San Antonio Economic Development Foundation

STRATEGIC PLAN UPDATE

@SanAntonioEDF

COSA EWDC Meeting

February 11, 2020

SAEDF KEY HISTORICAL EVENTS

ORIGINATION

1975 SAEDF founded & funded by private sector, 100% business recruitment

2008 Mayor commissioned private sector review of economic development delivery system

TRANSITION

2011 Public-private partnership formed between SAEDF, City & County

2015 Forefront SA Strategic Plan for economic development crafted

NEW SAEDF

2016 SAEDF leadership transition

2017 Forefront SA made operational & SA Works integrated

2018 FTA integration & increased focus on International Development

2019 Regional strategic planning process

STRATEGIC TRANSFORMATION

2016 — 2017 — 2018 — 2019 — 2020

FOREFRONT SAN ANTONIO

- STREAMLINE
  - *SA Works & FTA Integration*
- REFINE
  - *Target industry approach* *(Manufacturing, Cybersecurity, Bioscience)*
- DIVERSIFY
  - *Expanded Services to include* *(BRE, International, Workforce Development)*

HOLISTIC ECONOMIC DEVELOPMENT

BEYOND 2020…

- TRANSFORM
- REGIONALIZE
- REBRAND

2017 – 2019

57 LOCATIONS

$1.8B CAPITAL INVESTMENT

17,948 JOBS

$30B TOWARD

$45B ESTIMATED IMPACT

PERFORMANCE TO 2020 KPIs

Tier		Indicator	2019 Goals	2019 Actuals	Target 2020 Goals (2017 - 2020)	2017 - 2019 Actuals	2020 Goals
T1	Business Development	New Jobs	5,230	5,472	20,000	15,142	4,858
T1	Business Development	New Target Industry Jobs %	55%	80%	50%	56%	50%
T1	Business Development	New High Wage Jobs %	50%	42%	55%	41%	100%
T1	Business Development	Local CAPEX	$400M	$1.2B	$1.5B	$1.811B	$450M
T1	Business Development	Foreign Direct Investment	$66.5M	$931M	$200M	$993M	$67M
T1	Business Development	Target Sector Employment Growth (NAICS) (yoy)	3%	3%	12%	8%	5%
T1	Business Development	BRE Assists	120	105	350	241	109
T1	Workforce	Job Fill Ratio (avg.)	72.0%	35.0%	75.0%	51.5%	85.0%
T1	Workforce	Educational Attainment*	33.4%	34% (projected)	33.5%	34%	33.2%
T1	Workforce	Post-Secondary Completions (Target Sector-all)*	5,000	10,966	29,000	28,779	12,000
T1	Workforce	Work-based Learning Opportunities	5,300	4,817	20,000	12,430	7,570

2020 SIX-MONTH BUSINESS PLAN

Objectives

- Execute Target Industry & Workforce Strategy
- Prioritize Regional Target Industry Ecosystems
- Diversify FDI
- Evolve Brand & Culture

Initiatives

- Regional Economic Development partnerships (REDO)
- BRE HQ cohort
- Activate targeted International Development plan (Brookings)
- New SAEDF brand & culture
- Targeted high-wage job attraction plan
- Career Pathways marketing plan
- Regional partner investment, career pathways investment & regional strategic plan investment

STRATEGIC PLANNING PROCESS

PHASE 1	
June 2019	Stakeholder Interviews
Steering Committee: 1	Focus Groups
Advisory Committee: 1	Regional Survey

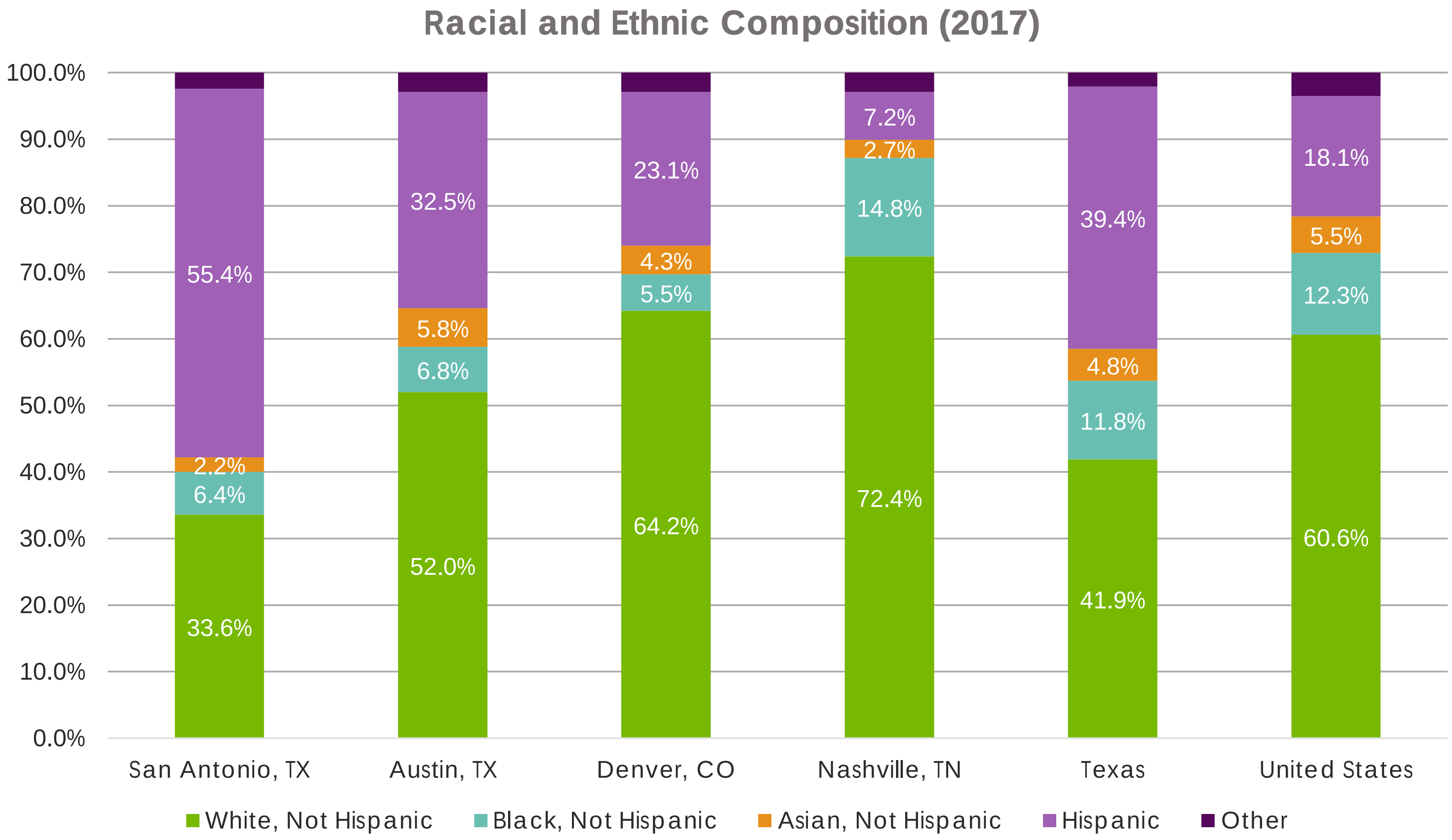
PHASE 2 & 3	
June 2019 - Aug 2019	Regional Assessment & Competitive Scorecards
Steering Committee: 2	Target Sector Assessment
Advisory Committee: 1	

PHASE 4 & 5	
Sep 2019 - Dec 2019	Regional Economic Development Strategy
Steering Committee: 4	Implementation Plan
Advisory Committee: 1	

Deliverables: 3-to-5-year regional economic development strategy & implementation plan to launch Q3 2020.

REGIONAL ASSESSMENT: ASSETS

DIVERSE & CULTURALLY RICH



At **55.4%,** our region has **THE LARGEST** Hispanic and Latino pop. among metros of 1M or more residents.

SIGNIFICANT POPULATION GROWTH

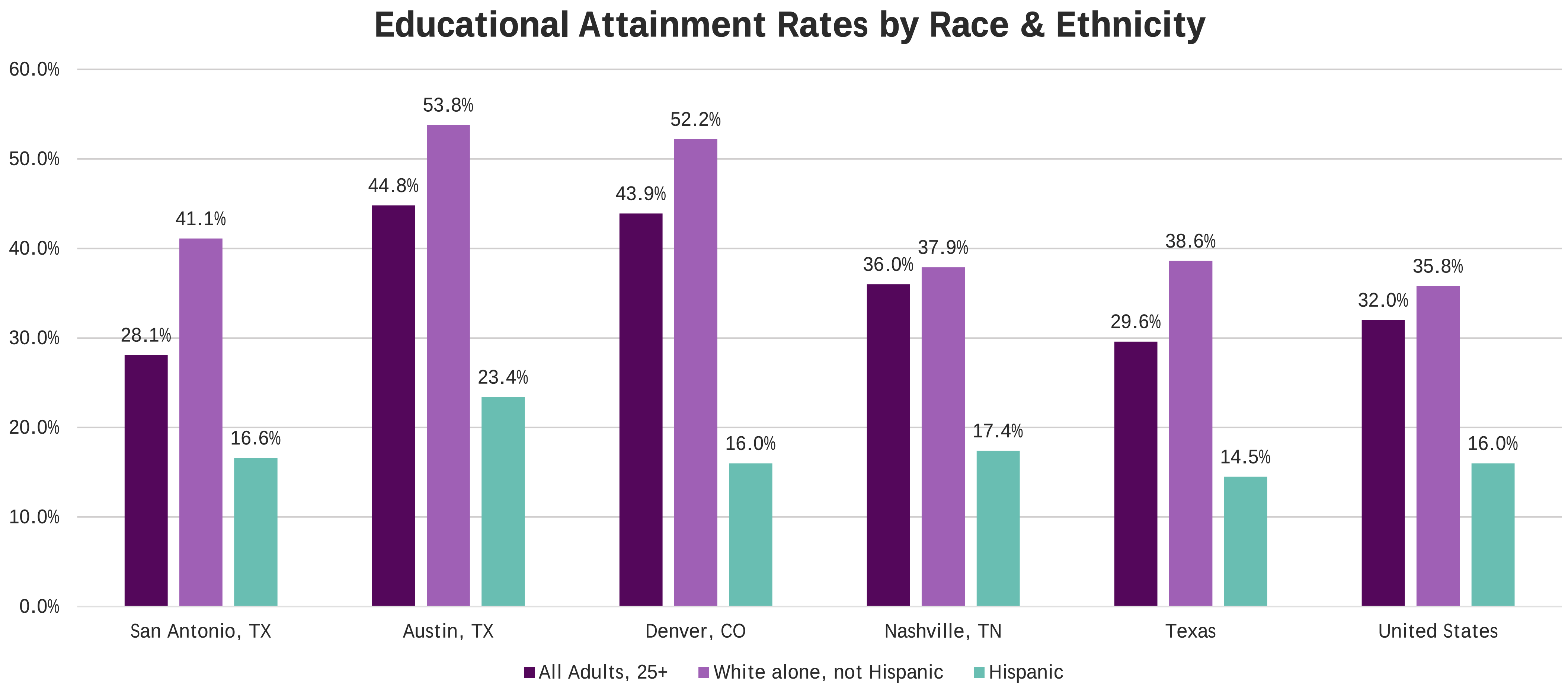
Population Change 2008 - 2018

				Change ('13-'18)		Change ('08-'18)	
	2008	2013	2018	Net	%	Net	%
San Antonio, TX	2,061,275	2,280,585	2,518,036	237,451	10.4	456,761	22.2
Austin, TX	1,633,870	1,833,901	2,168,316	284,415	15.1	534,446	32.7
Denver, CO	2,463,971	2,700,774	2,932,415	231,641	8.6	468,444	19.0
Nashville, TN	1,626,925	1,758,982	1,930,961	171,979	9.8	304,036	18.7
Texas	24,309,039	26,489,464	28,701,845	2,212,381	8.4	4,392,806	18.1
United States	304,093,966	316,057,727	327,167,434	11,109,707	3.5	23,073,468	7.6

Top Sources of Net Migration (2011-2016)

1. McAllen-Edinburg-Mission, TX 4,542
2. El Paso, TX 4,030
3. Corpus Christi, TX 3,831
4. Laredo, TX 3,732
5. Brownsville-Harlingen, TX 3,015
6. Chicago-Naperville-Elgin, IL-IN-WI 2,861
7. Los Angeles-Long Beach-Anaheim, CA 2,722
8. Killeen-Temple, TX 2,390
9. New York-Newark-Jersey City, NY-NJ-PA 1,664
10. Urban Honolulu, HI 1,620

REGIONAL ASSESSMENT: CHALLENGES



COMPETITIVE SCORECARD

	San Antonio	Austin	Charlotte	Dallas	Denver	Jax	Kansas City	Nashville	Phoenix	Seattle	D.C.
Economic Performance	11	2	7	5	4	8	10	3	9	1	6
Workforce Sustainability	8	1	5	7	2	10	11	3	8	4	6
Innovation & Entrepreneurship	5	1	8	6	2	9	11	3	7	10	4
Business Environment	3	4	2	1	8	6	9	10	7	5	11
Quality of Life	10	1	7	8	3	5	2	11	4	6	8
Average Ranking, All Scorecards	**7.4**	**1.8**	**5.8**	**5.4**	**3.8**	**7.6**	**8.6**	**6.0**	**7.0**	**5.2**	**7.0**
Composite Ranking, All Scorecards	**9**	**1**	**5**	**4**	**2**	**10**	**11**	**6**	**7T**	**3**	**7T**

REGIONAL ASSESSMENT: TARGET INDUSTRIES

	Aerospace & Aviation	Finance & Insurance	Information Technology & Security	Life Sciences	Manufacturing & Distribution
R&D	Predictive Maintenance & MRO Tech.		Cybersecurity & Data Sciences	Custom Therapies & Infectious Disease	
Military	Defense Tech. & Training		Cybersecurity & Data Sciences	Military Medicine	
Private Sector	MRO	Insurance	Data Centers & Cloud Storage Cybersecurity Business Process Outsourcing		Transportation Equip. Food & Bev D2C & E-Comm Distribution

RECOMMENDATIONS

JOBS

- Regional approach
- Next-level marketing
- Improved BRE
- Unified cluster & military development

PEOPLE

- Accessible education & employment
- Graduate retention
- Direct to college & direct to work

PLACE

- Regional centers initiative
- Transportation
- Brand

RECOMMENDATIONS

- **Focus on Jobs, People, & Place**
  - *Regionalizing and aligning existing programs*
  - *Developing new industry-led workforce programs*
- **Consider Mega-Region Geography**
  - *Discussion to consider not only alignment North to Austin, but South as well – also increases FDI and Trade potential*
  - *Surrounding communities are key to asset base and aligned economic development efforts*
  - *Renewed focus on sites and buildings*
- **Modernized BRE & Cluster Development**
  - *Recognize cross-sector opportunities in R&D, Military*
  - *Increased focus in assists & service after the sale*

DISCUSSION

APPENDIX

APPENDIX A: COMPETITIVE SCORECARDS

The Competitive Scorecards compare the MSA to ten other metro areas –some it competes with regularly and three it aspires to compete with: Austin, Nashville, and Denver. Each evaluates performance in 5 key areas:

1. **Economic Performance:** employment, output, wages, income, poverty
2. **Workforce Competitiveness:** labor force, age composition, educational attainment, migration
3. **Innovation & Entrepreneurship:** R&D activity, self-employment, small business lending
4. **Business Environment:** infrastructure, business costs, business climate rankings
5. **Quality of Life:** crime, commuting, cost of living, health outcomes, recreational amenities

Each of the five scorecards presents a series of rankings (1-11) illustrating the performance of the San Antonio-New Braunfels, TX MSA against the following ten metros:

- Austin-Round Rock, TX
- Charlotte-Concord-Gastonia, NC-SC
- Dallas-Fort Worth-Arlington, TX
- Denver-Aurora-Lakewood, CO
- Jacksonville, FL
- Kansas City, MO-KS
- Nashville-Davidson--Murfreesboro--Franklin, TN
- Phoenix-Mesa-Scottsdale, AZ
- Seattle-Tacoma-Bellevue, WA
- Washington-Arlington-Alexandria, DC-VA-MD-WV

All data and sources are available upon request to SAEDF.

APPENDIX B: ECONOMIC PERFORMANCE

	Year	San Antonio	Austin	Charlotte	Dallas	Denver	J'ville	Kansas City	Nashville	Phoenix	Seattle	Wash. DC
Employment and Unemployment												
Employment growth (one-year)	2017-18	9	1	8	7	4	5	10	3	2	6	11
Employment growth (five-year)	2013-18	9	1	3	5	4	6	10	2	7	8	11
Monthly unemployment rate	04/2019	3	2	9	5	4	5	8	1	11	10	7
Annual unemployment rate	2018	4	2	9	8	3	6	6	1	11	10	4
Establishments												
Establishment growth	2013-18	8	11	7	6	9	3	5	10	4	1	2
Exports, Output, and Productivity												
Exports per worker	2018	5	6	9	10	7	8	4	3	11	2	1
Gross metro product (GMP) per worker	2018	9	4	5	3	6	11	8	7	10	1	2
Change in GMP	2013-18	2	1	5	7	8	6	10	3	9	4	11
Labor productivity: labor cost ratio	2018	6	10	2	5	9	4	8	1	7	3	11
Wages, Income, and Poverty												
Average annual wage	2018	11	5	6	4	3	10	8	7	9	1	2
Change in average wages	2013-18	7	2	5	6	3	8	11	4	9	1	10
Per capita income	2017	10	5	8	6	3	9	7	4	11	2	1
Change in per capita income	2012-17	7	4	11	8	3	6	9	2	5	1	10
Total poverty rate	2017	11	5	8	7	2	9	4	6	9	3	1
Change in total poverty rate	2013-17	9	2	7	3	5	10	8	6	1	4	11
Child poverty rate	2017	11	4	8	7	2	10	5	6	9	3	1
Change in child poverty rate	2013-17	10	4	8	5	2	9	7	6	1	3	11
Average Ranking, All Indicators		7.71	4.06	6.94	6.00	4.53	7.35	7.53	4.24	7.41	3.71	6.29
Composite Ranking		11	2	7	5	4	8	10	3	9	1	6

APPENDIX C: WORKFORCE COMPETITVENESS

	Year	San Antonio	Austin	Charlotte	Dallas	Denver	J'ville	Kansas City	Nashville	Phoenix	Seattle	Wash. DC
Population Change												
Population growth rate	2013-18	3	1	5	2	9	6	11	7	4	8	10
Labor force growth rate	2013-18	7	1	5	6	4	9	10	3	2	8	11
% of in-migrants w/BA+	2017	8	4	2	7	1	11	9	6	10	3	5
Net migration (% of total pop change)	2010-18	6	4	2	9	8	1	11	3	5	7	10
Labor force participation rate (LFPR)	2017	9	3	8	5	2	9	7	4	11	5	1
Change in LFPR	2013-17	11	8	10	9	3	5	6	1	2	4	7
Age Composition												
Change in pop. aged 25-44	2013-17	2	1	9	7	4	6	10	5	8	3	11
Workforce dependency (25-44/45-64)	2017	3	1	9	5	2	11	10	7	6	4	8
Percentage of workers aged 55+	2018	2	1	6	5	8	9	11	3	7	4	10
Educational Attainment												
% of adults with AA degree or higher	2017	11	2	5	8	4	9	6	7	10	3	1
Change in pop. w/ AA degree +	2013-17	10	3	1	8	4	9	6	2	11	5	7
% of adults w/ BA degree or higher	2017	11	2	7	8	3	10	5	6	9	4	1
Change in pop. with a BA degree +	2013-17	11	4	3	9	2	7	5	1	10	6	8
% of pop. aged 25-44 w/ BA degree +	2017	11	3	6	8	2	9	7	5	10	4	1
Average Ranking, All Indicators		7.50	2.71	5.57	6.86	4.00	7.93	8.14	4.29	7.50	4.86	6.50
Composite Ranking		8	1	5	7	2	10	11	3	8	4	6

APPENDIX D: INNOVATION & ENTREPRENEURSHIP

	Year	San Antonio	Austin	Charlotte	Dallas	Denver	J'ville	Kansas City	Nashville	Phoenix	Seattle	Wash. DC
Research and Development Activity												
Academic R&D expenditures (ths.)	2016	8	3	9	7	5	11	10	4	6	1	2
Change in academic R&D expenditures	2011-16	8	7	9	3	6	11	10	2	1	4	5
Patents per 10,000 workers	2018	8	1	9	4	5	10	6	11	3	2	7
Change in patents per worker	2010-15	7	11	3	5	2	8	1	10	6	9	4
Startups, Small Businesses, and Self-Employed												
Self-employment as % of total emp.	2018	3	2	8	4	6	11	10	1	5	7	9
Change in self-emp. as a % of total emp.	2018	3	1	10	5	11	6	7	2	8	9	4
Average annual wage of self-employed	2018	6	2	10	4	5	11	7	1	9	8	3
Change in self-employed average wage	2013-18	5	9	11	7	1	4	10	3	2	6	8
% of emp. in firms w/ less than 50 emp.	2017	8	1	6	9	3	10	5	7	11	4	2
Change in % of firms w/ less than 50 emp.	2012-17	7	6	5	4	1	2	9	8	10	11	3
% of emp. in firms less than 5 yrs old	2017	3	1	10	5	4	7	11	2	6	8	9
Change in % of firms less than 5 yrs old	2012-17	6	3	4	10	2	9	5	1	11	8	7
Capital Environment												
Small bus. loans (orig.) per 1,000 estab.	2017	4	2	5	8	3	7	9	6	1	11	10
Change in small bus. loans per 1,000 estab.	2012-17	9	7	1	5	11	3	10	8	4	6	2
Average Ranking, All Indicators		6.07	4.00	7.14	5.71	4.64	7.86	7.86	4.71	5.93	6.71	5.36
Composite Ranking		7	1	9	5	2	10	10	3	6	8	4

APPENDIX E: BUSINESS ENVIRONMENT

	Year	San Antonio	Austin	Charlotte	Dallas	Denver	J'ville	Kansas City	Nashville	Phoenix	Seattle	Wash. DC
Infrastructure												
Passenger air departures per capita	2019*	10	7	2	6	1	9	8	5	4	3	11
Change in departures per capita	2014-19*	5	2	11	10	7	4	6	1	9	3	8
Average airfare, 4Q2018*	4Q2018	4	5	2	3	11	7	9	10	8	6	1
Air freight cargo (millions)	2019*	6	10	5	1	4	9	8	11	2	3	7
5-yr chg. in air freight cargo	2014-19*	10	8	2	1	5	6	11	7	4	3	9
Business Costs												
Avg. comm. electricity rate (cents/kWh)**	2017	1	1	4	1	8	6	7	10	9	5	11
Avg. indus. electricity rate (cents/kWh)**	2017	2	2	6	2	9	10	8	5	7	1	11
Office rent square ft.	1Q2019	3	9	8	4	7	2	1	6	5	10	11
Retail rent per square ft.	1Q2019	5	4	N/A	N/A	3	N/A	1	N/A	2	N/A	N/A
Industrial rent per square ft.	1Q2019	7	10	6	5	8	4	2	3	1	9	N/A
Business Climate												
KPMG/Tax Fndn. Bus. Tax Climate Index**	2019	4	4	2	4	8	1	3	7	10	9	11
CNBC America's Top States for Business**	2018	1	1	6	1	5	7	10	8	9	4	N/A
Forbes 2018 Best States for Business**	2018	2	2	1	2	6	5	10	8	9	7	N/A
Average Ranking, All Indicators		4.62	5.00	4.58	3.33	6.31	5.83	6.46	6.75	6.08	5.25	8.89
Composite Ranking		3	4	2	1	8	6	9	10	7	5	11

*Average Domestic Airline Itinerary Fares By Origin City for Q4 2018
**State level

APPENDIX F: QUALITY OF LIFE

	Year	San Antonio	Austin	Charlotte	Dallas	Denver	J'ville	Kansas City	Nashville	Phoenix	Seattle	Wash. DC
Crime												
Violent crime rate per 100K residents*	2017	5	1	N/A	7	4	2	10	9	6	3	8
Property crime rate per 100K residents*	2017	10	2	6	1	4	3	9	7	5	11	8
Change in violent crime rate per 100K*	2012-17	10	3	N/A	7	6	4	9	2	8	5	1
Change in prop. crime rate per 100K*	2012-17	3	1	9	2	10	5	4	8	6	11	7
Commuting and Walkability												
Walkscore*	2019	7	6	11	4	3	10	8	9	5	2	1
% who drive alone to work	2017	6	5	8	10	3	7	11	9	4	2	1
% w/ > 30 min. commute	2017	2	5	3	9	8	6	1	7	4	10	11
Mean travel time to work (minutes)	2017	3	5	6	9	8	2	1	7	4	10	11
Hours lost in congestion	2018	2	9	8	5	6	2	1	7	4	10	11
Cost of congestion per driver	2018	2	9	8	5	6	3	1	7	4	10	11
Affordability and Cost of Living												
% of renters, 30%+ of income on rent	2018	10	5	3	4	11	9	1	2	7	8	6
Housing affordability index	2018	4	5	2	3	10	7	1	6	9	11	8
Cost of living index	2018	1	6	4	8	9	2	3	7	5	10	11
Health												
Physicians per 100k Residents	2018	5	2	3	1	6	8	6	9	4	10	11
% of residents who are uninsured	2017	10	9	6	11	2	8	4	5	6	1	3
% of pop. <age 65 w/o health ins.	2017	10	9	6	11	2	8	4	5	7	1	3
% of adults w/ poor or fair health	2016	11	3	3	10	3	9	7	7	6	1	2
% of adults reporting BMI >/= 30	2015	7	2	5	8	1	10	11	9	6	2	4
Recreation & Volunteerism												
Gallup-Healthways Well-Being Index	2017	6	5	3	6	6	3	1	6	6	1	11
% of pop. w/ access to exercise opps.	2018	11	6	8	4	2	5	8	10	6	3	1
ParkScore ranking	2019	9	5	11	6	3	10	4	8	7	2	1
% of pop. living w/i 10 mi. of a park	2018	3	6	2	7	9	1	7	3	5	10	11
% of city land used for parks and rec.	2018	5	5	1	3	2	9	3	7	9	8	11
% of residents who volunteer	2018	11	7	5	9	7	10	3	4	6	2	1
Average Ranking, All Indicators		6.38	4.90	5.95	6.24	5.38	5.86	5.00	6.95	5.67	5.90	6.24
Composite Ranking		10	1	7	8	3	5	2	11	4	6	8

*Core city