# ECONOMIC AND WORKFORCE DEVELOPMENT COUNCIL COMMITTEE MEETING MINUTES

**TUESDAY, NOVEMBER 6, 2018**
**1:30 PM**
**MUNICIPAL PLAZA BUILDING, B ROOM**

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| **Members Present:** | Councilmember Rebecca Viagran, *Chair,District 3*<br>Councilmember Shirley Gonzales, *District 5*<br>Councilmember Manny Pelaez, *District 8*<br>Councilmember John Courage, *District 9*<br>Councilmember Clayton Perry, *District 10* |
| **Members Absent:** | None |
| **Staff Present:** | Rod Sanchez, *Assistant City Manager;* Marisa Bono, *Mayor's Office;* Rene Dominguez, *Director, Economic Development Department;* Melody Woosley, *Director, Department of Human Services;* Alex Lopez, *Interim Chief Equity Officer, Office of Equity;* Michael Sindon, *Assistant Director, Economic Development Department;* Jessica Harris, *Interim Assistant Director, Economic Development Department;* Adrian Perez, *Policy Administrator, Economic Development Department;* Denice F. Trevino, *Office of the City Clerk* |
| **Others Present:** | Michael Flores, *Chancellor, Alamo Colleges;* Jenna Saucedo-Herrera, *President and Chief Executive Officer, San Antonio Economic Development Foundation;* Romanita Matta-Barrera, *Executive Director, SA Works;* Sophia Erian, *Government Affairs, Port San Antonio;* Matt Prosser, *Vice President, Economic and Planning Systems;* Andrew Knudtsen, *Economic and Planning Systems;* Lelani Mercado, *Deputy Director, Project Quest;* Hector Garcia, *COPS-Metro;* Mike Phillips, *COPS-Metro;* Andres Peña, *Government Affairs, Kaufman-Killen;* John Butchkosky, *Community Liaison, Texas Alliance for Human Needs* |

**Call to Order**

Chairperson Viagran called the meeting to order.

1. **Approval of the Minutes from the Meeting on October 2, 2018.**

Councilmember Gonzales moved to approve the Minutes of the October 2, 2018 Economic and Workforce Development Council Committee Meeting. Councilmember Pelaez seconded the motion. The motion carried unanimously.

**Briefing and Possible Action on:**

**2. Briefing on Draft Recommendations for the 2019-2020 Tax Abatement Guidelines by the Economic Development Department.**

Rene Dominguez reported that this initiative began in March 2018 where information regarding distressed communities was discussed. He noted that the Economic Innovation Group (EIG2017 Distressed Community Index included seven variables or social and economic development data points, and weighed them to compute an average which was converted into a percentage. He stated that 22% (400,000 people) of the population in San Antonio lived in distressed communities. He noted that staff developed inclusive policy that would provide more opportunity to these areas of town. He stated that the opportunity was provided to incorporate policies into the SA Tomorrow planning effort. He noted that the adoption of the 2019-2020 Tax Abatement Policy would outline the principles for investing in economic development projects. He stated that the Tax Abatement Policy, by law, must be reviewed and updated every two years. He noted that two to three tax abatements were offered per year and the average investment was $45 million with the creation of 540 jobs.

Adrian Perez stated that staff utilized an objective third party, Economic and Planning Systems, Inc. (EPS) to:

- Assess national best practices
- Assess impact of policies on effectiveness of incentives
- Co-develop 2019-2020 Tax Abatement Policy to adopt an inclusive growth framework

He stated that EPS would release a summary of national findings in January 2019. He reviewed the following guiding principles for inclusive growth:

- Connect projects, people, and place
- Focus on workforce training and education
- Maximize current City of San Antonio (CoSA) investments

Mr. Perez stated that the Inclusive Growth Area (IGA) geographies included:

- Zip Code Tabulation Areas based on poverty:
  - Tier I: 20%+
  - Tier II: 30%+
  - Tier III: 40%+
- Opportunity Zones
- Regional Centers

He reviewed the following project types: 1) Industry projects; and 2) Upskill projects. He compared industry project eligibility and term and percentage between the 2017-2018 guidelines and the 2019-2020 guidelines. He stated that companies could select two of the four following partnership options:

1. Small/Women/Veteran Business Enterprise (SMWVBE) utilization
2. Sustainability

3. Health and wellness
4. Commuter benefits

Chairwoman Viagran asked why the living wage was not increased. Mr. Perez replied that the living wage was based on a national standard based on the Federal Poverty Guidelines. Melody Woosley noted that it changed on an annual basis and would be updated in January 2019. Chairwoman Viagran requested an inventory of jobs brought in as the result of tax abatements. Mr. Dominguez stated that said inventory would be brought before the Committee in December 2018.

Councilmember Courage suggested that a higher standard for the percentage of abatement be set.

Councilmember Perry stated that the core requirements were high wages and employment. He asked of feedback received regarding the options offered. Mr. Perez stated that feedback was balanced. Councilmember Perry requested feedback from an industry which chose not to come to San Antonio.

Mr. Perez stated that over the past few years, the city has partnered with numerous non-profits to create a series of milestones. He noted that this partnership was called the Upskill Partners Network (UPN) which connects employers, delegate agencies, and participants. He reviewed the eligibility, term, and percentage of abatement for Upskill Projects. He stated that a Site Selector Survey found that:

- Inclusive growth was still a new phenomenon
- Conversations should start with costs to the business
- Define "good jobs" in a way which grows the base economy
- Administrative burden was a challenge
- Strong value proposition in pre-screening and responsiveness to training needs

Mr. Perez stated that the consultants would visit with site selectors to educate them on the new policies and guidelines and get their feedback in November 2018.

Councilmember Gonzales asked how to establish a connection with people who were not working or in school. Mr. Perez replied that delegate agencies focused on that population.

Councilmember Courage suggested that partnerships be developed with businesses not seeking tax abatements.

Councilmember Pelaez spoke of decreasing the administrative burden for businesses.

Councilmember Perry requested a summary of the results of de-briefs and what other cities were doing. Andrew Knudtsen stated that the policies and guidelines were in line with other cities. Matt Prosser noted that components of other city's policies and guidelines were utilized.

Councilmember Pelaez asked of metrics. Mr. Knudtsen stated that the policies and guidelines had not been in place for very long and metrics were limited.

Chairwoman Viagran requested information on international feedback.

Mr. Dominguez announced that a grant was received from USAA for $450,000.

Mr. Dominguez introduced Michael Flores, Chancellor for the Alamo Colleges. Mr. Flores reviewed statistics and strategies for the Alamo Colleges.

No action was required for Item 2.

**3. Briefing from SA Works on the Workforce Development Focus for FY 2019.**

Romanita Matta-Barrera stated that SA Works, housed under the San Antonio Economic Development Foundation (SAEDF), was an industry-led workforce organization aligning San Antonio's education providers and private sector to promote economic mobility. She noted that SA Works serves as an intermediary of the workforce ecosystem which consisted of:

- Education partners
- Industry partners
- Community-based organizations
- Workforce and training partners

She stated that the guiding principles for SA Works were:

- Growing (our talent K-12)
- Upskilling (incumbent workers)
- Recruiting and retaining (talent that was hard to find locally)

Ms. Matta-Barrera provided examples of growing and upskilling talent through collaboration and related statistics. She stated that the 2018 Jobs Report provided a general overview of hiring employers by key industry and skills requirements. She noted that said Jobs Report:

- Identified: Data driven approach-primary and secondary real-time labor market data
- Informed: Socialize results with education and training providers and potential candidates
- Aligned: Drive alignment with education/training programs to meet industry-identified skills

She reviewed the Strategic Framework 2019 Plans.

Councilmember Gonzales asked of the strategy for engaging opportunity youth. Ms. Matta-Barrera stated that internship programs serve as a preventative strategy to youth becoming opportunity youth. She added that school district participation was important.

Councilmember Courage asked of projections of the unmet demands. Ms. Matta-Barrera replied that she would provide the unmet demands by industry and data from Workforce Solutions.

No action was required for Item 3.

**Adjourn**

There being no further discussion, the meeting was adjourned at 3:36 p.m.

Rebecca Viagran, Chairperson

Respectfully Submitted,

Denice F. Trevino