

ECONOMIC AND HUMAN DEVELOPMENT COUNCIL COMMITTEE MEETING MINUTES

JUNE 21, 2016

9:00 AM

MUNICIPAL PLAZA, B ROOM

Members Present:	Councilmember Joe Krier, <i>Chair, District 9</i> Councilmember Roberto Treviño, <i>District 1</i> Councilmember Rebecca Viagran, <i>District 3</i> Councilmember Ray Lopez, <i>District 6</i> Councilmember Mike Gallagher, <i>District 10</i>
Members Absent:	<i>None</i>
Staff Present:	Carlos Contreras, III, <i>Assistant City Manager</i> ; Rene Dominguez, <i>Director, Economic Development Department</i> ; Jeff Coyle, <i>Relations Director</i> ; Alicia K. Beckham, <i>Office of the City Clerk</i>
Others Present:	Councilmember Ron Nirenberg, <i>District 8</i> ; Rey Chavez, <i>President and CEO of San Antonio Manufacturers Association</i> ; John Dewey, <i>Chairman of the Alamo Manufacturing Partnership</i> ; Roland C. Mower, <i>President and CEO of Port San Antonio</i> ; Jim Perschbach, <i>Executive Vice President of Business Development of Port San Antonio</i> ; Juan Antonio Flores, <i>Vice President of Government Relations of Port San Antonio</i> ; Lorenzo Gomez III, <i>CEO of Geekdom</i> ; David Heard, <i>Co-Founder of TEChBLOC</i> ; Will Garrett, <i>Director of CyberSecurity SA</i> ; Bernard Arulanandam, <i>Interim Vice President for Research of University of Texas at San Antonio</i>

Call to Order

Chairman Krier called the meeting to order.

1. Briefings from leaders in the Aerospace/Advanced Manufacturing and Cybersecurity/IT industries.

Rene Dominguez stated that there would be briefings from Leaders of the Aerospace, Manufacturing, Cybersecurity and IT Industries. He stated that they would provide their strategic direction, legislative agenda, infrastructure investments and long term impact. He noted that the Industry Leaders would be presenting on their specific institutional priorities for the next five to ten years.

Rey Chavez stated that their organization's role is to ensure a brighter future for the San Antonio Manufacturing Community by being its recognized voice and advocate. Mr. Chavez noted that the San Antonio Manufacturing Association (SAMA) Recommendation on improvement in the Manufacturing Industry was to:

- Provide funding for:
 - Port San Antonio's Main Drainage Channel Problem
 - Road Infrastructure Improvements and Repairs

- Continued funding for Workforce and Economic Development
- Continue involvement with partners in developing training programs for youth and use existing programs from the Manufacturing Industry
- Use SAMA as a resource for community issues
- Use Alamo Manufacturing Partnership (AMP) and Investing in Manufacturing Communities Partnership (IMCP) to strengthen manufacturing communities

John Dewey presented that the AMP was one of 24 federally designated IMCP Manufacturing Communities and the only IMCP Community in Texas. He stated that the organization was interested in building a Robotics Institute for Manufacturing Innovation (IMI) Headquarters (HQ) in San Antonio. He stated that the organization is requesting \$1.2 million for conversion of a facility that is capable of supporting Engineering, Conferencing, Technology Demonstration, Technology Development, and Technology Training.

Mr. Dewey noted that the Robotic IMI HQ Lease is estimated to cost \$350,000 for five years. He stated that they would receive a \$70 million grant from the Department of Commerce with matching cost of over five years. He mentioned that the Department of Defense Grant would total \$75-80 million with matching costs over five to seven years. He stated that after a five-year period, the Institute is required by federal guidelines to be self-sustaining. He noted that industry partners would sustain the Institute by taking advantage of the technology that is being developed.

Chairman Krier asked if there was any success that has come forward from this type of partnership. Mr. Dewey responded that the two that have achieved the most success have been the 3D Printing and Digital Manufacturing Activity Partnerships.

Councilmember Gallagher asked if they knew what type of improvement was needed in the Northeast Area of the City. Mr. Chavez stated that there needed to be collaboration on fixing the roads and that drainage systems need repairing due to the stagnant water in that area.

Councilmember Lopez stated that Foreign Direct Investment (FDI) is important to get out to the community. Therefore, he would like to see the organizations highlight the success of having FDI in the City.

Roland Mower stated that Port San Antonio has 1,900 acres of land with 12,000 employees. He highlighted that Port San Antonio has 41% of Developed Land; 43% needs preparation; and 16% was ready for development. He highlighted that the main drainage channel is their greatest need to address. He stated that the Proposed Project totals \$21.2 million and is expected to extend the channel for new development.

Jim Perschbach stated that there was tremendous growth in the Aviation Department and it was projected that there would be 113,000 new Technician Jobs in North America in the next 20 years. He added that Commercial Airlines are seeking to go where there is a quality workforce, the ability to integrate modern technology, and keep their capital costs at a minimum.

Juan Antonio Flores stated that their key Legislative Priorities were:

- Senate Select Committee on Texas Ports

- Military Value Revolving Fund
- Defense Economic Adjustment Assistance Grants (DEAAG)
- Economic Development Issues

Councilmember Treviño highlighted the importance of developing meaningful relationships with the City's Tech Community.

Councilmember Viagran asked if they knew how much funding was in the Military Value Revolving Fund and where it was housed. Mr. Flores stated that the amount of funding was \$250 million and operates under the Governor's Office.

Lorenzo Gomez III presented on Geekdom's mission to create a startup ecosystem for entrepreneurs, technologists, and developers. He stated that clients pay for membership to receive 24-hour access to resources to start their business. He stated that the organization has an internship that is designed to give students the experience and to promote San Antonio. He noted that over the past four years, the company has received over 1,100 memberships and 500 businesses in their ecosystem.

David Heard presented on TECHBLOC. He stated that in the local economy there are over 34,000 IT Professionals working across all sub-sectors. He mentioned that \$2.7 billion is paid in salaries and wages to IT Professionals. He added that the total economic impact of the IT Industry is nearly \$10 billion. He stated that the average salaries were just under \$80,000. He noted that there were over 1,000 IT Companies in San Antonio because of the small business startups and that 5% of the Fortune 100 Companies are headquartered in San Antonio. He stated that it is important for the city to attract and retain talent. He added that San Antonio's first CAST School will be located in the heart of downtown and will focus on IT and Business Entrepreneurship.

Will Garrett presented CyberSecurity SA core areas of focus. He stated that the creation of the company was due to the U.S. Air Force Security Service Activated in 1948. He stated that the company conducts business with the 24th and 25th Air Force, National Security Agency Texas, and FBI Cybersecurity Division and Joint Task Force West Department of Homeland Security. He mentioned that the Cyber Proving Ground would be based out of Port San Antonio. He stated that it would allow a company to place its product online for Air Force Operators to view.

Mr. Perschbach stated that Port San Antonio would be collaborating with CyberSecurity SA to place a Regional Center at Port San Antonio. He stated that the strategy would be to leverage the Tech Talent in San Antonio. He added that the building would be designed to host Cyber and Technology Companies. He stated that the Regional Center could potentially support 3,000 positions.

Bernard Arulanandam presented on the University of Texas at San Antonio (UTSA) Cyber Programs. He stated that UTSA had been ranked number one in the nation for Undergraduate Cybersecurity Programs and ranked number two in the nation for Graduate Cybersecurity Programs. He stated that UTSA collaborated with Rackspace and Geekdom to form the Open Cloud Institute. He stated that they would be asking State Legislative for \$5 million to address Implementing Culture Awareness; Small Businesses; Establish a Secure Cyber Testing Environment; and Develop Workforce. He stated that UTSA Federal Request was to support the

Department of Homeland Security's Center of Excellence – Center for Criminal Investigations and Network Analysis.

Councilmember Lopez suggested that the Cybersecurity and IT Industries present should have a conference with AT&T and Microsoft to expand on how the organizations could collaborate.

Councilmember Viagran asked if they knew how long was the Tech Talent residing in the City before they decide to relocate. He stated that the Younger Techs in the City may reside for a year to get the skills then relocate.

No action was required for Item 1.

Executive Session

Chairman Krier recessed the Economic and Human Development Council Committee into Executive Session at 11:45 a.m. for deliberations regarding economic development negotiations and to discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).

Chairman Krier reconvened the meeting at 11:55 a.m. and stated that no action was taken during the Executive Session.

Adjourn

There being no further discussion, the meeting was adjourned at 11:57 a.m.

Joe Krier, Chairman

Respectfully Submitted,

Alicia K. Beckham
Office of the City Clerk