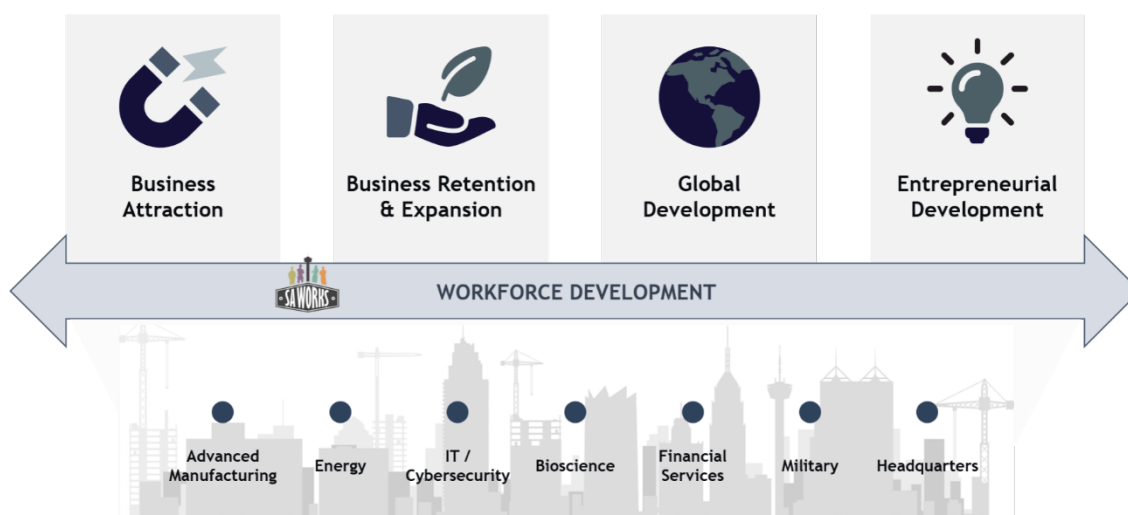


Q1-Q2 2020 BUSINESS PLAN

2020 marks the end of the *Forefront San Antonio* economic development strategic horizon. This document is an action plan designed to close remaining gaps in the 2017-2020 SAEDF stretch goals without losing sight of foundational needs beyond 2020. As SAEDF, regional partners, and the private sector define a new strategy and set of goals, this plan aims to successfully close operations behind the *Forefront San Antonio* strategy.

FOREFRONT SA: CURRENT STRATEGIC FRAMEWORK



Our Goals

With six months to execute, we are focused on the remaining gaps in the 2017-2020 KPIs. Resources are focused on closing specific gaps that not only meet the stretch goals defined in 2016, but that also look ahead to the future strategy. It is important to note that KPIs will be redefined by the strategic planning process.

The Q1-Q2 interim plan should accomplish three things:

1. Close existing KPI gaps.
2. Strengthen pipelines (Workforce and Projects) for 2020 and beyond.
3. Continue to improve and scale Business Retention & Expansion (BRE).

NOTE: Not captured in the current KPIs, is the need to foster and grow our headquarters in the region. This plan focuses on BRE Assists related to HQs to specifically address the “We can’t let another AT&T happen” local narrative and also as a **first step** in preparing the team’s structure for implementation of the new strategic plan. Similarly, our current job-fill metric may not accurately gauge our impact on scarce skills gaps. This plan gives us an opportunity to examine and rethink our workforce metrics as they relate to evolved activities.

2017 - 2020 Tier 1 Goals

Tier		Indicator	Target 2020 Goals (2017 - 2020)	2017 - 2019 Actuals	YTD Gaps
T1	Business Development	New Jobs	20,000	15,142	4,858
X		New Target Industry Jobs	10,000	8,537	1,463
T1		New Target Industry Jobs %	50%	56%	Over by 6%
T1		New High Wage Jobs %	55%	41%	Under by 14%
X		New High Wage Jobs #	11,000	6,157	Under by 4,843
T1		Local CAPEX	\$1.5B	\$1.811B	Over by \$311.7M
T1		Foreign Direct Investment	\$200M	\$993M	Over by \$793M
T1		Target Sector Employment Growth (NAICS) (yoy)	12%	8%	4%
T1		BRE Assists	350	241	Under by 109
T1		Workforce	Job Fill Ratio (avg.)	75%	51.5%
T1	Educational Attainment*		33.5%	34%	.5%
T1	Post-Secondary Completions (Target Sector-all)*		29,000	28,779	221
T1	Work-based Learning Opportunities		20,000	12,430	Under by 7,570
T1	Brand	Brand Awareness and Favorability**	Awareness 78% Favorability 66%	Awareness 67% Favorability 56%	Under by Awareness 11% Favorability 10%
T1	Investor & Comm. Relations	Total Revenue Growth (501c6 501c3)	\$2M \$500K	\$1.11M \$648K	Under by \$752K
T1		Private / Public Funding (501c6)	60/40	50/50	+10/-10
T1		Private / Public Funding (501c3)	60/40	29/71	+31/-31

Key
On Track
Over Goal
Off Track

Notes:

1. All historically "N/A" T1 KPIs have been removed from this view.
2. For the full list of KPIs, please see the attached spreadsheet.

Planning Assumptions

- **Timing:** The previously outlined 2020 goals must be reached by the end of Q2, allowing time to integrate the new strategic plan in Q3.
- **KPI Priority:** While all KPIs are critical, resources should be focused on four priorities (highlighted in KPI chart)
 1. High wage jobs
 2. BRE Assists
 3. Job-fill ratio
 4. SAEDF revenue growth
- **Exterior Forces:** Greater San Antonio is still growing. Our asset base remains strong in key industries as community leaders face the reality of our challenges. We continue to struggle with educational attainment, income gaps, and available skilled workforce, but momentum is behind our talent-led economic development model. Locally, we continue to work on relationships between business and political leaders. The private sector is more energized to support economic development than in the past and we have an opportunity to capitalize on the momentum and activate them as a mouthpiece for the San Antonio brand.
- **Resources:** We can also assume that our operating budget, available spend, and manpower will remain flat after recent personnel changes. EDF has current 18 FTE headcount, with 19 FTEs budgeted.

2020 Tier 1 Goals

Tier		Indicator	Target 2020 Goals (2017 - 2020)	2017 - 2019 Actuals	2020 Goals
T1	Business Development	New Jobs	20,000	15,142	4,858
X		New Target Industry Jobs	10,000	8,537	1,463
T1		New Target Industry Jobs %	50%	56%	50%
T1		New High Wage Jobs %	55%	41%	100%
X		New High Wage Jobs #	11,000	6,157	4,843
T1		Local CAPEX	\$1.5B	\$1.811B	\$450M
T1		Foreign Direct Investment	\$200M	\$993M	\$67M
T1		Target Sector Employment Growth (NAICS) (yoy)	12%	8%	5%
T1		BRE Assists	350	241	109
T1	Workforce	Job Fill Ratio (avg.)	75.0%	51.5%	85.0%
T1		Educational Attainment*	33.5%	34%	33.2%
T1		Post-Secondary Completions (Target Sector-all)*	29,000	28,779	12,000
T1		Work-based Learning Opportunities	20,000	12,430	7,570
T1	Brand	Brand Awareness and Favorability**	Awareness 78% Favorability 66%	Awareness 67% Favorability 56%	Awareness 78% Favorability 66%
T1	Investor & Comm. Relations	Total Revenue Growth (501c6 501c3)	\$2M \$500K	\$1.11M \$648K	\$600K \$150K
T1		Private / Public Funding (501c6)	60/40	50/50	60/40
T1		Private / Public Funding (501c3)	60/40	29/71	60/40

Economic Outlook

Indicators of an impending recession such as tight labor markets, trade uncertainty, slow housing market, and social unrest in China threaten the short-term U.S. economy. While the State of Texas, and specifically San Antonio, are not immune to natural and situational economic forces, they together have proven resilient and stable.

Workforce

The state's economic growth is slowing, with labor markets remaining tight. Initial unemployment claims increased slightly but remain low—Texas is experiencing its lowest unemployment rate since 1976. But productivity is also low. As of October, labor force participation was at a national low, 63 percent.

The state will end 2019 with 2.3 percent job growth, but expected to weaken to between 1.5 and 2 percent in 2020. The Austin and Dallas metros led the state's 2019 employment growth (above 2 percent) while San Antonio has lagged the state average at 1.1 percent. San Antonio is expected to increase growth to 1.6 percent by end of 2019, and slow again to 1 percent growth in 2020, which isn't a negative indicator, given San Antonio's diverse industries, military presence, and steady economy.

Over the last decade, ~3.7M people moved to Texas, (15 percent growth) the highest in the nation. San Antonio's 18 percent population growth between 2010 and 2019 was third behind Austin and Houston. Unfortunately, growth hasn't been among highly-educated people. While San Antonio saw an increase in degrees and certificates awarded (49 percent between 2011-2017), educational attainment remains low and area universities struggle to keep the graduates they produce.

Our region's favorable age composition and in-migration suggest that the San Antonio MSA has a sustainable quantity workforce but work needs to continue between industry and education providers to ensure 1) scarce skills are developed and 2) employer expectations evolve with the workforce—i.e. not every skilled job requires a four-year degree, yet hiring requirements have not changed.

Industry

Competitive cost of living and a favorable tax environment remain assets for San Antonio. In the latter part of 2019, major industries such as construction, leisure and hospitality, trade, transportation, health care, and professional business services saw net hiring which suggests positive expansion in the regional economy.

Texas and the San Antonio/Austin corridor has a well-developed presence in high tech that continues to grow as companies invest outside of Silicon Valley. Increased defense spending in San Antonio continues to contribute to a growing cybersecurity ecosystem. This growth, coupled with major investments in real estate and development of the tech talent pipeline by anchor firms such as Valero, USAA, and H-E-B, are redefining jobs and attracting talent into San Antonio for the next decade.

San Antonio business and education providers are invested in the cutting edge of medical research and therapies. The development of San Antonio Partnership for Precision Therapeutics promises to not only strengthen the biomedical cluster in the region, but further elevates San Antonio as a Research & Development, Innovation, and Military hub. Other confidential projects in the current pipeline will contribute to San Antonio's brand as a therapy innovator by further expanding into the sports medicine space.

While trade uncertainty is a headwind for the entire nation, the preliminary free trade agreement between the United States, Mexico and Canada will unlock more investment in export-related industries. If ratified by lawmakers in all three countries, manufacturing slumps could end. Recent investments in automotive manufacturing and supply chains is a positive indicator for continued growth. Investments from Toyota and its direct supplier network confirm San Antonio's stable economy, over \$1B has been invested into San Antonio's automotive industry including a new Navistar manufacturing plant providing further indication that San Antonio's economy will remain stable through 2020.

2020 Operations Plan

<h2>Vision</h2> <p>Propel San Antonio’s economy to the forefront of today’s top-performing cities.</p>	<h2>Mission</h2> <p>Lead the development and diversification of the San Antonio regional economy through the location and expansion of quality employers and job-producing investments.</p>		
<h3>2020 Q1-Q2 Objectives</h3> <ul style="list-style-type: none">▶ Execute Target Industry & Workforce Strategy▶ Prioritize Target Industry Ecosystems▶ Diversify FDI▶ Evolve Brand & Culture			
Indicator	2017-2020 Goals	2017-2020 Y-T-D	2020 Goal
High-Wage Jobs	11,000	6,157	4,858
BRE Assists	350	241	109
Job-Fill Ratio	75%	51.5%	85%
Revenue Growth	\$2.5M	\$1.748M	\$752K

For each objective, this plan outlines possible initiatives to help close KPI gaps while building toward Q3 2020 and beyond. The proposed initiatives are cross-team collaborative efforts led by one function and supported by others.

Q1-Q2 Initiatives

1. Develop and execute Regional Economic Development partnerships (REDO)
2. Develop and execute BRE HQ cohort
3. Develop and execute a targeted high-wage job attraction plan
4. Develop and execute Career Pathways marketing plan (TX Mutual + beyond)
5. Activate targeted International Development plan (Brookings)
6. Develop and execute revenue growth plan to include regional partner investment, career pathways investment, and regional strategic plan investment
7. Develop and execute new SAEDF brand & culture

Initiative 1: Develop & Execute Regional Economic Development Partnerships (REDO)

Objective:

- ▶ Execute Target Industry & Workforce Strategy

KPI:

- ▶ Revenue Growth

Indicator		2017-2020 Goals	2017-2020 Y-T-D	2020 Goal
T1	Revenue Growth	\$2.5M	\$1.748M	\$752K
T2	Marketing Contracts	\$400K	\$122K	\$250K
T3	Regional Agreements	-	-	\$150K

Owner: BD

- Finalize structure and processes for Regional Partnerships
- Leverage Governor's Forum to kick off a forum for regular communication with regional partners
- Create a series of regional roadshows, allowing each partner community to showcase their assets
- Familiarize site selectors, brokers, consultants with the strategic plan and regional approach
- Develop regional marketing plan

Support: Investor Relations

- Create and facilitate regular regional partners meeting
- Develop and execute LOAs / MOUs with direction from CEO and BD
- Create and monitor funding goals and best practice deliverables

Support: Workforce Development

- Facilitate conversations with regional partners, companies, and education providers
- Add regional partners to workforce (People) council
- Develop plan (if deemed necessary) to expand programs into region

Support: Marketing & Strategy

- Support with necessary data, collaborate with regional partners to understand how we can mutually share data moving forward
- Support Q1-Q2 REDO activity with data, ads, PR & social
- Incorporate regional information into collateral, website updates, RFI responses
- Support WFD on any regional updates necessary for Jobs Report
- Develop any new regional collateral

Initiative 2: Develop & Execute BRE HQ Cohort

Objective:

- ▶ Execute Target Industry & Workforce Strategy

KPI:

- ▶ BRE Assists

Indicator		2017-2020 Goals	2017-2020 Y-T-D	2020 Goal
T1	BRE Assists (+HQ)	350	241	109

Owner: BD

- Identify 3-5 HQs per target industry
- Enhance business intelligence to identify and support challenges
- Develop & launch Export Leaders Program (ELP)
- Continue Workforce Asset Mapping
- Conduct outbound marketing through reverse BRE activity with investor participation & MRO
- Produce & publish mid-year report

Support: Workforce Development

- Further integrate workforce development team into BRE program: actively participate in company visits, action plans
- Convene education providers as needed to help provide innovative solutions to BRE company challenges

Support: Marketing & Strategy

- Provide data and analytical support ahead of visits
- Support Q1-Q2 REDO activity with data, ads, PR & social
- Develop any new materials necessary & new "BRE Successes" content

Initiative 3: Develop & Execute a Targeted High-Wage Job Attraction Plan

Objectives:

- ▶ Execute Regional Target Industry & Workforce Strategy
- ▶ Prioritize Regional Target Industry Ecosystems
- ▶ Diversify FDI

KPIs:

- ▶ High Wage Jobs
- ▶ Target Industry Jobs
- ▶ FDI

Indicator		2017-2020 Goals	2017-2020 Y-T-D	2020 Goal
T1	High-Wage Jobs	11,000	6,157	4,843
T1	New Target Industry Jobs	10,000	8,537	1,463
T1	Foreign Direct Investment	\$200M	\$993M	\$67M

Initiative 3: Develop & Execute a Targeted High-Wage Job Attraction Plan, *continued*

Owner: BD

- Develop high-wage marketing plan
- Identify high-wage potential suppliers / services for existing regional companies.
- Develop / strengthen relationships with regional military leaders to provide support in potential upcoming projects and expansions.
- Conduct outbound targeted trips
- Develop a FAM tour in conjunction with Valero Texas Open

Support: Workforce Development

- Facilitate conversations with high-wage potential companies and education providers to grow and expand programs in the region.
- Participate in the Talent Management Pipeline Academy
- Lead & deliver the Bioscience Workforce Summit & Report

Support: Marketing & Strategy

- Support Q1-Q2 REDO activity with data, ads, PR & social
- Provide creative and promotional support for Bioscience Summit & Report

Initiative 4: Develop & Execute Career Pathways Marketing Plan

Objective:

- ▶ Execute Regional Target Industry & Workforce Strategy

KPIs:

- ▶ Job-Fill Ratio
- ▶ Revenue Growth

Indicator	2017-2020 Goals	2017-2020 Y-T-D	2020 Goal
T1 Job-Fill Ratio	75%	59%	75%
T1 Revenue Growth	\$2.5M	\$1.748M	\$752K
T2 Workforce	\$400K	\$122K	\$100K

Owner: Workforce Development

- Identify additional partners
- Develop middle skills career pathways report & distribution plan
- Purchase Alamo Promise job matching & mentorship online platform
- Develop work-based learning impact study with UTSA
- Employer recruitment & engagement activity
- Job Shadow activity
- Complete asset gap inventory and distribution plan for manufacturing career pathways campaign

Support: BD

- Connect workforce team with target industry entities
- Promote program in pitches & BRE visits

Initiative 4: Develop & Execute Career Pathways Marketing Plan, *continued*

Support: Investor Relations

- Develop LOAs with best-practice deliverables
- Develop optimal investment packages with strategic oversight of all partners
- Create funding goals; monitor & report progress

Support: Marketing & Strategy

- Support creative development and asset gap inventory for manufacturing career pathways campaign; execute distribution & promotion
- Creative development of middle skills career pathways report
- Promote alamo promise job matching & mentorship platform

Initiative 5: Activate Targeted International Development Plan

Objectives:

- ▶ Execute Regional Target Industry & Workforce Strategy
- ▶ Diversify FDI

KPIs:

- ▶ High-Wage Jobs
- ▶ New Target Industry Jobs
- ▶ FDI

Indicator	2017-2020 Goals	2017-2020 Y-T-D	2020 Goal
T1 High-Wage Jobs	11,000	6,157	4,843
T1 New Target Industry Jobs	10,000	8,537	1,463
T1 Foreign Direct Investment	\$200M	\$993M	\$67M

Owner: BD

- Within Brookings markets and aligned with partner-planned travel, work with vendors to identify companies with high-wage potential to create targeted marketing trips

Support: Marketing & Strategy

- Support Q1-Q2 activity with data, ads, PR, and social
- Develop & launch translated web pages

Initiative 6: Develop & Execute Revenue Growth Plan for Regional Partner Investment, Career Pathways Investment.

Objective:

- ▶ Execute Regional Target Industry & Workforce Strategy

KPI:

- ▶ Revenue Growth

Initiative 6: Develop & Execute Revenue Growth Plan for Regional Partner Investment, Career Pathways Investment, *continued*

Indicator		2017-2020 Goals	2017-2020 Y-T-D	2020 Goal
T1	Revenue Growth	\$2.5M	\$1.748M	\$752K
T2	Marketing Contracts	\$400K	\$122K	\$250K
T3	Regional Partner Agreements	-	-	\$150K
T3	Career Pathway Contracts	-	-	\$100K

Owner: Investor Relations

- Work with Workforce and BD teams to develop target list
- Develop LOAs with best-practice deliverables
- Develop optimal investment packages with strategic oversight of all partners

Support: BD

- Help identify regional partners contacts and assess temperature of lead
- Help right-size proposed investment amounts

Support: Workforce Development

- Help identify potential career pathways partners and assess temperature of lead

Support: Marketing & Strategy

- Messaging and creative development

Initiative 7: Develop & Execute New SAEDF Brand & Culture

Objective:

- ▶ Evolve Brand & Culture

KPI:

- ▶ Requires new metric development

Owner: Marketing & Strategy

- Lead work with SAEDF team and Agency of Record to develop new brand expression
- Develop communication and launch plan
- Lead creative overhaul

Support: Admin Services

- Work with Marketing & Agency to develop culture workstream
- Deploy culture plan
- Execute Gallup employee engagement poll