

**ECONOMIC AND WORKFORCE DEVELOPMENT
COUNCIL COMMITTEE MEETING MINUTES
THURSDAY, OCTOBER 22, 2020 10:00 AM
VIDEOCONFERENCE**

Members Present:	Councilmember Rebecca Viagran, <i>Chair, District 3</i> Councilmember Adriana Rocha Garcia, <i>District 4</i> Councilmember Shirley Gonzales, <i>District 5</i> Councilmember Melissa Cabello Havrda, <i>District 6</i> Councilmember Manny Pelaez, <i>District 8</i>
Staff Present:	Carlos J. Contreras, III, <i>Assistant City Manager</i> ; Katinka Howell, <i>Assistant City Attorney</i> ; Christina Ramirez, <i>Assistant City Attorney</i> ; Melinda Uriegas, <i>Assistant City Clerk</i> ; Alejandra Lopez, <i>Director, Economic Development Department</i> ; Michael Sindon, <i>Assistant Director, Economic Development Department</i> ; Justina Tate, <i>Budget Director, Economic Development Department</i> ; Veronica Garcia, <i>Assistant Director, Center City Development Office</i> ; Christopher Lazaro, <i>Redevelopment Officer, Center City Development Office</i> ; Diana Hidalgo, <i>Cultural Affairs Administrator, Department of Arts & Culture</i> ; Nancy Cano, <i>Office of the City Clerk</i>
Others Present:	Tuesdae Knight, <i>President & CEO, San Antonio for Growth on the Eastside</i> ; Celina Peña, <i>Chief of Advancement, Lift Fund</i> ; Raquel Zapata

Call to Order

Chairwoman Viagran called the meeting to order.

1. Approval of the minutes from the Economic & Workforce Development Council Committee meeting on October 6, 2020.

Councilmember Gonzales moved to approve the minutes from the October 6, 2020 meeting of the Economic & Workforce Development Council Committee. Councilmember Rocha Garcia seconded the motion. The motion carried unanimously.

PUBLIC COMMENT

WRITTEN TESTIMONY

Public Comments have been submitted through the Comment system and are attached to the minutes.

LIVE TESTIMONY

Diana Sanchez stated that there were approximately 117,000 small and micro businesses that made up 30% of the local community, 84% had 20 or less employees, and 50% had less than five employees. She reported that she formed a nonprofit group, Micro:SA, to promote the resurgence of micro businesses and noted that her team found that most microbusinesses did not have interest

in belonging to industry sector organizations outside of their environment. She noted that micro and small businesses were underestimated.

2. Consideration of Applicants to the Westside Development Corporation Board of Directors (6 seats). [Tina J. Flores, City Clerk]

Veronica Garcia reported that the WDC Board of Directors was comprised of 18 members that represented a wide range of industries and included one local resident and several at-large positions. She stated that the Community At-Large position would be the position considered today. She noted that of the 12 sitting Directors, seven identified as male, five identified as female, six identified as Hispanic, and six identified as non-Hispanic, White. She added that Joseph Carreon was the WDC Chair and current Board Members would serve their terms until September 2021 and newly appointed board members would serve a two-year term of office upon approval by City Council.

Ms. Garcia reported that at the October 6, 2020 meeting, the Committee chose to recommend the following three candidates to City Council for consideration:

1. Louis Escareno, Small Business
2. John Hernden, Real Estate Developer
3. Shawn "Rod" McSherry, UTSA Representative

Ms. Garcia reported that five applicants expressed an interest in the Community At-Large position and noted that John Ray Canales withdrew and the following four applicants would be considered today:

1. Tiffany Jenkins, Community-At-Large
2. Larissa Martinez, Community-At-Large
3. Richard Vasquez, Community-At-Large
4. Raquel Zapata, Community-At-Large

Chairwoman Viagran announced that three of the four applicants were previously interviewed by the Committee at the October 6, 2020 meeting, but due to the length of the meeting, Raquel Zapata was not. She stated that Ms. Zapata would be interviewed first; thereafter, the Committee had follow-up questions for all four candidates.

EXECUTIVE SESSION

Chairwoman Viagran recessed the meeting into Executive Session at 10:31 am to discuss the following:

Deliberate the appointment, evaluation, and duties of public officers and discuss legal issues pursuant to Texas Government Code Section 551.074 (personnel matters) and Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Chairwoman Viagran reconvened the meeting at 10:42 am and announced that no action was taken in Executive Session.

Councilmember Cabello Havrda moved to appoint Raquel Zapata to the Westside Development Corporation Board of Directors, Community-At-Large, Category C. Councilmember Pelaez seconded the motion. The motion carried unanimously.

3. Update on the Small Business Support and Workforce Development Pillars within the COVID-19 Community Recovery and Resiliency Plan. [Carlos J. Contreras, III, Assistant City Manager; Alejandra Lopez, Director, Economic Development]

Alejandra Lopez reported that 952 grants, including 891 micro business grants and 61 nonprofit grants that totaled \$21,658,630 were awarded as of October 21, 2020. She presented an itemized breakdown of the microbusiness grants awarded, as follows:

- Gender: 55% women-owned; 44.6% men-owned, .4% unknown
- Race/Ethnicity: 62.4% Hispanic, 14% White, 8.3% African American, 12.5% Asian
- Industry: Service: 35.3%, Food Service: 13.2%, Retail: 14.5%

Ms. Lopez reported that 439 applications were received from 85 bars and 354 restaurants, or 16% of the total applications received. She stated that \$5 million was awarded to 157 of these businesses, or 23% of the total grants awarded.

Ms. Lopez reported on the distribution of grants by business size, as follows: Self-employed: 288 grants, 30.3% of awards; 1-5 Employees: 395 grants, 41.5% of awards; 6-10 Employees: 163 grants, 17.1% of awards; and 11-20 Employees: 106 grants, 11.1% of awards. She provided an itemized breakdown by Council District.

Ms. Lopez reported that the final \$3.2 million available would be processed and awarded to approximately 70-100 additional businesses by October 30, 2020.

Ms. Lopez provided an update on Small Business Outreach and reported that partner organizations engaged with approximately 600 small businesses. She reviewed the outreach distribution for each partner organization:

Outreach Organization	Businesses Contacted
Centro	226
SAGE	133
Southside First	168
WDC	66
TOTAL	593

Ms. Lopez reported that when the COVID-19 Community Recovery and Resiliency Plan was approved by City Council in June 2020, it was estimated that 5,000 businesses would be targeted for outreach, but due to the spike in COVID-19 in the summer, door-to-door contact was very challenging. She stated that an outreach acceleration plan was developed with the San Antonio Economic Development Foundation (SAEDF) which led collaboration efforts and provided

supplemental staff to outreach organizations to expand daily outreach phone calls and in-person outreach.

Ms. Lopez provided an update on Workforce Development and stated that in Phase 1, 1,393 residents completed preliminary intake; in Phase 2, 972 residents were referred to an agency to enroll in training; and in Phase 3, 244 residents enrolled in training and 728 residents were pending enrollment. She provided demographic data, as follows:

- Gender: 68% Women; 31% Men
- Race/Ethnicity: Hispanic: 65%, Black: 15%, White: 14%, Other: 4%, Asian: 2%
- Poverty: Yes: 57%; No: 43%

Ms. Lopez reported that the Train for Jobs SA marketing campaign was underway and included robo calls and texts sent to all participants of the Emergency Housing Assistance Program (EHAP) and those who filed for unemployment. She added that partners with the Human Services Department and the Neighborhood and Housing Services Department distributed workforce development information with their outreach efforts.

Ms. Lopez reported that 29 local small businesses signed agreements with Workforce Solutions Alamo (WSA) to provide on the job training (OJT) for a total of 223 OJT available slots. She stated that active recruitment of business that aligned with participant existing skill sets was ongoing with the overall goal of providing 1,000 OJT opportunities. She reviewed the distribution of the top local industries that were OJT providers: Manufacturing: 31%, Customer Service: 14%, Construction: 10%, Information Technology: 10%, Medical: 10%, and Professional: 10%.

Ms. Lopez reported that a series of focus groups would engage with three different resident populations: Residents enrolled in training, residents that expressed interest, but did not enroll; and residents that did not know of the program. She indicated that the feedback would inform any adjustments to the initial contracts during the upcoming renewal period from January 2021 to September 2021. She added that a briefing update would be provided to the Committee in December 2020.

Chairwoman Viagran asked of the metrics of success for the Workforce Development Pillar Strategy and stated that it was critical for the Committee to be informed of immediate and long-term needs of the small business in order to forecast and advocate for State and Federal grant funding levels. She noted that bars and restaurants were operating at a limited capacity and requested further data on the basis for rejected applications. She requested that the powerpoint presentation be distributed to the City Council. Ms. Lopez replied that the long-term metric would be the number of small businesses that recovered economically over the next year. She noted that referral assistance would be provided, and metrics would be continually monitored. She reported that there was not enough funding to award grants to all the bars and restaurants that applied for grants. Celina Peña reported that LiftFund distributed opt-in letters to commercially based businesses that applied and did not receive first round funding. She stated that they would be included in the pool for review for \$5 million in funding allocated by Bexar County that would be released through a lottery process. She added that the lottery distribution was approximately \$925,000 per precinct.

Councilmember Rocha Garcia requested data on award amounts by percentage for all Council Districts. She requested to work with staff on the marketing strategy to increase OJT and

workforce training enrollment. She asked of the average grant amounts awarded to bars and restaurants. She read a list of the many preapproved certification opportunities available through the Alamo Community College District. Ms. Lopez stated that she would provide the award data by percentages for all Council Districts.

Councilmember Gonzales expressed her concern that the private sector employers participating in the Train for Jobs SA did not commit to paying higher wages nor to permanently place or retain participants. Ms. Lopez replied that employers received a subsidy to offset training costs and in return provided introductory skill levels most sought with the expectation that skilled training would lead to jobs with a career path and opportunities for wage growth.

Councilmember Pelaez asked of the current local economic impact of the food and beverage industry and noted that in 2017, the industry provided approximately \$8 billion to the City. He recommended the reexamination of local regulations, fees, or fines that could impede a restaurant or bar's ability to re-open and called for expedited zoning changes for the approval of outdoor dining. He suggested that restaurants be invited to participate in meal programs for seniors and children. Ms. Lopez stated that she would provide the data on the current local economic impact of the food and beverage industry.

4. Briefing and possible action on creation of a new Small Business Advisory

Commission. [Carlos J. Contreras, III, Assistant City Manager; Alejandra Lopez, Director, Economic Development]

Alejandra Lopez reported that on January 14, 2020, an SASpeakUp survey was launched that included digital and traditional marketing collateral in English and Spanish. She stated that meetings and presentations were held at 34 small and large business stakeholder events for purposes of determining how local businesses interacted with various City departments and to promote the creation of a Small Business Advisory Commission (SBAC). She added that the campaign culminated with a Small Business Resource Fair held on February 11, 2020 with over 220 attendees and 17 resource partners.

Ms. Lopez reported on demographics of 1,348 survey responses received, as follows: Revenues less than \$50,000: 32.2%; \$100,000-\$250,000: 14.4%; \$1 million - \$5 million: 12.7%; and \$250,001-\$500,000: 10.8%. She noted that the largest amount of responses received were from businesses in operation for over 20 years, followed by businesses formed within the last three to five years. She noted that 66% of responses were from micro businesses with less than five employees; 57% of the respondents were Hispanic or African American business owners; and 46% were women-owned businesses. She reviewed the distribution of the top local industry participants. She provided an itemized breakdown of stakeholder outreach and survey responses by Council District.

Ms. Lopez reported that the majority of the respondents (95%) believed that what the City did had an impact on small businesses, 70% of respondents were registered to do business with the City, and 27% of the respondents stated that the survey was their first interaction with the City.

Ms. Lopez reported that of 1,163 survey responses received as to City Policies, 80% had not provided feedback regarding City policies, 81% were unaware of opportunities, 16% had issues with the time/date of meetings and 10% did not believe interaction with the City was important to the success of their business.

Ms. Lopez reported that of 941 survey responses received as to the creation of a new Small Business Commission, 76% wanted to learn about the Commission's activities, 61% would be willing to attend Commission's meetings, and 62% would be willing to serve on a Commission.

Ms. Lopez provided research of other cities' best practices and reported that all of the cities researched (except Dallas) had a Board with combined roles for goal setting, reviewing individual solicitations, and assigning subcontracting goals and preference points. She noted that some cities combined small business advocacy committee work with boards typically managed by a small business office or an economic development department.

Ms. Lopez reported that an initial recommendation was made for the creation of a new Small Business Commission as an Advisory Board to review upcoming City polices, regulations and issues affecting small businesses. She stated that the current Small Business Advocacy Committee (SBAC) could be renamed as the Small Business Economic Development Advocacy (SBEDA) Advisory Board and continue responsibilities under the SBEDA Ordinance.

Ms. Lopez reported that the proposed Small Business Commission would be comprised of 15 At-large voting members selected for a two-year term limit through an application process confirmed by the Committee and approved by City Council and would include two business professional/trade organizations, two nonprofit small service provider organizations, four small business owners with less than 10 employees, four small business owners with 10-50 employees, and three small businesses representing target industries.

Councilmember Rocha Garcia asked if current SBAC members would be eligible to apply for the SBEDA Advisory Board and asked if feedback was gathered from SBAC members. Ms. Lopez reported that the only current regulation was that citizens could not serve on more than two boards or commissions. She stated that SBAC members provided feedback as to board composition and distribution as to business size and geographic location.

Chairwoman Cabello Havrda asked why the SBAC was not charged with an increased scope of responsibilities rather than relegating it to the SBEDA Advisory Board. Ms. Lopez replied that the residents appointed consistently reviewed many issues and provided a large amount of feedback on a monthly basis. She added that they did not want small business owners to be responsible for more work nor to lose focus on the progress made by the SBEDA program and its contracting components and the SBEDA Advisory Board would provide another opportunity to engage with small businesses in another portfolio of work.

Councilmember Gonzales stated that she preferred the SBEDA Advisory Board members be appointed by City Council and that the Board meet as needed and not monthly. Ms. Lopez concurred that meetings could held as needed and that more geographical representation within Council Committees would be reviewed.

EXECUTIVE SESSION

Chairwoman Viagran recessed the meeting into Executive Session at 12:24 pm to discuss the following:

**The purchase, exchange, lease or value of Real Property pursuant to Texas
Government Code Section 551.072 (Real Property).**

RECONVENED

Chairwoman Viagran reconvened the meeting at 12:50 pm and announced that no action was taken in Executive Session.

Adjournment

There being no further discussion, the meeting was adjourned at 12:53 pm.

Rebecca Viagran, Chairwoman

Respectfully Submitted,

Nancy Cano, Office of the City Clerk