

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

WEDNESDAY, FEBRUARY 8, 2017

8:30 AM

MUNICIPAL PLAZA, B ROOM

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:	Carlos Contreras, <i>Assistant City Manager</i> ; Ray Rodriguez, <i>Assistant City Attorney</i> ; Susan Guinn, <i>Assistant City Attorney</i> ; Rene Dominguez, <i>Director, Economic Development Department</i> ; Denice F. Trevino, <i>Office of the City Clerk</i>
Others Present:	Jose Martinez, <i>President and CEO, Free Trade Alliance</i> ; Meghan Garza-Oswald, <i>Executive Director, Choose SA</i> ; Saari Fong, <i>Vice President of Communications, Free Trade Alliance</i>

Call to Order

Chairman Krier called the meeting to order.

1. Approval of the Minutes from the November 1, 2016 Economic and Human Development Committee Meeting.

Councilmember Gallagher moved to approve the Minutes of the November 1, 2016 Economic and Human Development Council Committee Meeting. Councilmember Lopez seconded the motion. Motion carried unanimously by those present.

Rene Dominguez spoke of the 6% decrease in the workforce at Rack Space. He stated that the Information Technology (IT) Industry had encountered a shortage in its workforce for an extended period of time. He noted that there were 10 open positions available for every IT Worker. He stated that Tech Bloc has been contracted and funded by the city to serve as the single point of contact for open positions and individuals seeking work. He noted that data related to this effort would be collected.

Chairman Krier asked if the 200 individuals which were laid off by Rack Space had been notified. Mr. Dominguez replied that they had.

Briefing and Possible Action on:

2. Briefing on SXSW 2017 Initiative. [Carlos Contreras, Assistant City Manager; Rene Dominguez, Director, Economic Development]

Rene Dominguez stated that staff had attempted to obtain a space at South by Southwest (SXSW) in the past with no success. He noted that Choose SA was very successful in activating a space there this year and last year.

Meghan Garza-Oswald stated that Choose SA was a non-profit organization devoted to promoting San Antonio. She noted that its objectives were:

- To develop wider national and global recognition of San Antonio's strengths and quality of life
- To secure San Antonio's reputation on the global map of leading cities
- To evolve popular attitudes, opinions, and assumptions about life in San Antonio to a universally popular narrative that would aid in recruitment and retention efforts in Technology, Design, Biosciences, Cyber Security and other blossoming verticals

Ms. Garza-Oswald stated that despite its many lifestyle and economic advantages, San Antonio ranked low in awareness and esteem among Millennials and Creative Class Professionals nationally. She noted that young professionals did not necessarily think like Economists and that Choose SA sought to provide a narrative about life in San Antonio.

Ms. Garza-Oswald stated that we could better reach creating young urbanites and inspire them to consider San Antonio by championing the unique lifestyle advantages that San Antonio offers. She noted that there were three major components to the SXSW Engagement:

1. Trade Show and Job Market
2. San Antonio Cultural Embassy
3. The Campaign

She stated that Choose SA partnered with Bethany East PR to create a booth design which would stand out and mini-programming segments which engage attendees with compelling messaging regarding working and engaging in business in San Antonio. She noted that Choose SA rented an official venue for three days of San Antonio-Themed Programming in high traffic areas close to the Convention Center. She stated that San Antonio Cultural Embassy Events would focus on showcasing the cultural amenities and lifestyle advantages of San Antonio. She noted that Choose SA sought to develop a highly visible advertising campaign in Austin during SXSW which would be developed for San Antonio. She stated that promotion may include placements, blog sponsorships, and a free bus ride from San Antonio to Austin. She noted that said campaign would focus on the advantages of moving to San Antonio. She reviewed the ways in which Choose SA could improve its engagement at SXSW. She noted improvements would be made in data collection, synthesizing, and utilization by:

- Improving the SA Next Application to collect meaningful data
- Changing the data points to better connect post event and use data for meaningful connections

- Organizing local partnerships to achieve conversions of leads to visitors/residents

Ms. Garza-Oswald stated that improvement could be made to the venue via the Cultural Embassy by:

- Refining the target market to fit the desired demographic for San Antonio
- Relocating Casa San Antonio to center ourselves with the target market
- Relocating Casa San Antonio to a location that provides a closer resemblance to what someone would experience in San Antonio

Ms. Garza-Oswald noted that improvements could be made in events. She noted the following events to be held:

- Two days of focused official panel programming
- Better curated San Antonio Flavors represented
- Four major official events promoting San Antonio's Music Scene, Culinary Offerings, Film Industry, and Smart City Initiative

She stated that for the tradeshow and job market; Choose SA would design an interactive experience which would bridge the digital and print worlds and give a sense of business and work opportunities in San Antonio while also cross promoting its programming and event venue. She stated that Choose SA would work to encourage job market attendees to consider the start-up life in San Antonio. She noted that the cultural embassy would be held at the Half Step Bar which was a figurehead location on Rainey Street. She presented the Cultural Embassy Schedule for Choose SA. She spoke of the SATX NEXT Application and noted its features:

- Programming schedule
- Tradeshow schedule
- Job Fair mentoring signups
- SXSW freebies and giveaways
- Coupons to visit San Antonio

Ms. Garza-Oswald stated that Choose SA was requesting \$35,000 in sponsorship from the Economic Development Department and \$15,000 from the Department of Culture and Creative Development.

Chairman Krier suggested that the Realty Community be represented by Choose SA. Ms. Garza-Oswald stated that she would meet with a group of realtors including Phyllis Browning regarding same.

Councilmember Lopez suggested that Choose SA highlight its success during the annual budget process and asked of the International Outreach Component. Ms. Garza-Oswald stated that International Visitors to the events would be individually engaged with existing International Companies in San Antonio.

Councilmember Viagran entered the meeting at this time.

Councilmember Gallagher suggested interfacing with the Military, especially in the area of Cyber Security. Ms. Garza-Oswald stated that a member of the Military would participate in one of the roundtable discussions.

Councilmember Viagran asked if data would be shared with other entities. Ms. Garza-Oswald replied that it would.

Chairman Krier asked for a final schedule of events when finalized. Mr. Dominguez stated that he would provide same to the Committee.

Councilmember Lopez moved to endorse the monetary request made by Choose SA for \$35,000 in sponsorship from the Economic Development Department and \$15,000 from the Culture and Creative Development Department. Councilmember Gallagher seconded the motion. Motion carried unanimously.

2. Presentation and Discussion on the Free Trade Alliance (FTA) Goals, Objectives and Ongoing Programs. [Carlos Contreras, Deputy City Manager; Rene Dominguez, Director, Economic Development]

Jose Martinez stated that approximately 33% of the funds received by the Free Trade Alliance (FTA) came from the public. He noted that the FTA was formed in 1995 with the support of the City and the Chamber of Commerce. He stated that the vision of the FTA was to be San Antonio's lead membership organization for International Business Assistance, Export Development, Foreign Investment Attraction, and Trade Advocacy. He noted that the mission of the FTA was to accelerate the development of International Business and Trade by creating an environment that was conducive for local companies to explore international markets and foreign companies to establish operations in San Antonio. He stated that the FTA organized programs and provided services to its members and the business community to increase their awareness and participation in International Business. He noted that the FTA strived to influence trade related laws and policies which affect the competitiveness of International Businesses. He stated that the FTA coordinated programs which provide information on exporting, enhancing business and that facilitate business development initiatives through:

- Mexico Group
- "Trade Talk" Business Roundtable Series
- Annual International Business Forum
- Outbound Trade Missions
- Grupo San Antonio
- Specialized databases

Mr. Martinez noted that the FTA managed the Export Management Program (EMP) which was developed last year for companies seeking to initiate exporting or expand their exports to Mexico. He stated that the EMP facilitated collaboration between the FTA and Casa San Antonio and was funded by a grant from JP Morgan Chase Bank. He noted that the EMP provided:

- ❖ Export Business Training
- ❖ Research
- ❖ Export Planning
- ❖ Sales Development

Mr. Martinez noted that the EMP was a great source of income for the FTA and brought in over \$200,000 last year. He provided the following results of the EMP:

- 12 companies participated in the first year of the program
- Six companies started exporting to Mexico
- Reported export sales were \$35.4 million
- Some companies expanding their presence into other markets
- Industries represented:
 - ❖ Advanced Manufacturing
 - ❖ Aerospace
 - ❖ Renewable Energy
 - ❖ Food and Beverage
 - ❖ Biomed and Healthcare

Mr. Martinez stated that in order to attain Foreign Direct Investment (FDI) attraction the FTA coordinated and supported programs that promote expansion and investment to San Antonio through:

- Grupo San Antonio
- Inbound Trade Missions
- Texas Mexico Automotive SuperCluster (TMASC)
- Foreign Trade Zone FTZ) #80
- Collaborative with local partners to support broader FDI Initiatives

Mr. Martinez noted that the FTA managed an exclusive program for foreign companies seeking to establish a foot print in the United States called the International Business Development Center (IBDC). He stated that the IBDC was created in 1999 as a business incubator/accelerator program. He noted that the IBDC provided a “soft landing” for foreign companies in San Antonio. He stated that the following services were provided by the IBDC:

- Research and planning
- Business set up
- Sales and business development
- Virtual, semi-private, or private offices

He noted that since inception, over 250 companies participated in the IBDC and currently there were 30 active companies in the program. He stated that the total impact in 2015 was \$61.2 million with total sales of \$27.2 million. He noted that as of 2014, IBDC companies had created

a total of 300 jobs. He stated that the prominent industries which participated in the program included:

- Advanced Manufacturing
- Food and Beverage
- Textile
- Information Technology (IT)
- Construction
- Business Services

Mr. Martinez reviewed two notable IBDC Companies; Siro Foods USA and VIRC, LLC. He stated that the FTA researched, examined, and monitored trade related issues relevant to the region regarding:

- Reform of the North American Free Trade Agreement (NAFTA)
- EXIM Bank reform and permanent reauthorization
- Capital increase for the North American Development Bank (NadBank)
- Other issues as identified by FTA Members

He spoke of the SA to DC Trip and noted that the FTA would lead the Trade Issues Team and focus on meetings/briefings related to the identified issues. He spoke of the FTA's relationship with other programs such as:

- Women in International
- International Business Plan Program (IBPP)
- Internship Program

Mr. Dominguez stated that a narrative developed by the FTA regarding the importance of NAFTA would be distributed to the City Council next week prior to the SA to DC Trip.

Chairman Krier asked if the FTA had a message prepared for Legislators regarding our positive position on NAFTA. Mr. Martinez replied that they did.

Councilmember Viagran asked of the number of members in the FTA. Mr. Martinez replied that there were over 120 members in the FTA.

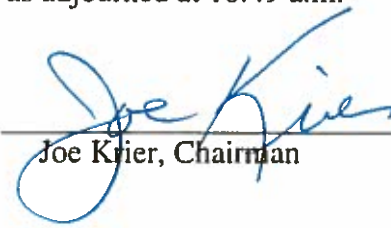
Councilmember Lopez noted that business dealings were accomplished at the Municipal Level.

Chairman Krier recessed the Economic and Human Development Council Committee into Executive Session at 10:20 a.m. for deliberations regarding economic development negotiations and to discuss related legal issues pursuant to Texas Government Code Sections 551.086 (economic development) and 551.071 (consultation with attorney).

Chairman Krier reconvened the meeting at 10:49 a.m. and stated that no action was taken during the Executive Session.

Adjourn

There being no further discussion, the meeting was adjourned at 10:49 a.m.


Joe Krier, Chairman

Respectfully Submitted,


Denice F. Trevino

