

**ECONOMIC AND WORKFORCE DEVELOPMENT
COUNCIL COMMITTEE MEETING MINUTES
THURSDAY, FEBRUARY 18, 2021 2:00 PM
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>
Members Absent:	Councilmember Manny Pelaez, <i>District 8</i>
Staff Present:	Lori Houston, <i>Assistant City Manager</i> ; Carlos J. Contreras, III, <i>Assistant City Manager</i> ; Ray Rodriguez, <i>Deputy City Attorney</i> ; Christina Ramirez, <i>Assistant City Attorney</i> ; Tina Flores, <i>City Clerk</i> ; Alex Lopez, <i>Director, Economic Development Department</i> ; Ann Eaton, <i>Economic Development Manager, Economic Development Department</i> ; Rhea Roberts, <i>Special Projects Manager, City Attorney's Office</i>
Others Present:	Matt Brown, <i>President & CEO, Centro San Antonio</i> ; Celina Pena, <i>Chief Advancement Officer, LiftFund</i>

Call to Order

Chair Viagran called the meeting to order.

- Briefing and discussion for development of a grant program to provide financial assistance to small businesses in the hospitality industry impacted by COVID-19.**
[Carlos J. Contreras III, Assistant City Manager; Alejandra Lopez, Director, Economic Development]

Alex Lopez stated that Councilmember Roberto Treviño submitted a Council Consideration Request (CCR) in October 2020 that called for the research and recommendations into the creation of a Food & Beverage Worker Relief Program. She reported that a National Restaurant Association Survey in November 2020 found that 87% of full-service restaurants averaged a 36% drop in revenue and 17% of restaurants, or 110,000 businesses, closed permanently or long-term. She added that the most recent economic impact study indicated that San Antonio had 37 million visitors in 2017, 41 million visitors in 2019, and 2020 data indicated a 40% decrease in the number of visitors due to the COVID-19 Pandemic.

Ms. Lopez reported that the City's COVID-19 Recovery and Resiliency Program included substantial support for small businesses that included nearly \$20 million in micro business and nonprofit grants, \$2.6 million in Arts grants, \$1.9 million for personal protective equipment (PPE) provided to small businesses, and over \$1 million to support outreach to small businesses and resource hubs. She stated that approximately 140,000 workers (or one in seven) were employed in the City's four hospitality sectors: Food & Beverage (72%), Lodging (12%), Entertainment (10%), and Transportation and Travel (6%). She noted that hospitality workers were greatly impacted by COVID-19 and were eligible to enroll in the Emergency Housing Assistance Program (EHAP).

Ms. Lopez reported that staff recommended the funding of \$14,000,00 for the Hospitality Grants Program as follows: Grants Funding: \$13,068,000; LiftFund Administrative Fee: \$882,000; Technical Assistance: \$25,000; and Marketing: \$25,000.00. She stated that the Food & Beverage Sector would receive \$9,408,690; Lodging: \$1,568,160; Entertainment: \$1,306,800; and Transportation/Travel: \$784,080.

Ms. Lopez stated that LiftFund would administer the program and grants would be based proportionately on the number of employees within the hospitality sectors: Self-employed: \$10,000; 1-10 Employees: \$20,000; 11-20 Employees: \$50,000; and 21+ Employees: \$75,000. She stated that eligible small businesses would be defined based on Small Business Administration (SBA) guidelines and outlined eligibility criteria, as follows:

- Annual gross business revenue less than \$8 million
- Demonstrated loss of 25% revenue beginning March 1, 2020 due to the COVID-19 Pandemic
- Business must be in operation and not filed bankruptcy
- Business must have been in operation prior to February 1, 2020
- Business must commit to the Greater. Safer. Together. Pledge

Ms. Lopez reviewed the Grants Scoring Matrix which emphasized a strong equity focus and allocated points to every census tracts and awarded more points to businesses in lower income areas and where there were higher concentrations of residents of color. She reported that applications would be accepted from March 15 – April 5, 2021, and between 350-500 grants would be distributed within 60 days of the application closing date which was June 5, 2021.

Chairwoman Viagran asked if food trucks operators were eligible for a grant. Ms. Lopez confirmed that they were.

Councilmember Gonzales noted that many small businesses were unsophisticated and were not able to produce the requested financial reports during the last round of funding, and others were concerned that it would impact their immigration status. She asked if the application process would mitigate any of those issues. Assistant City Manager Carlos Contreras noted that the Program included a technical assistance component to assist more businesses with their proper documentation and to connect them and their employees with the EHAP and for PPE.

Councilmember Cabello Havrda requested a review of small businesses to determine if they offered living wages to their employees.

Councilmember Rocha Garcia requested demographic information for hospitality sector employees by Council District. Chairwoman Viagran requested that staff reach out to local hotel and lodging associations for demographic data.

Chairwoman Viagran requested that staff prepare a side-by-side comparison of adjustments made from the first small business grant program and the current grant program.

Councilmember Rocha Garcia moved to approve Item 1. Councilmember Cabello Havrda seconded the motion. The motion passed unanimously by those present.

- 2. Briefing on the Alamo Plaza Construction Relief Grant Program** [Lori Houston, Assistant City Manager]
- 3. Briefing on the Lower Broadway Corridor Construction Relief Grant Program.** [Lori Houston, Assistant City Manager]

Rhea Roberts reported that Phase 1 of the Alamo Plan, funded in part by the 2017-2022 Bond Program, started construction in 2020 which reduced access to and visibility of small businesses in the Alamo Plaza area; thereafter, these small businesses experienced a significant downturn due to the COVID-19 pandemic. Ms. Roberts stated that the 2017-2022 Bond Program included Broadway Street which was a large corridor improvement project that would be completed in multiple phases, beginning with the Lower Segment Phase (Houston Street to IH-35). She added that the City developed the Construction Relief Grant Program (CRGP) to provide relief to qualifying small businesses associated with the Alamo Plaza and the Lower Broadway Corridor.

Ms. Roberts explained that CRGP would grant \$250,000 per project area, Centro San Antonio would administer the Program for a 5% administration fee, and grants would provide up to \$25,000 per business based on the number of employees: Self-employed: \$5,000; 1-5 Employees: \$10,000; 6-10 Employees: \$15,000; and 11-30 Employees: \$25,000.

Ms. Roberts outlined the CRGP eligibility criteria, as follows:

- Grant applicant must be authorized representative of business
- Businesses and sole proprietorships with 30 employees or less including full-time and part-time
- Annual gross business revenue of less than \$2 million
- Business must be located within program boundary and willing to remain within boundary for at least 6 months from the date of grant award
- Demonstrated loss of at least 25% of revenue for the period beginning March 1, 2020 for Alamo Plaza area and July 1, 2020 for the Lower Broadway area
- Business must be established prior to August 1, 2019
- Commitment to the Greater. SAfer. Together. Pledge

Ms. Roberts provided a proposed timeline with both programs scheduled for presentation on February 22-26, 2021 to the Tax Increment Reinvestment Zone Board and for City Council consideration on March 21, 2021; thereafter, if approved, applications would be accepted by early April 2021 and scored over a three-week period for approximately 20 grants per area to be distributed by June 2021.

Chairwoman Viagran asked how many businesses were located in each area. She asked of average rent rates for downtown business spaces. She asked of the construction timeline for the lower Broadway construction. Ms. Roberts reported that there were approximately 130 businesses in the lower Broadway area and 78 businesses near the Alamo Plaza that could be eligible for grants. Assistant City Manager Lori Houston stated that she would provide information on retail rental rates. Mr. Brown noted that several property owners have been offering major rent abatements to their tenants in their buildings and recognized their efforts to save the neighborhoods and the community. Assistant City Manager Houston stated that the pilot project would be completed quickly during the month December 2020 and would inform the next potential project to propose for the next bond cycle.

Councilmember Gonzales asked Mr. Brown for status on Centro San Antonio and it was managing as well as other small neighboring businesses. Mr. Brown reported that some small businesses in the area were holding on and some closed. He stated that Centro San Antonio had employed a full-time grant and was seeking grant opportunities at the federal level and from philanthropy.

Assistant City Manager Houston stated that the City was working with Centro and other businesses to help them potential expand by closing some streets, providing free patio leases, expanding beverage services and sidewalk retail efforts.

Councilmember Rocha Garcia moved to approve Items 2 and 3. Councilmember Cabello Havrda seconded the motion. The motion passed unanimously by those present.

Adjournment

There being no further discussion, the meeting was adjourned at 4:21 pm.

Rebecca Viagran, Chairwoman

Respectfully Submitted,

Nancy Cano, Office of the City Clerk