



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-6499

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**Agenda Item Number:** 3.

**Agenda Date:** 12/5/2017

**In Control:** Economic and Workforce Development Committee

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**DEPARTMENT:** Economic Development

**DEPARTMENT HEAD:** Rene Dominguez

**COUNCIL DISTRICTS IMPACTED:** City-wide

### **SUBJECT:**

Briefing on the FY 2018 San Antonio Economic Development Foundation (SAEDF) Economic Development Services Agreement.

### **SUMMARY:**

This is a briefing by the San Antonio Economic Development Foundation (SAEDF) and City of San Antonio Economic Development Department on the the FY 2018 SAEDF Economic Development Services Agreement. Funding for this agreement is available in the FY 2018 adopted budget for the Economic Development Department.

### **BACKGROUND INFORMATION:**

Economic Development Department policy is driven by the Jobs and Economic Competitiveness area of the SA Tomorrow Comprehensive Plan. The department invests in partners and administers incentive programs to carry out the goals of SA Tomorrow in the areas of global targeted industry recruitment, industry retention/expansion, entrepreneurial development, and workforce development. The SAEDF Economic Development Services Agreement has been developed and implemented to secure 21st century jobs that pay better wages by leveraging existing competitive advantages and creating public/private alignment towards this long term goal.

The SAEDF is charged with implementation of *Forefront SA Strategic Plan for Economic Development* (Forefront SA). Forefront SA is the SAEDF-led 5-year economic development action plan (through 2020). Forefront SA is calibrated to the overarching SA Tomorrow 25-year (through 2040) goals and policies. Forefront SA is executed and annually aligned through adoption of a \$500,000 Economic Development Services Agreement (through 2018) administered by the Economic Development Department and appropriated in the FY 2018 adopted budget.

### **ISSUE:**

For FY 2018, SAEDF has enhanced its governance and staffing structure, as well as integrated SA Works, in order to comprehensively plan, integrate and execute strategies in partnership with private sector leadership in each of the targeted industries. SAEDF has established core activities covering each of the elements of the EDDS towards achievement of Key Performance Indicators (KPI's) through 2020. SAEDF through its agreement with EDD, also reports quarterly performance measures including Local CAPEX, Number of New Jobs, Number of High Wage Jobs, Number of BRE Visits, and Number of International Investment Missions.

SAEDF will, through its governance structure secure direction on industry led initiatives in Cybersecurity, Biomedical/Healthcare, Advanced Manufacturing, and New Energy and execute these activities through their enhanced staffing structure in accordance with Forefront SA.

On December 14, 2017 EDD staff will recommend approval of the FY 2018 SAEDF Economic Development Professional Services Agreement to City Council in the amount of \$500,000 and the allocation of \$90,000 within the EDD budget to pay a portion of the costs of the SAEDF's administration of the agreement with the Texas Japan Office. The administration of the agreement with the Texas Japan office is unified under one community agreement through the SAEDF which includes Bexar County, SAEDF, and the City of San Antonio.

#### **ALTERNATIVES:**

The City could consider other partnerships or a revised economic development structure in order to achieve the desired performance targets in recruitment, retention and marketing in addition to overall economic development coordination and international economic development relationships enabled by the Texas/Japan Office. However, EDD staff does not recommend this course of action as there exists no other option that has provided an oversight role for City leadership in their governance structure that is capable of providing the comprehensive economic development services provided through SAEDF.

#### **FISCAL IMPACT:**

Funding for the FY 2018 SAEDF Economic Development Services Agreement is budgeted in the amount of \$500,000 in the FY 2018 Budget. EDD will also provide \$90,000 to the SAEDF for the administration of the agreement with the community's Texas-Japan Office also to be funded from the FY 2018 Adopted Budget of the EDD.

#### **RECOMMENDATION:**

This is a staff briefing on the item that will be brought before City Council on December 14, 2017.