

**ECONOMIC AND HUMAN DEVELOPMENT
COUNCIL COMMITTEE MEETING MINUTES**

JANUARY 5, 2016

1:30 PM

MEDIA BRIEFING ROOM, CITY HALL

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:	None
Staff Present:	Lori Houston, <i>Assistant City Manager</i> ; Maria Villagomez, <i>Assistant City Manager</i> ; Melody Woosley, <i>Department of Human Services Director</i> ; Ray Rodriguez, <i>Assistant City Attorney, City Attorney's Office</i> ; Kristine Duff, <i>City Attorney's Office</i> ; Rene Dominguez, <i>Director, Economic Development Department</i> ; Richard Keith, <i>Assistant Director, Department of Human Services</i> ; Lisa Lopez, <i>Office of the City Clerk</i>
Other Present:	Nadia Auch, <i>Café Commerce</i> ; Hope Andrade, <i>Café Commerce</i> ; Ryan Salts, <i>Café Commerce</i> ; Mario Hernandez, <i>San Antonio Economic Development Foundation</i> ; Gisela Girard, <i>Creative Civilization</i> ; Ann Stevens, <i>BioMed SA</i> ; Kenneth P. Trevett, <i>BioMed SA</i> ; Ruben Gonzalez, <i>SA Chamber of Commerce</i> ; Michelle Cantu, <i>Workforce Solutions</i> ; Celina Pena, <i>LiftFund</i> ; Bill Kaufman, <i>Kaufman & Killen</i> ; Rob Killen, <i>Kaufman & Killen</i>

Call to Order

Chairman Krier called the meeting to order.

1. Approval of Minutes of the December 1, 2015 Economic and Human Development Committee Meeting

Councilmember Gallagher moved to approve the Minutes of the December 1, 2015 Economic and Human Development Council Committee Meeting. Councilmember Lopez seconded the motion. Motion carried unanimously.

At this time, the Committee addressed Item 3.

3. Consideration of appointments to the Café Commerce Advisory Board. [Rene Dominguez, Economic Development Department]

Rene Dominguez discussed the contract with LiftFund that requires the establishment of an Advisory Committee to assist Café Commerce. He spoke of the Small Business Task Force that was formed in 2003, and noted that they met to discuss what could be done to assist Small Businesses and Entrepreneurism. He outlined the two recommendations that resulted from these meetings: 1) The establishment of a One-Stop Center that could serve as a clearing house to refer

Small Businesses to the myriad of resources available; 2) Help promote the mindset of the entrepreneurial spirit, and help people start-up businesses. He noted that the Task Force recommended that it should be handled by an outside entity and through an RFP Process, LiftFund was selected. He reported the five members that were selected to serve on the Café Commerce Advisory Board (CCAB):

- Paul Foster, President/CEO of Foster CM Group, Inc.
- Jody Bailey Newman, Owner of The Friendly Spot & other Establishments in South Town
- Jean Phipps, Founder of the Master Leadership Program
- Mari Aguirre Rodriguez, Founder of Opt In
- Lisa Wong, Founder of Rosario's

Mr. Dominguez stated that Café Commerce has had success in assisting Small Businesses. He introduced Nadia Auch who was recently selected as President of Café Commerce.

Ms. Auch thanked the Committee for their support and stated that they hoped to create and generate more entrepreneurship in the community.

At this time, the Committee addressed Item 2.

2. Presentation and discussion on the San Antonio Strategic Plan for Economic Development presented by the San Antonio Economic Development Foundation (SAEDF) and presentation and discussion on the SAEDF 2016 Strategic Plan Implementation Agreement presented by the Economic Development Department. [Rene Dominguez, Economic Development Department]

Rene Dominguez stated that the City established a formidable partnership with the San Antonio Economic Development Foundation (SAEDF) over five years ago, and part of the deliverables included the need to establish a Mission, Vision and Strategic Plan. He reported that SAEDF contracted with Deloitte Consulting to examine how effectively the community was delivering Economic Development Services.

Mario Hernandez, President of SAEDF, stated that the Strategic Plan will impact many partners and organizations. He noted that it is an ongoing process targeting a 5-year period that covers long-term goals and objectives. He acknowledged that this Strategic Plan is known as "Forefront San Antonio." He emphasized that they were trying to improve what they believe is already a successful Economic Development Delivery System by focusing the Plan into five areas: 1) Business Attraction; 2) Business Retention and Expansion; 3) Entrepreneurial Development; 4) Workforce; and 5) Collaboration. He elaborated on the Strategic Plan Coordinating Council (SPCC) that consists of seventeen entities that oversee the implementation of the Strategic Plan. He discussed the Vision and Mission created by the SPCC, and the overarching goals that includes:

- Developing a comprehensive, integrated Strategic Plan that is based on the SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis
- Collaboratively involving the San Antonio Community in the planning and implementation phases of the Strategic Plan

- Creating a framework that improves coordination and collaboration of the Economic Development Delivery System

He stated that they have focused more on leveraging Private Sector feedback and identifying current resources that are needed in order to be successful as they work toward the Vision for the Strategic Plan. He discussed how they would improve the Economic Development Delivery System, and provided an example as it relates to Entrepreneurial Development. He stated that creating Start-up Businesses was difficult, and the SPCC identified this as a key priority of the Strategic Plan. He reported that the recommendations provided by Deloitte were meant to take them to a new level of focus. He cited the Private Industry as a key focus, and explained that the experiment now is to obtain clear information from the Round Tables related to the state of the various Industries and how San Antonio and related Companies fit into their Sector, and to provide them with information on what changes need to be made. He noted the importance of allowing the Private Sector to weigh in quarterly on the process. He stated that one of their tasks is to solidify their results and compare them to other strategies that have not been implemented. He referenced a Report put together that details what has occurred since implementation began, and encouraged the Committee to review the Report.

Mr. Dominguez stated that a Sub-Committee created over six years ago recommended the creation of a Public-Private Partnership with SAEDF. He reported that other recommendations included the need for additional collaboration and focus on the Targeted Horizon Industries, and the need to maximize resources. He indicated that the Partnership included the adoption of an Action Plan that requires approval on an annual basis. He stated that the performance of SAEDF was assessed and it was acknowledged that there should be continued improvement with aligning all the Economic Development players as well as support for the Private Sector Targeted Industries. He stated that they were currently developing and negotiating the new Action Plan, and they have asked SAEDF to implement the Strategic Plan for San Antonio. He stated that they also asked SAEDF to focus their efforts on those Targeted Industries that Deloitte has validated as having a strategic advantage such as Aerospace, Health Care Bio-Sciences, IT, and Information Security. He noted that they are also being charged with integrating the Targeted Industries and discussed the Funding Agreement with SAEDF.

Chairman Krier inquired how they are able to ascertain how much of the growth is attributed to what they are currently doing right now. Mr. Hernandez replied that they retrieved information from the Bureau of Labor Statistics (BLS) and other agencies to obtain information on projections related to each of the Sectors and Occupations. He explained that they provided information on what they thought would happen in San Antonio, and SAEDF sought to be 10% above those projections in order to make a difference.

Chairman Krier asked how they compared themselves to other Cities. Mr. Hernandez indicated that they look at Wage Growth, noting that it would empower San Antonio much further than most other metrics. He stated that comparing San Antonio to other cities is embedded in the Strategic Plan, and emphasized the importance of looking at all this detail constantly so that they can determine whether the incentive packages that they are providing are better than other cities.

Chairman Krier referenced the formation of BioMed SA and stated that they were able to leverage into the vast number of Bio-Medical Conventions that came to San Antonio and utilize them in a way to promote the Bio-Medical Industry. He inquired if there was something in the

Plan similar in order to leverage Cyber Security or other Targeted Industries Conferences. Mr. Hernandez confirmed that there was something similar in place, and noted that it overlaps into the SAEDF Action Plan with the City which requires them to monitor the Conventions and select those that are in Target Sectors.

In response to Chairman Krier, Mr. Dominguez discussed how they were avoiding duplication with regard to the contract with the Free Trade Alliance (FTA) as it relates International Trade. He noted that the FTA's primary role is inbound Delegation Activity.

Councilmember Gallagher asked why Tourism, Sports, and Entertainment were excluded as Targeted Industries. Mr. Hernandez explained that it is a matter of function and Tourism is driven by location factors. He stated that Primary Employers produce a product that is exportable beyond City Limits, which is why Retail is excluded as well.

Mr. Dominguez noted that the Convention and Visitors Bureau (CVB) is primarily charged with Tourism; but when they bring Conventions to town, they try to leverage as much as possible. He added that one of the primary responsibilities of the Center City Development Office (CCDO) is to engage in the process related to Downtown Hotel Development. He also discussed the Military Installations and commented that they were giving San Antonio a competitive advantage.

Councilmember Lopez thanked Mr. Hernandez for his many years of service to Economic Development in San Antonio, and spearheading many of the initiatives that they have undertaken. He referenced Mr. Hernandez's forthcoming retirement and stated that he is leaving a legacy of success, and they need to focus on how to make it even more successful. He cited the importance of the Budget Cycle and inquired how they are crystallizing a concise message to the Tax Payers with regard to how they are spending their money. He expressed concern that Public Awareness is lacking. Mr. Hernandez replied that they have just ended two of the most successful calendar years. He discussed the economic impact for 2014, and noted that they will break down the jobs and the percentage of those jobs that were over the Bexar County weekly wage for 2015 and considered "High-Wage" jobs, and how many jobs were brought in for the Target Horizons Sectors. He acknowledged that there is not a simple approach to Economic Development, but rather, they have to make strides in certain sectors in order to be successful.

Mr. Dominguez reported that based on the Payroll and Investment that Companies are making; the impact has been fairly substantial. He stated that they are trying to evolve their system to be more collaborative, and utilize resources more effectively. He acknowledged that this is based on the Strategic Plan, which they will present later this month. He added that through the framework presented by Mr. Hernandez, they will start gathering more specific information and as they approach Budget, they will be able to explain the Return on Investment (ROI) they expect to obtain.

Councilmember Lopez stated that they give the impression to many that San Antonio is attractive because there are low-wage jobs, and therefore a low-skill level in the Community, which he commented is untrue. He indicated that they need to emphasize that they do have high-skill level jobs, and that low-wages do not mean low-skill. He noted the importance of a consistent message about San Antonio's assets, and understanding why the City wasn't chosen as a potential location for businesses, and learning from that kind of experience. He inquired whether

something like this occurred in the event San Antonio was not selected as a potential site for businesses. Mr. Hernandez confirmed that lost projects are discussed, and noted that most of the projects that were lost was due to corporate decisions, and in some cases, lack of incentives. He stated that this is addressed in the Strategic Plan.

Councilmember Lopez noted that the City Council would be discussing the restructuring of the Convention and Visitors Bureau. He stated that any restructuring would have to have an end goal that leaves an organization in a much better position than what it was in before. He noted the importance of asking how CVB supports Economic Development.

Councilmember Viagran thanked all the Partners who were in attendance, and commented that San Antonio was the greatest city in the State of Texas. She commented that the work to bring quality companies and jobs to San Antonio is not something new, and they have been working on this for a long time. In response to Councilmember Viagran, Mr. Dominguez reported that the Mayor is overseeing a comprehensive Work Force effort known as S.A. Tech, and there are a number of strategies and issues that this initiative is overseeing.

Councilmember Viagran cited the issues referenced by Councilmember Lopez with regard to wages, and noted that she would like a discussion about High-Wage Jobs, and what incentives were being offered to companies who were looking to relocate to San Antonio. She inquired about the framework referenced by Mr. Hernandez. Mr. Hernandez discussed the Vertical Groups for each goal in the Strategic Plan, and stated that this is where they have brought the strength of this Community for each Subject Matter. He acknowledged that they regularly discuss their progress or lack of progress made each month.

Councilmember Viagran asked about the definition of "Start-Ups." Mr. Hernandez clarified that it is more about the type of Start-Up, and that they are looking for Start-Ups in the Target Horizon Sectors and Target Industries and bringing Businesses that will add jobs. He acknowledged that it was not an easy thing to do because in many cases; the wealth of the community comes in to play.

Councilmember Viagran inquired whether locals were filling the new jobs that the City gained, or people from the outside. Mr. Hernandez responded that 95% of locals were filling those jobs in Companies that the City is giving incentives to. Councilmember Viagran emphasized the importance of competitive wages. She noted the comparison of Household Median Incomes with Dallas and Austin, and stated that San Antonio was competitive.

Councilmember Treviño stated that this was a very important topic, and pointed out that San Antonio was a unique City. He inquired whether a Resource Based (RB) Analysis would be more appropriate instead of a SWOT Analysis, since they are trying to create an overarching strategy. Mr. Hernandez cited the methodology that was utilized in the early phases of the Strategic Plan Process. He stated that there was an extensive look at the community and resources, and they would not have selected the Deloitte Team if they had not been able to do this type of thorough job. Mr. Dominguez added that one of the reasons that they have the competitive edge in the Targeted Industries is because of the resources they have available and the SWOT Analysis highlights this strength aspect.

Councilmember Treviño commented that a SWOT Analysis is great for a quick overview, but everyone seems to be talking about the great resources the City has, whether it be Sports or CVB, and he would like to see an RB Analysis. He stated that it is crucial for them as they move forward that they do not lose what the City is about, as far as brand and identity. Mr. Dominguez referenced a discussion during a B Session where they discussed the need for a unified brand, and stated that SAEDF is putting something together where they will discuss how they will organize a Comprehensive Brand. He added that the meeting will include CVB; and from there, they will begin to tap into the Targeted Industries.

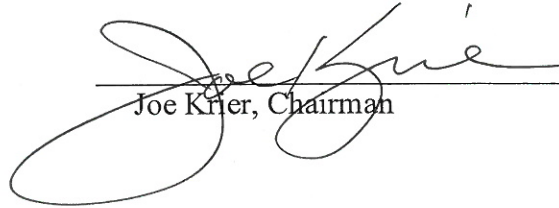
Chairman Krier recognized members of the Chambers of Commerce in attendance.

3. Discussion and Possible Action on Head Start Briefing Items [Maria Villagomez, Assistant City Manager; Melody Woosley, Director, Department of Human Services]

Due to time constraints, Chairman Krier announced that this item would be discussed at a future Meeting.

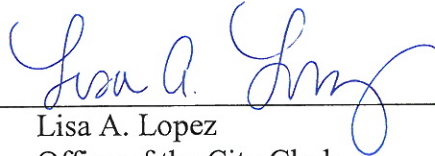
Adjourn

There being no further discussion, the meeting was adjourned at 2:55 p.m.



Joe Krier, Chairman

Respectfully Submitted,



Lisa A. Lopez
Office of the City Clerk