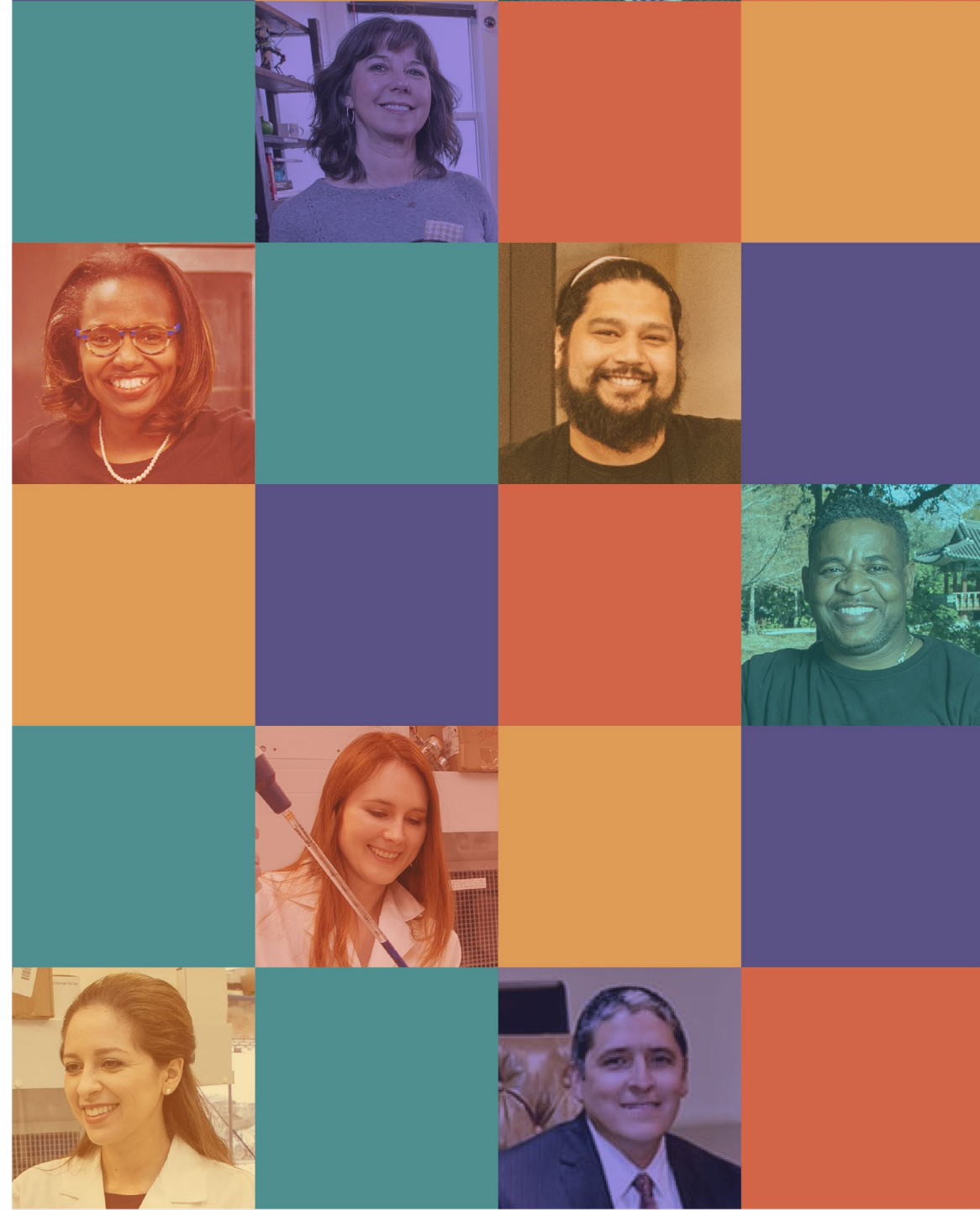




# **Small Business Economic Development Advocacy (SBEDA) Program**

## **Significant Business Presence Criteria**



# **Purpose of SBEDA**

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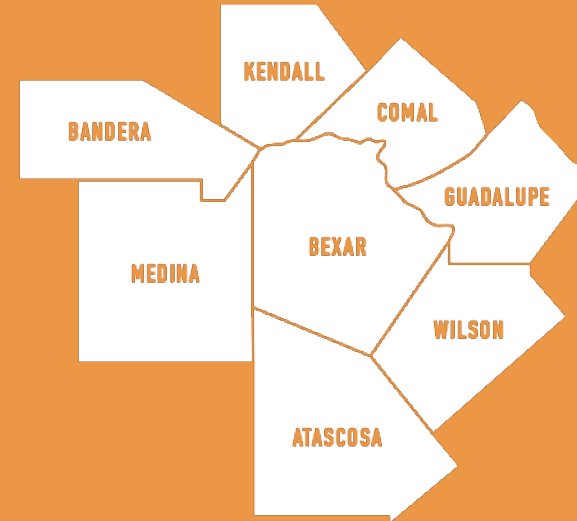
**To address racial disparities by promoting the use of local small, minority and women-owned business enterprises (S/M/WBEs) on City contracts**

# Current SBEDA Eligibility Requirements



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**Certification by  
SCTRCA as  
SBE and (MBE and/or WBE)**

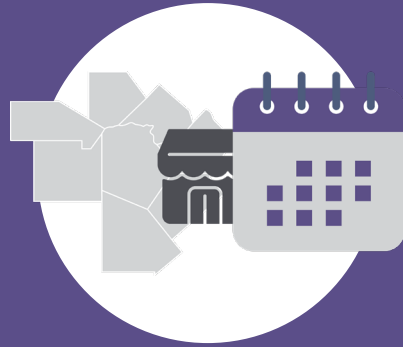


**(SAMSA includes Bexar  
County and seven  
contiguous counties)**

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**“HQ or Significant Business  
Presence” within the San Antonio  
Metropolitan Statistical Area  
(SAMSA)**

# **“Significant Business Presence” Eligibility Criteria**



1. Branch office in SAMSA for at least one year; and



2. 20% of total employees based in SAMSA branch office

# Significant Business Presence Intent

- 01** To attract S/M/WBE businesses headquartered outside of SAMSA
- 02** To increase local employment and economic activity
- 03** To increase mentorship opportunities for S/M/WBEs



# Current Considerations

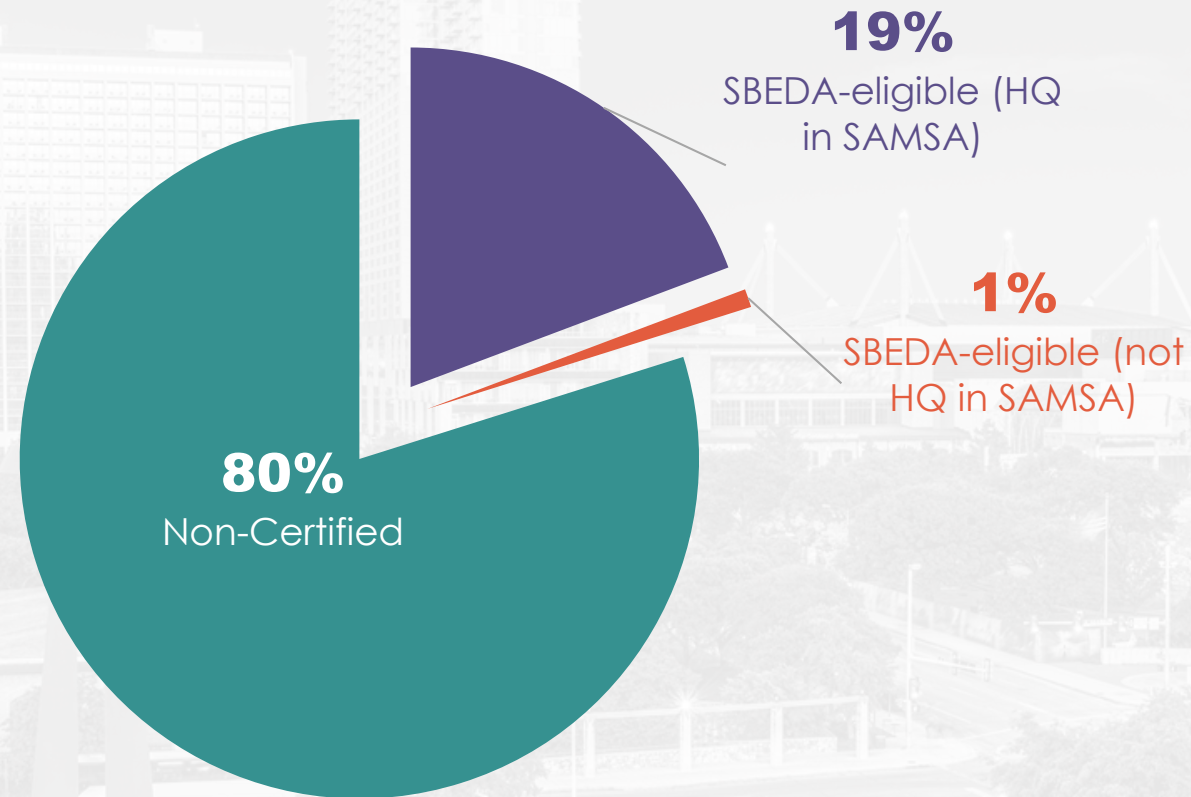
Supports  
growth of  
S/M/WBEs  
headquartered  
outside of the  
San Antonio  
Metro area

Not aligned  
with goals of  
increasing local  
economic  
activity

Reducing  
contracting  
racial  
disparities in the  
San Antonio  
Metro area

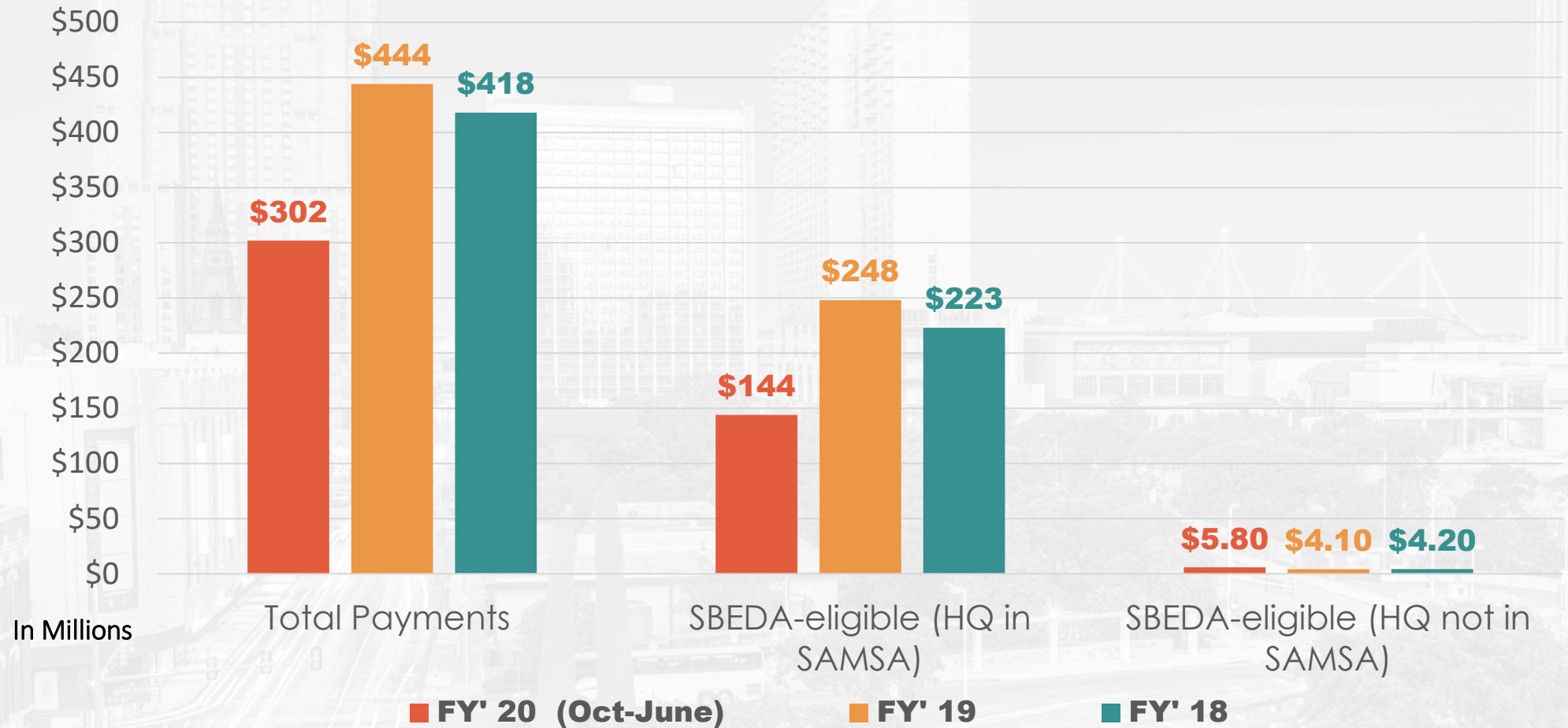
# Vendors: Significant Business Criteria

Central Vendor Registry - 8,019



Less than 1% of registered City vendors

# Payments: Significant Business Criteria



**\*Less than 2% of City contract payments made**





# Outreach & Public Engagement

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# **Purpose of Community Engagement**

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**To solicit feedback from the business community & key stakeholders regarding the SBEDA benefits to S/M/WBE firms not headquartered in the San Antonio Metro area (SAMSA)**



# Community Participation

- **CVR Businesses (8000+)**
  - SBEDA Eligible – HQ in SAMSA
  - SBEDA Eligible – HQ not in SAMSA
  - Not SBEDA Eligible
- **Stakeholder Membership**
  - Chambers of Commerce
  - Trade & Labor Organizations
  - Business Advocacy Organizations
- **InfoUSA Business Listing (16,000+)**
  - Businesses in SAMSA
- **Digital Survey**
  - English and Spanish
- **Focus Groups (2)**
  - Small groups comprised of SMWBE business owners
- **Stakeholder Meeting**
  - Staff presentation
  - Feedback session





CITY OF SAN ANTONIO  
ECONOMIC DEVELOPMENT  
DEPARTMENT



## Attention Small Business Owners

The City of San Antonio is seeking your opinion on the "Significant Business Presence Policy" within the Small Business Economic Development Advocacy (SBEDA) program. The SBEDA program promotes the use of local small, minority and women-owned businesses on City contracts.

### Current Policy

Businesses that have branch locations in the San Antonio Metro area but that are headquartered elsewhere would be eligible to receive SBEDA program benefits and incentives.

### Policy Alternative

SBEDA program benefits and incentives would be limited to businesses that are headquartered in the San Antonio Metro area.



San Antonio Metropolitan Statistical Area (SAMSA)

**CLICK BELOW TO TAKE OUR SURVEY**

Make your voice heard! Take this short, 5-minute survey by September 12.

[www.surveymonkey.com/r/76TQMBC](http://www.surveymonkey.com/r/76TQMBC)

# Survey Results

69%

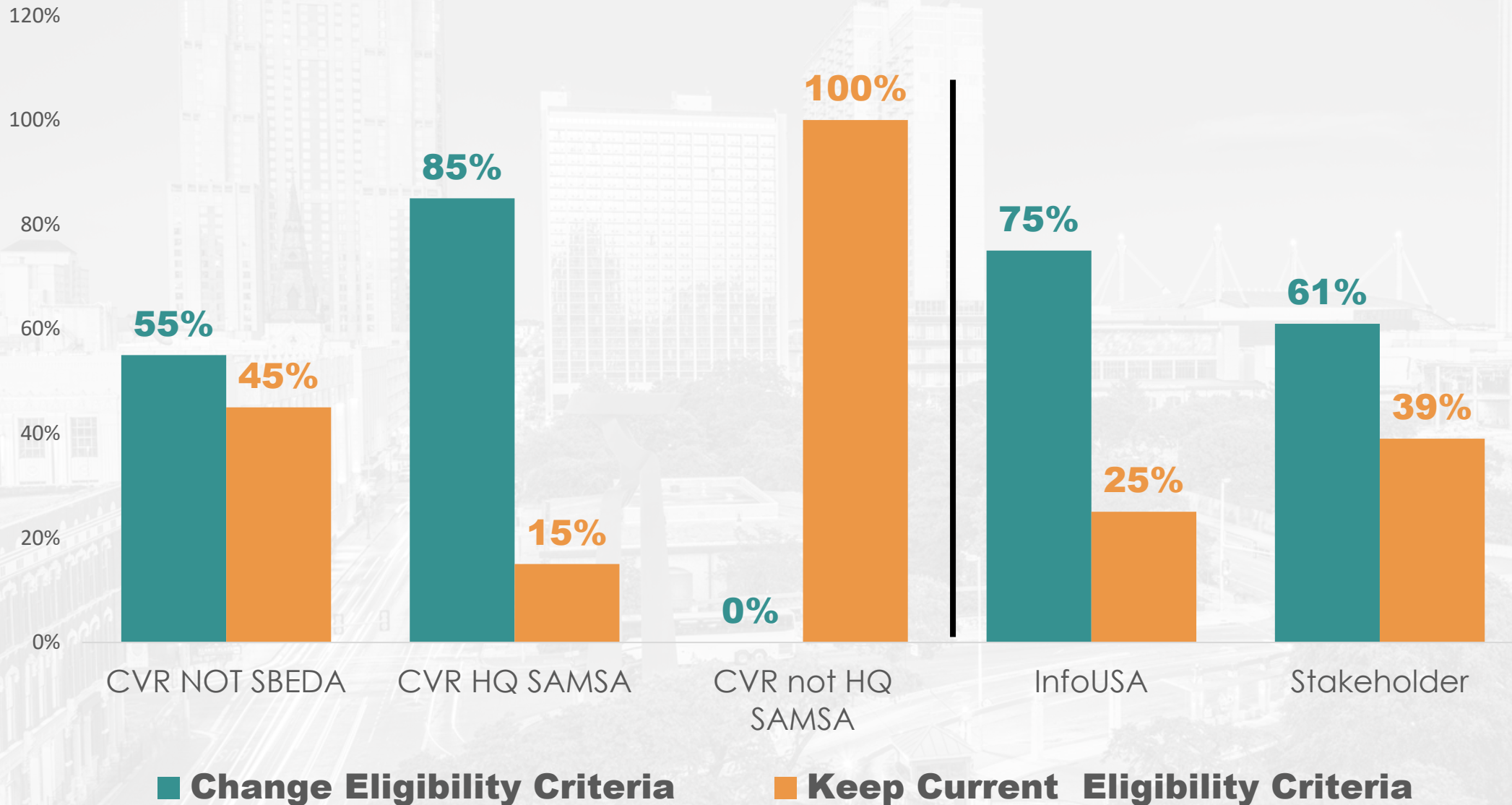
The SBEDA program benefits and incentives should go to businesses with headquarters in SAMSA

31%

Businesses that are headquartered elsewhere should continue to receive the SBEDA program benefits and incentives



# Survey Responses by Category



# Survey Comments – Change Current Criteria

- The city is a community and **to keep the community alive, you have to provide support to the small businesses**. It's a cycle that keeps the opportunity alive and makes the community richer, overall.
- Please **continue to support businesses that have a vested interest exclusively in our community**. Build up and fortify our own backyard.
- We need to **support businesses that pay city taxes**.
- If the local office is a branch, it **should not have the same weight as one with headquarters in San Antonio**.



# Survey Comments – Maintain Current Criteria

- Our SA team lives, works and plays in San Antonio. **We are taxpayers, homeowners** and are true San Antonio citizens.
- For a small business it is an **investment** to open a branch so they should benefit too.
- My headquarters is in Spring Branch, but **90% of my work is in San Antonio**. Small business sometimes need to be located outside of metro to save money in office rental etc.
- **Having Central Texas businesses participate in serving San Antonio is a win/win for SA.** More great products become available and choosing the best product at the best price should always be the goal of city governments.

# Small Focus Groups

Participants									
Certification	SBE	MBE	AABE	ABE	HABE	NABE	WBE	ESBE	VBE
Invited	44	35	8	8	13	4	22	25	10
Attendees	9	7	0	2	5	0	5	5	1

Industry	CO	A&E	PS	OS	GS
Attendees	1	3	2	1	2



# Small Focus Groups: Summary

- Attitudes were mixed about the current Significant Business Presence Eligibility Criteria.
- Participants expressed that COVID has caused businesses to change their business models. More employees are working remotely and commercial spaces may be utilized less. This trend will have implications on the definition of a corporate “headquarters.”
- Most participants favored altering the criteria and felt it was better for supporting local businesses, particularly those offering services at a local level. They expressed that the change would be a huge boost for local businesses.
- A change in eligibility criteria would likely have some participants consider moving headquarters to SAMSA.

# Stakeholder Meeting

- Invited 71 organizations
- Organizations Attended: 19
  - Attendees: 25
- Presented overview of current/alternative criteria
- Offered 1:1 meetings

# Key Discussion Points

- Concern for reciprocity from other regions
- Further discussion needed for the intent of the SBEDA Eligibility Criteria
- **“...change in eligibility criteria is seen as an opportunity to grow procurement among local business with a more permanent presence and greater investment in the local community”**



# Research on Other Cities

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# Eligibility Criteria in Other Cities

City	Branch Location	HQ Required	Other
Houston	Yes		
Dallas	Yes		
Fort Worth		Yes	
Austin			Texas
Charlotte	Yes		
Phoenix			US
Chicago		Yes	
New York	Yes		
Albuquerque		Yes	
Baltimore	Yes		





# **Staff Recommendation**

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## **Staff Recommendation:**

Amend the current SBEDA Ordinance to provide benefits to S/M/WBEs headquartered in the San Antonio Metro Area (SAMSA)

# Next Steps

**October 6, 2020**

Economic Workforce and Development Committee

**October 15, 2020**

City Council A Session (if changes are proposed)

**November 1, 2020**

Changes in Eligibility Criteria Effective (if City Council approves)





# Small Business Economic Development Advocacy (SBEDA) Program

## Significant Business Presence Criteria

