

CITY OF SAN ANTONIO
 ECONOMIC DEVELOPMENT DEPARTMENT
 SMALL BUSINESS ADVOCACY COMMITTEE (SBAC)
 January 22, 2021
 10:00 am

Call to Order and Pledge of Allegiance:

The meeting was called to order at 10:00 a.m. The Pledge of Allegiance was recited, roll call was taken, and a quorum was established. Economic Development staff present included, Ms. Ann Eaton, Mr. Michael Sindon, and Ms. Monica Flores. Additional City staff included Ms. Christina Ramirez, City Attorney's Office.

Roll Call:

Siew Pang, District 1	Absent	Angela Gonzales, District 6	Present
Jade McCullough, District 2	Present	Irene Chavez, District 7	Present
District 3	Vacant	Donovon Rodriguez, District 8	Present
Juanita Sepulveda, District 4, Chair	Present	Steven Gonzales, District 9	Present
Veronica Morales, District 5	Present	Roy Schaufele, District 10	Present
Melanie Tawil, Mayoral	Present		

PUBLIC COMMENT: There were no citizens signed up to speak.

Approval of Minutes

1. Discussion and action to approve the minutes from the November 20, 2020, SBAC meeting. Mr. Schaufele called for a motion to approve and Mr. Rodriguez seconded the motion. The committee voted to approve the minutes as presented.
2. Second discussion and action to approve the minutes from the October 16, 2020 SBAC meeting. Ms. Chavez called for a motion to approve the minutes; Ms. Morales seconded the motion. The committee votes yes to approve the meeting minutes as presented with the exception of Mr. Roy Schaufele. The motion carried to approve the minutes as distributed.

Individual Items

3. **Briefing on the 2015 SBEDA Disparity Study, Mr. Michael Sindon, Assistant Director, EDD.**
 Mr. Sindon briefed the committee at a high level about the current disparity study solicitation that was issued to the public and an overview of what was included in the previous study. He reviewed the 2015 disparity study results and analysis to familiarize the committee with the process moving forward. Key points reviewed from the 2015 disparity study showed the comparison from 2010 to

2015.

The previous consultant was NERA Economic Consulting along with the legal team Don O'Bannon, Esq. The purpose of the study is to compile and evaluate evidence necessary to meet San Antonio's constitutional and regulatory requirements. Mr. Sindon reviewed the legal standards the Supreme Court has ruled to provide a strong basis in evidence of government's "compelling interest" in remedying discrimination and that the remedies must be "narrowly tailored" to that evidence. The study must determine that the least intrusive method for remitting disparity was exhausted. From 2011 through late 2012, incentives and tools were simply small business based until it could be proved that those tools alone didn't remedy disparities for minority and women-owned businesses.

Mr. Rodriguez questioned if that is mandated by federal law? Mr. Sindon confirmed that it is mandated by the Supreme Court. The primary case reference is the City of Richmond vs. J. A. Croson Co., a 1989 Supreme Court decision held up to this day. Mr. Rodriguez commented that he does not like the idea that if there are no complaints or if the victim has not built their case, things will not change. Mr. Rodriguez further asked if SBAC has the authority to pass a resolution encouraging the City's elected officials to look at the law and make a change. Mr. Sindon stated that after more information is provided in the presentation, the committee members will be able to understand the process to gather that evidence. There is a lot of data points and analysis to help make that recommendation, i.e. the City shares the goods and services purchased over the last five years, then compares the data to the business community that provides those goods and services. EDD does not rely solely on complaints to come forward to prove disparities, the data gathering, and analysis process identifies the disparity ratios among the ethnic and gender groups. The consultant then does deeper evaluation to collect anecdotal evidence from the community by talking to various chambers, trade organizations and advocacy groups. Even if these businesses do not want to do business with the city, they are still considered part of availability in our marketplace to do the work. In 2015 the city only spent 23% of our dollars with minority, women owned businesses but 43% of minority and women-owned businesses were available in our community, that datapoint gives city enough evidence to implement the program.

The consultant will also conduct direct phone calls to businesses to get feedback that is incorporated in the anecdotal evidence to determine if it matches the statistical evidence. Mr. Rodriguez asked why the committee has not seen a more recent disparity study than the one adopted in 2015, if they need to be conducted with some regularity. Mr. Sindon replied by stating that disparity studies are conducted about every 5-7 years due to their higher costs and data collection for a period. The newly released solicitation has been released and will be closing in March 2021 with an expectation to award in June. Ms. Sepulveda commented that the city is within the 5-7 timeframe of conducting a new disparity study. Mr. Sindon stated that staff will send the 2015 disparity study to the committee after the meeting. In reviewing the 2015 disparity study the consultants shall also work to define the relevant marketplace based on data and legal precedent. The current market area is San Antonio Metropolitan Statistical Area, TX (Bexar, Guadalupe, Kendall, Comal, Atascosa, Medina, Wilson and Bandera counties). The study is going to evaluate data to show where the city dollars are being spent and will determine if the relevant market is to become narrower or remain the same as seen with the current definition. Mr. Sindon continued by reviewing the different chapters in the study published by the consultant, which included reviewing private sector discrimination findings, minority and women-owned business availability in the local marketplace, public sector contractor disparity findings, and anecdotal evidence gathered. Mr. Sindon encouraged the committee to read through the 2015 disparity study and become familiar with the sections and information.

Recommendations made by the committee regarding the upcoming solicitation:

- Ms. Morales: Partner with financial institutions to gather small business lists for outreach.
- Ms. Tawil: Host webinars to show people how to register through partners such as Launch SÁ and LiftFund.
- Ms. Tawil: Have the consultant reach out to businesses that are not registered with the city or may have issues with accessing the internet.
- Ms. Tawil: Have surveys created by consultant in different languages to promote engagement.

Ms. Eaton shared that with all the Recovery Plan efforts approved by City Council back in June 2020, a huge database of around 10,000 businesses was created which will be used for future reference. Ms. Sepulveda asked what the consultant is going to do regarding all the business that have closed due to COVID. Mr. Sindon replied that it was included in the solicitation to include that in the research.

4. Briefing on SBAC and DAP roles and responsibilities and potential action on SBAC members serving on the DAP subcommittee. Mr. Michael Sindon, Assistant Director, EDD.

Mr. Sindon reviewed the Diversity Action Plan (DAP) and its purpose vs. SBAC. SBAC has a total of 11 members appointed by City Council per district and a Mayor appointee vs. DAP sub-committee is made up of three SBAC members: Ms. Irene Chavez, the Chair, Ms. Siew Pang and Ms. Veronica Morales and three citizen members appointed by SBAC to serve as advisory. Mr. Sindon commended Ms. Chavez for all her hard work as Chair of the sub-committee. Mr. Sindon opened the floor for any SBAC member if they wish to join the sub-committee or if the current DAP members wanted to be removed due to time constraints.

- SBEDA: Small Business Economic Development Advocacy Program
 - o Promotes the utilization of S/M/WBEs on City contracts
 - o Adopted in 1992
 - o 1987 study showed only 2% of City contract dollars were paid to S/M/WBEs
 - o Ensures the percentage of City contract payments to S/M/WBEs is equal to the availability percentage of S/M/WBEs in the SAMSA
- DAP: Diversity Action Plan
 - o Promotes the participation of S/M/WBEs on City contracts
 - o Adopted in 2013
 - o 2012 Bond mass selection process lacked AABE participation at the prime consultant level
 - o Increase the number of S/M/WBEs participating on City contracts by focusing on the following initiatives:
 - Access to capital
 - Solicitation planning
 - Outreach
 - Certification & Registration

Mr. Sindon reviewed the program amendments done since 2011 to both programs and the two committee's functions and focus areas. Ms. Chavez mentioned the DAP task list is very extensive in areas they believed the City needed more focus on. The last DAP meeting was held on December 16, 2020 and they will be meeting again in March for their scheduled quarterly meeting. Ms. Sepulveda

invited SBAC members that would like to join DAP to reach out to EDD as well as herself. Mr. Rodriguez stated he would like to get more information on the time commitment needed for DAP and to determine his interest in joining the group. Mr. Rodriguez asked what staff supports DAP. Mr. Sindon replied it is the same small business team that assists SBAC. It was brought to the committee's attention that even though the meeting is open to the public, the committee must be mindful that there are not too many members present to avoid an SBAC walking quorum.

To prevent a SBAC walking quorum, no more than six SBAC members can be at the DAP meeting. Ms. McCullough commented that she is very appreciative to the entire committee but has concerns as there are small businesses that are minority owned businesses that are not doing great. She asked how members can point them in the right direction when approached? Mr. Sindon responded that they can mention the City's various programs, such as the Mentor Protégé program to those small businesses who may need assistance. Businesses are partnered by Alamo Colleges with an established business for a two-year period. Another recommendation is referring businesses to Launch SA. They are a great resource for both established and up and coming businesses. Ms. Chavez recommended sharing the City's website for great resources such as the Small Business Resource Guide. Ms. Morales added, she was previously involved with Mentor Protégé and offered her services for any advice.

Staff Updates and Board Member Comments

Upcoming Events

1. Hosted by LiftFund: Financing Your Small Business in 2021. Tues. January 26, 2021, 6:00-7:00 p.m., Online Event, join in for a 45-minute session with key takeaways and resources that can guide you to business success. <https://www.eventbrite.com/e/financing-your-small-business-in-2021-registration-133886172145>
2. Hosted by LiftFund's Women's Business Center: Women-Owned Wednesday, Her Journey to Success. Wed, January 27, 2021, 12:00-1:00 p.m., Online Event. The Webinar will feature either a woman who's successfully grown her own business or a representative from a Dallas/Fort Worth organization that provides resources to help female entrepreneurs succeed. <https://www.eventbrite.com/e/woman-owned-wednesday-her-journey-to-success-tickets-132313042873>
3. Hosted by the North SA Chamber: Power Networking Breakfast, Virtual Event via ZOOM. Wed. January 27, 2021, 8:00-10:00 a.m. CEO & Founder of Genesis Eakes International, Genesis Eakes, will present: How to grow yourself and your business in 2021. There is a non-member fee of \$10. <https://services.northsachamber.com/events/details/2021-virtual-power-networking-breakfast-january-12993?calendarMonth=2021-01-01>

Staff Updates & Board Member Comments

1. Status on SBEDA Ordinance Significant Business Presence policy
 - a. The policy change was on the EWDC agenda but was not discussed due to time constraints. Further, several community partners expressed concerns about the change, such as the

ACEC and NAACP. The new disparity study directed by the improved scope of work will provide a deeper analysis.

2. Status on 2023 SBEDA Disparity Study Solicitation
 - a. The study has been publicly released for bid and is available on the city's website. Pre-submittal meeting is next on the table. Bids are due March 15, 2021 and will be reviewed by an evaluation committee that includes SBAC Chair Ms. Sepulveda.
3. New SBAC Member
 - a. Ms. Angela Gonzales, representing Council District 5, was introduced to the committee.
4. Update SBAC Member Contact Information
 - a. Ms. Flores will send out with any updates.
5. Financial Disclosure Review reminder to all SBAC members.

Ms. Sepulveda made a call to action for the committee to read the reports being forwarded by City staff and ask questions along the way. Once the Disparity Study solicitation is completed, there will be a need for a sub-committee and will be another call to action in the future.

Items to be distributed via email post meeting include:

- 2015 disparity study
- Updated SBAC member contact sheet
- DAP tasks list and updates
- DAP Ordinance
- Business Resources
- Current Disparity Study solicitation

Mr. Rodriguez asked to talk offline with the Chair as well as Michael to discuss keeping SBAC members included in all future outreach or events so that members are more in touch with all that is happening. Ms. Sepulveda agreed to keep members actively engaged. Mr. Rodriguez recommended creating possible speaking points to be shared with the committee for use when speaking to the community about programs.

Future business item requests:

- Discuss how EDD is supporting 2nd stage businesses. Businesses who have been in business for a while but are trying to build their capacity. Michael recommended taking this issue to DAP for the March meeting. Ms. Chavez agreed and stated after DAP it can be brought to SBAC.

Adjournment

SBAC Chair, Ms. Juanita Sepulveda entertained a motion to adjourn. Ms. Chavez moved to adjourn, seconded by Ms. Morales. The meeting was adjourned at 11:38 a.m.