuals alike. The same can be said for logistical transportation industries and manufacturing as goods and services are transported at decreased costs from past years.
- Biosciences and Health services continue to support job growth in the area, with a combination of private and government operations. Employment in private health-related institutions accounts for about 10 percent of San Antonio region’s workforce<sup>3</sup>, is higher than in other major Texas metros, including Houston, and its share grew in the 2006–14 period. Medical research facilities in San Antonio include the San Antonio Army Medical Center’s San Antonio Military Medical Center—the nation’s largest military hospital—and Wilford Hall Ambulatory Surgical Center at Lackland Air Force Base, the University of Texas Health Science Center at San Antonio, the Texas Biomedical Research Institute and the Texas Research Park. San Antonio’s proximity to military medical facilities, as well as privately funded research and health institutes, should continue to propel the health sectors growth.
- Business and financial services continue to be a growing sector and accounts for 9 percent (2016) of the local workforce<sup>4</sup> (LCMI Tracer Cite). San Antonio is headquarters to USAA (United Services Automobile Association) and Frost Bankers Inc. Employment in the business and financial institutions rose 4 percent from 2015 – 2016 in-line with other major state metros.
- The Manufacturing Industry has long had a presence in San Antonio dating back to the Canary Island settlers in the early 1700’s. The manufacturing companies in the greater San Antonio area have made products critical to the regional, national and world economies for decades. Virtually every segment of manufacturing is represented by the companies within the San Antonio region – ranging from food processing to automobiles to aircraft to solar panels. The manufacturing industry’s annual economic impact is estimated at over \$22.5 billion
- San Antonio’s expanding Cyber-Security sector is largely becoming a driving industry for the city. With over forty Cyber-Security firms headquartered in San Antonio, the city is developing to be one of the largest concentrations of IT, Information Assurance and cyber-security professionals in the nation. Fueling this growth has been the city’s continued support and investment to education and creation of a Cybersecurity workforce. Continuing investment in information technology and cyber- security is being made through startup funding opportunities and continued educational services through local colleges and universities.

**Driving Sectors for San Antonio’s MSA**



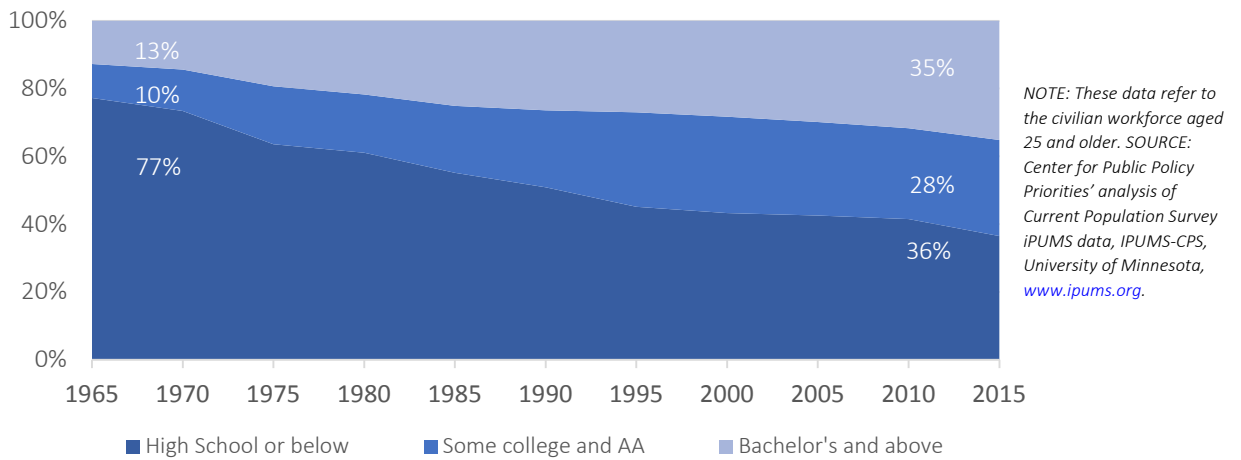
*NOTE: Bubble size represents cluster share of metropolitan statistical area employment. SOURCES: Texas Workforce Commission; Bureau of Labor Statistics; calculations by authors of “At the Heart of Texas: cities’ Industry Clusters Drive Growth,” Laila Assanie, Kristin E. Davis, Pia M. Orrenius and Michael Weiss, Federal Reserve Bank of Dallas, February 2016.*

**San Antonio Economic Development Foundation (SAEDF)**  
*Forefront SA Business Plan: 2018*  
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**Challenges:**

- The San Antonio region’s dependency on military and government operations remains as a constant driver, but relied economic dependency is vulnerable to federal budget cuts in the future. Joint Base San Antonio reports a total Economic Impact of military operations in the area at \$15,460,380,263<sup>5</sup>. This would be detrimental to the region if budget cuts were imposed decreasing funded military operations and supported industry clusters.
- As a historic center of cultural confluence and trade, the San Antonio region continues to have a unique position in North America. The impact of current dynamic federal policy on trade and investment, both within North American and beyond, continues to challenge our community’s strategic efforts in this space. Data will continue to drive the evolution of our community strategy and tactics but must be balanced with the ever-evolving federal policy on trade and investment.
- A short supply of in-demand skilled workers may constrain future growth in high-paying sectors and limit the area’s ability to attract firms and investment. Regionally San Antonio continues to trail the state in educational attainment. Twenty-six (26) percent of the population age 25 and over holds a bachelor’s degree or higher<sup>6</sup>, compared with the States average of 28 percent. The regions less educated population relative to other large Texas metros, combined with its trend of low paying service employers in retail and recreation, has restrained median incomes.

**Texas Educational Attainment of Civilian Workforce Age 25 & Older**



San Antonio Economic Development Foundation (SAEDF)  
*Forefront SA Business Plan: 2018*  
*City of San Antonio (COSA) Agreement Deliverables*

Cradle to Career Milestones

Indicator	Status (2015-16)	Improvement in % points	
		since 2011-12	since 2014-15
Kindergarten Readiness <sup>1</sup>	24% of students were very ready for kindergarten	↑ 2%	— 0%
Third Grade Reading <sup>2</sup>	40% of students met grade level performance	↑ 5%	↑ 4%
Eighth Grade Math <sup>2</sup>	28% of students met grade level performance	↓ 1%	↓ 2%
High School Graduation <sup>3</sup>	90% of adjusted cohort graduated in four years	↑ 5%	↑ 1%
Post-Secondary Enrollment <sup>4</sup>	47% of graduates enrolled in TX post-secondary institutions	↓ 3%	↓ 2%
Post-Secondary Attainment <sup>5</sup>	38% of 25-34-year-olds have a certificate or above	↑ 2%	— 0%

Supplementary to planning assumptions, is the inherent responsibility of economic development to foster growth across industry sectors. Specifically, among identified Target industries, to ensure the community consistently integrates diverse jobs and investment through the strategic objectives and metrics outlined in the following sections.

Target Industries are identified as Biosciences/Healthcare, Advanced Manufacturing, Aerospace & Transportation, Information Technology/Information Security and New Energy industry subsectors as determined by the March 2013 Deloitte Target Cluster SWOT Analysis and Economic Development Scan and SA Tomorrow.

Strategic Objectives:

SAEDF’s objectives represent our goals as they relate to our essential and current baseline services and correspond to the goal areas of the Jobs and Economic Competiveness section of the SA Tomorrow Comprehensive Plan. These objectives were the result of a comprehensive analysis of the region’s current economic drivers, including the need to enhance our community-centric approach and meet investor performance expectations. The objectives are aligned to our mission, goals, daily operation strategies, and financial requirement plans:



San Antonio Economic Development Foundation (SAEDF)  
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- **Business Attraction:** Strengthen the city's competitive position for job-producing investments within targeted industries, both domestically and internationally.
  - Site Selection: Provide site selection assistance free of charge for prospective foreign and domestic companies, including options and information on all areas of COSA and, an emphasis on targeted geographic areas of COSA and County, including, without limitation, the Central Business District, Port San Antonio, Brooks City Base, , and the Regional Centers as identified in the SA Tomorrow Comprehensive Plan.
  - Targeted Recruitment Trips: Coordinate and strategize on maximizing impact of regular marketing trips during monthly Partners Meetings to discuss tactics and specified geographies that align with focus industries. Includes at least two senior leader trips, to involve the City Manager, Mayor and County Judge.
  - Familiarization Tour: Coordinate a visit for location consultants and/or industry experts specializing in relevant target industries to visit San Antonio and be exposed to our industry experts and unique assets.
  - Customer Perspective Project: Facilitate process to objectively evaluate our current economic development processes and policies through the lens of our "San Antonio customers" and with a collaborative mindset, provide and implement improvement recommendations.
  - SA Connect: Work to deploy SA Connect 2.0, an interactive Geographic Information System (GIS) platform that enables corporate or business decision makers to locate policy focus areas such as SA Tomorrow Regional Centers and critical city infrastructure needs, from utilities to transportation, using one easy navigation tool.
- **Business Retention and Expansion (BRE):** Continue to build a world-class BRE program that provides local businesses the support to remain, grow, and prosper in San Antonio.
  - Visits: Leveraging objective risk management prioritization method to identify a minimum of 20 targeted companies for formal BRE visits that should include the partners team (specifically the COSA BRE Manager). Include Mayor and City Manager where applicable.
  - Reverse BRE Visit: Coordinate an out of market senior leader visit to corporate offices that have local San Antonio operations.
  - Data & Reporting: Gather relevant information from 20 BRE visits to build a comprehensive report that outlines needs, concerns and opportunity areas to inform retention strategies to be delivered to EDD at the end of January and June of each calendar year.
- **Entrepreneurial Development:** Develop a comprehensive program for entrepreneurial development, including: Research and Development (R&D), capital formation, market access, technology transfer, and business skills development.
  - Coordination & Planning Alignment: Secure on-going and planned initiatives (non-confidential) supporting the community's entrepreneurial development goals in coordination with partners such as Geekdom, the University of Texas Health Science Center at San Antonio's, University of Texas San Antonio (and other universities and anchor institutions), and The Texas Technology Development Center (T3DC), and Launch SA.
- **International Relations:** Create globally-competitive programs and services that promote and attract foreign direct investment to San Antonio and South Texas.
  - Foreign Direct Investment (FDI): Implement recommendations found in the 2015 San Antonio Trade and Investment Strategy to increase FDI in San Antonio's Targeted Industries.
  - Japan Consulting Scope: Administer the agreement with Hiro Watanabe and the Texas-Japan Office to include submission of quarterly reports to EDD regarding status against contract objectives.
  - Investment Mission: Organize at least two Investment Missions in Japan and one additional tier one country for Target Industry companies.
  - International Advisory Council: Organize, schedule, host, and manage the quarterly meetings of the International Advisory Council to coordinate and align international engagements among all community partners.



San Antonio Economic Development Foundation (SAEDF)  
*Forefront SA Business Plan: 2018*  
*City of San Antonio (COSA) Agreement Deliverables*

- **Workforce Development:** Cultivate and maintain a high-quality workforce development system in coordination with SA Works.
  - Skills Gap Analysis: oversee SA Works delivery of agreement deliverables which include primary data collection resulting in number and type of middle-skill jobs available in Manufacturing, Healthcare/Bioscience and IT/Cybersecurity (priority).
  - Training Provider Assessment: Conduct evaluations to better understand capacity and identify service gaps, such as job shadow events and teacher externships.
  - Quarterly Jobs Report: Develop a tool to assist target industry private sector leaders to understand top occupations, job openings, degree/certification requirements for the San Antonio area.
  - School-to-Career: ongoing work-based learning programs.
- **Marketing:** Collaborate and engage with key partners to expand awareness of the city, its assets, and its position globally, nationally, and locally.
  - SA Branding Movement: Develop a brand architecture that will inform our efforts to position the San Antonio region as a place for business investment and aid our partners across the community in crafting aligned messaging that would amplify our collective impact.
  - Visit SA Alignment: Work to develop strategies to align proactive conference and event recruitment in alignment with target industries that would support or business development efforts, and plan detailed visitor experience strategies for key events and travelers.
  - Investor Growth Initiative: Build a sustainable funding stream to support the growth of SAEDF by defining, articulating and enhancing the benefits of membership and deepening investor relationships.

Governance and Updates to the Forefront SA Strategic Plan:

The San Antonio economic development delivery system executes on strategies to recruit and relocate target industry companies, retain and expand resident businesses, and cultivate regional workforce development initiatives. In addition to Executive, Finance, Marketing, and Investment Committee, SAEDF will convene and maintain the following additional Advisory Councils and Industry Workgroups:

**Advisory Councils:** Comprised of 15-20 private sector members in order to ensure private sector collaboration in the development of strategies and tactics found in Forefront SA.

- **SA Works Industry Advisory Council:** Tasked to lead the education and workforce strategy for San Antonio and ensure a sustainable, balanced talent pipeline in target industries.
- **Entrepreneurial Development Council:** Tasked to lead initiatives that advance the San Antonio startup ecosystem and foster our national brand as a startup hub, including: attracting new startups and locating capital resources and entrepreneur-friendly real estate.
- **International Relations Council:** Led by the Chair of the City of San Antonio Economic and Workforce Development City Council Sub-Committee, this council is tasked to facilitate foreign investment into the San Antonio economy through industry leaders that drive international business development strategies.

**Industry Workgroups:** These groups are made up of 10-15 investors and stakeholders appointed by the SAEDF to shape industry action plans in alignment with Forefront SA, to provide expertise and insight that enables informed decision making.

**San Antonio Economic Development Foundation (SAEDF)**  
*Forefront SA Business Plan: 2018*  
*City of San Antonio (COSA) Agreement Deliverables*

**Updates to Forefront SA:**

SAEDF will submit to City updated Forefront SA tactics and strategies vetted through the Industry Workgroups and Councils for each Targeted Industry to cover at a minimum the variables listed below:

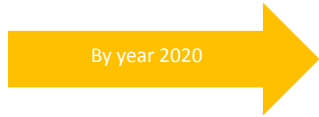
- KPIs
- Collaboration (i.e. Boards, Memberships, Working Groups)
- BRE Visits
- Recruitment Events, Locations & Initiatives
- Entrepreneurial Development Events & Initiatives
- International Events & Initiatives
- Workforce Development Events & Initiatives

These updates should be submitted twice a year through the Partners Meetings, ideally in January and June; however, these dates are flexible based on final meeting dates of the Workgroups and Councils. KPI's will also be reported quarterly as required by SAEDF economic development services agreement.

**Key Performance Indicators (KPIs):**

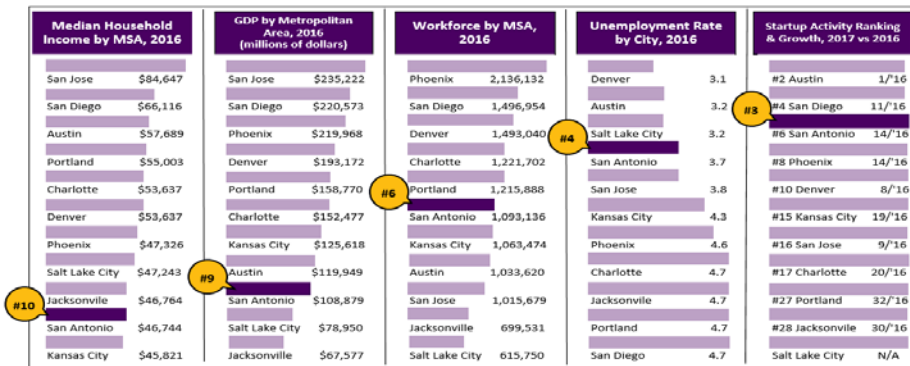
Key performance indicators (KPIs) are a set of quantifiable measures that the SAEDF has selected to gauge its targeted performance towards the San Antonio MSA's economy and targeted industries. These metrics are used to determine progress in achieving its strategic and operational goals, and also to compare the city's performance against other peer cities metropolitan statistical areas (MSA) as San Antonio ranks:

- #10 in Median Household Income
- #4 Gross Metropolitan Product
- #6 in Startup Activity Growth
- #5 in Job Growth by Metro Area
- #5 in Unemployment Rate



- #9 Median Household Income
- #3 in Gross Metropolitan Product
- #5 in Startup Activity Growth
- #5 in Job Growth by Metro Area
- #5 in Unemployment Rate

San Antonio Rankings



**San Antonio Economic Development Foundation (SAEDF)**  
*Forefront SA Business Plan: 2018*  
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Additionally, the SAEDF’s KPIs align with the SAEDF’s projected organizational strategic and operational goals in strategic focus areas for; foreign direct investments, local capital investments (Local CAPEX), target sector employment growth, estimated payroll, number of located projects, added jobs to the workforce, number of new high-wage jobs, San Antonio’s brand awareness, and workforce metrics.

	Indicator	2017 Goals	Y-T-D	2018 Goals	2020 Aggregate Goals
Community Indicators	Gross Metropolitan Product	Baseline Year	#9	Tracking Indicators	#8
	Median Household Income	Baseline Year	#10		#9
	Unemployment Rate	Baseline Year	#4		#3
	Total Job Growth	Baseline Year	3%		3%
	Entrepreneurial Growth	#10	#6		#3
	Foreign Direct Investment*	\$162M*	N/A*	\$66M*	\$200M
Market Results	Local CAPEX	\$300M	\$245,607,000	\$350M	\$1.5B
	Target Sector Employment Growth (NAICS)	≥1%	N/A*	TBD	TBD
	Estimated Payroll by Target Sector Industries	\$20M	\$98,749,480	\$100M	\$450M
	Number of New Jobs	<b>Total: 4,000</b> BRE: 2,400   REC: 1,600	<b>Total: 3,510</b> BRE: 1,089   REC: 2,421	<b>Total: 4,527</b> BRE: 1,811   REC: 2,716	<b>Total: 20,000</b> BRE: 8,000   REC: 12,000
	TI (target industry)	TI: 1,600 (40%) BRE: 720   REC: 480	TI: 1,036 (30%) BRE: 739   REC: 297	TI: 1,931 (43%) BRE: 772   REC: 1,159	TI: 9,984 (50%) BRE: 3,994   REC: 5,990
	Other Industries	Other: 2,400 (60%) BRE: 1,080   REC: 720	Other: 2,474 (70%) BRE: 350   REC: 2,124	Other: 2,596 (57%) BRE: 1,038   REC: 1,558	Other: 9,879 (50%) BRE: 3,952   REC: 5,927
	Number of New High Wage Jobs	15% (600)	28% (1,163)	42% (1,900)	45% (9,063)
Brand	Brand Awareness and Favorability	Awareness 63% Favorability 53%	Awareness 63% Favorability 53%	Awareness 67% Favorability 56%	Awareness 78% Favorability 66%
	Impact Score	N/A	N/A*	250M	1.5B
	Earned Media Value	N/A	N/A*	\$500K	\$2M
Workforce	Work-based Learning Opportunities	3,970	3,720	4,590	20K
	Post-Secondary Completions (TI)	6,900	N/A*	7,200	29,400

\*indicates adjustment in calculation and goals have been revised

Per this City of San Antonio Economic Development Services Agreement KPI’s used monitor material quantitative performance of this agreement include: Local CAPEX, Number of New Jobs (to include Targeted Industry Goal), Number of High Wage Jobs, International Investment Missions, and BRE Visits.

Qualitative Measures will be summarized and expressed as recommendations following submission of each quarterly report.



San Antonio Economic Development Foundation (SAEDF)  
*Forefront SA Business Plan: 2018*  
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SAEDF / City Contract Budget (Fiscal Year 2017-2018)

Income

City Contract*	\$590,000
<b>Total Income</b>	<b>\$590,000</b>

Operating Expenses

<b>Staff Expenses</b>	<b>\$243,000</b>
Salaries (2 FTEs)	\$200,000
Taxes (FICA, Medicare, FUTA, SUI)	\$18,000
Employee Benefits (Insurance, 401K)	\$25,000
<b>Prospect and Marketing Expenses</b>	<b>\$275,000</b>
Advertising/Marketing/Public Relations	\$50,000
Collateral/Printed Materials	\$10,000
Consulting (Annual wage study & other studies)	\$20,000
IT Services (Xceligent, SA Connect, GIS)	\$20,000
Business Development	\$85,000
Japan/Texas Office Agreement	\$90,000
<b>Administrative/Other Expenses</b>	<b>\$72,000</b>
Trade Association Dues (TexasOne, TEDC)	\$15,000
Audit Fees	\$7,500
Contract Accounting	\$3,000
Rent	\$30,000
Telephone	\$8,000
PEO	\$4,000
Insurance	\$4,500
<b>Total Operating Expenses</b>	<b>\$590,000</b>
<b>Net Cash</b>	<b>\$0</b>

\*Note: City Income includes \$90,000 for continued funding of the Texas/Japan office.

# **EXHIBIT C**

## **CONFLICTS OF INTEREST POLICY**

**CONFLICTS OF INTEREST POLICY  
FOR THE SAN ANTONIO ECONOMIC DEVELOPMENT FOUNDATION  
WHEN ACTING ON BEHALF OF THE CITY OF SAN ANTONIO**

**Article I**

**Purpose**

The purpose of this Conflicts of Interest Policy is to protect the interest of the City of San Antonio ("City") when it is contemplating, on the recommendation of the San Antonio Economic Development Foundation ("EDF"), offering incentives (economic or otherwise) to third-parties and when the City is contemplating, on the recommendation of EDF, entering into a transaction or compensation arrangement of any type that may benefit the interests of an officer or director of EDF. This policy is intended to supplement but not replace any other applicable federal, state or local laws governing conflicts of interest that may be applicable to EDF.

**Article II**

**Definitions**

1. Interested Person

Any director or officer of EDF who has a direct or indirect "financial interest", as defined below, is an "Interested Person".

2. Financial Interest

A person has a financial interest if the person enters or proposes to enter into a transaction with the City, or such person has, directly or indirectly, through business, investment or family:

(a) an ownership or investment interest in any entity with which the City has a transaction or arrangement, or

(b) a compensation arrangement (which shall include any employment or independent contractor arrangement) with the City, or any entity or individual with which the City EDF has a transaction or compensation arrangement, or

(c) a potential ownership or investment interest in, or compensation arrangement with, the City or with any entity or individual with which the City is negotiating a transaction or compensation arrangement.

A compensation arrangement includes any arrangement pursuant to which any direct and indirect remuneration passes to or from the City.

## Article III

### Procedures

#### 1. Approval Requirement

In all transactions or compensation arrangements in which an Interested Person has a financial interest and which is to be presented to the EDF Board of Directors for recommendation to the City, such financial interest shall be fully disclosed to the EDF Board of Directors prior to the presentation of the proposed transaction or compensation arrangement; provided, however, that no such disclosure or approval is required for (1) contributions, donations or other support given to EDF in support of its mission for no consideration (except recognition, acknowledgment and other courtesies routinely extended to similarly situated donors), or (2) the purchase of goods or services from EDF on the same terms and conditions as are made available by EDF to the general public, or (3) any transaction or compensation arrangement that would not, if the interested person were a "public officer" and EDF were a "public agency", constitute an interest, as each such term is described in Chapter 171 of the Texas Local Government Code (governing conflicts of interest of public officers).

#### 2. Duty to Disclose

In connection with any transactions or compensation arrangements which are or may be subject to disclosure, an interested person must fully disclose the existence and nature of his or her financial interest to the president (or, if the president is the interested person, to the chairperson of the board) who shall then bring the matter before the Board of Directors (the "Board") in a convened meeting for a determination of whether a conflict of interest exists prior to any presentation of information related to the transaction or compensation arrangement to the City..

#### 3. Determining Whether a Conflict of Interest Exists

After full disclosure of the financial interest, the Interested Person shall leave the board meeting while the financial interest is discussed by the Directors who shall then determine if a conflict of interest exists. Such determination shall be evidenced by a vote of the Board.

#### 4. Procedures for Addressing the Conflict of Interest

If a conflict of interest is determined to exist by the Board, the Board shall then determine whether the proposed transaction or compensation arrangement is to be recommended to the City by the EDF. Should the Board determine to move forward with such recommendation, it shall include a statement indicating that a conflict of interest was determined to exist and a record of the proceedings leading to such determination.

## **Article IV**

### **Records of Proceedings**

The minutes of the board shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or compensation agreement, the content of the discussion, including any alternatives to the proposed transaction or compensation arrangement, and a record of any votes taken in connection therewith.

## **Article V**

### **Annual Statements**

Each director and officer shall annually sign a statement which affirms that such person:

- (a) has received a copy of this conflicts of interest policy;
- (b) has read and understands the policy;
- (c) has agreed to comply with the policy; and
- (d) understands that EDF is a private, non-profit organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.



# **EXHIBIT D**

## **EDF ACKNOWLEDGEMENT OF CONFLICTS OF INTEREST POLICY**

SAN ANTONIO ECONOMIC DEVELOPMENT FOUNDATION  
ACKNOWLEDGEMENT AND AGREEMENT TO CONFLICTS  
OF INTERST POLICY

The undersigned holds the following position(s) [check one or more] with the San Antonio Economic Development Foundation ("SAEDF"), a Texas nonprofit corporation:

\_\_\_\_\_ Director of the SAEDF

Officer of the SAEDF

\_\_\_\_\_ Member of a committee with Board-delegated powers

and hereby affirms as follows:

- (1) I have read and understand the SAEDF Conflicts of Interest Policy which is attached to this statement;
- (2) I agree to comply with the Conflicts of Interest Policy of SAEDF; and
- (3) I understand that SAEDF is a charitable organization described in Section 501 (c)(6) of the Internal Revenue Code of 1986, and that, in order for SAEDF to maintain its federal tax exemption, SAEDF must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Date: 12/1/17

Name Jenna Herrera

Title President & CEO