



# City of San Antonio

## Agenda Memorandum

**File Number:**18-2097

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**Agenda Item Number:** 2.

**Agenda Date:** 3/6/2018

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

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**DEPARTMENT:** Economic Development

**DEPARTMENT HEAD:** Rene Dominguez

**COUNCIL DISTRICTS IMPACTED:** City-wide

**SUBJECT:** Economic Development Department Growth Strategy Request For Proposals and Tax Abatement Guidelines

### SUMMARY:

This presentation will provide an overview and related data regarding the effect of economic segregation on economic competitiveness and a recommended first step towards development of an economic growth strategy. In addition, the Economic and Workforce Development Committee (EWDC) will review the proposed scope for a Request for Proposal (RFP) to begin a multi-year Economic Development Department policy development process which includes studying relevant national best practices, securing community feedback and integration with other SA Tomorrow Comprehensive Plan policy areas such as housing, and transportation in future years.

### BACKGROUND INFORMATION:

San Antonio has seen strong growth and has enjoyed a number of national accolades from national publications and think tanks that cite best overall economic performance, entrepreneurial growth and millennial population growth. San Antonio has also seen record low unemployment in recent quarters, as well as stable job growth in targeted industries per the recent SA2020 Impact Report. However, education attainment rates and wage levels still remain below state and national averages and when elements such as unemployment are disaggregated along lines of geography, race and education level, the growth in job opportunities and the seemingly broad pathway to prosperity narrows for large portions of San Antonio's population. According to the Economic Innovation Group 2017 Distressed Communities Index (DCI), Bexar County ranked 14th in the United States in total number of people living in distressed zip codes estimated at 412,000 or 22.6% of the population.

San Antonio's long-term competitiveness is based on ensuring that it continues to compete for good paying, targeted industry jobs while creating a pathway for residents to participate in a growing, high-performing economy with specific focus on defined areas of opportunity. San Antonio has long been a proponent of growth strategies that have

sought to connect targeted populations and targeted areas of the City to additional opportunities and investment. However, the evolution of economic development practices and related policies need to be reviewed and enhanced to ensure economic opportunity is maximized for all residents.

The SA Tomorrow Comprehensive Plan (adopted by Council in August 2016) and the on-going development of the SA Tomorrow Implementation Plans are an opportunity to continue to enhance these efforts because they work to connect the complex, interrelated systems that make up our City's overall competitiveness. Elements such as housing, transportation and infrastructure are all linked and interdependent variables affecting outcomes of residents and businesses over time.

Due to the nature of these complex relationships, the City of San Antonio Economic Development Department is seeking best practices and policy recommendations regarding connecting how, where, and to what degree economic development incentives and workforce development investments are applied and connected to support growth. In short, how can the City of San Antonio Economic Development Department most effectively connect place, projects, and people to more deliberately focus on inclusive growth? This will be the first step and a multi-year effort following the City Council adoption of each of the SA Tomorrow Sub-Area plans.

### **ISSUE:**

The purpose of the proposed RFP is to evaluate best practices around the current state of growth policies and partnership and program development at a municipal government level in application of economic development incentive programs (such as tax abatements) and associated workforce development investments to connect places, projects and people in an inclusive growth approach to update the 2019 Tax Abatement Guidelines.

### **RECOMMENDATION:**

Staff recommends endorsement of release of the RFP to select a consultant to evaluate best practices around the current state of growth policies and partnership and program development at a municipal government level in application of economic development incentive programs to connect places, projects and people in an inclusive growth approach to update the 2019 Tax Abatement Guidelines.