



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 4.

Agenda Date: 10/2/2018

In Control: Economic and Workforce Development Committee

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Rene Dominguez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT: EDD Business Development Fee Waiver Program

SUMMARY:

A briefing on a proposed Economic Development Department (EDD) Business Development Fee Waiver Program to offset City development fees and SAWS sewer and water impact fees for local small businesses and targeted industry development projects. The goal of the program is to spur business development, job creation, and general economic growth in San Antonio.

BACKGROUND INFORMATION:

In 2010, the Inner City Reinvestment/Infill Policy (ICRIP), administered by the Center City Development and Operations Department (CCDO), was approved by City Council to encourage infill activity and the creation of sustainable neighborhoods that are safe, walkable, mixed-use, and well-designed. The policy provides City development fees and SAWS sewer and water impact fees for a variety of projects in the designated boundary.

On October 2, 2017, a Council Consideration Request was issued requesting a review of City incentives for residential and commercial developments to include ICRIP among others. As a result, CCDO is proposing a new City of San Antonio Fee Waiver Program that will replace ICRIP and focus on the four (4) following categories:

1. Affordable Housing
2. Owner-Occupied Rehabilitation
3. Historic Rehabilitation/Legacy Business
4. Business Development

In coordination with CCDO, the Economic Development Department (EDD) in the future will administer two of the three components of the Business Development category as part of the EDD Business Development Fee Waiver Program. Under this program, EDD is proposing to offset City development fees and SAWS sewer and water impact fees for local small businesses and targeted industry development projects. The goal of the program is to spur business development, job creation, and general economic growth in San Antonio.

ISSUE:

The eligibility guidelines for the small business portion of the EDD Business Development Fee Waiver Program are being developed in consultation with a workgroup made up of diverse local small businesses. Current draft eligibility includes small businesses operating within the City of San Antonio limits that have been established for two (2) years. Additional incentives will be considered for those that are also minority and women-owned to address disparities related to access to capital. Additional consideration will also be given to local small businesses operating within distressed and City prioritized areas. These areas will be determined by EDD's Inclusive Growth Strategy to be presented to the City Council Economic and Workforce Development Committee in December 2018.

Eligible projects under the small business portion of the EDD Business Development Fee Waiver Program may receive a full or partial waiver of City development fees and/or SAWS sewer and water impact fees based on a tiered system mirroring the small businesses emphasized above. It is estimated that this program will be able to support a minimum of approximately 30 small businesses annually. Following this presentation, staff will finalize recommendations by the workgroup and continue to meet with local small business advocacy organizations, trade organizations, and chambers of commerce to gather feedback and finalize this portion of the program.

The eligibility guidelines for the industry development portion of the EDD Business Development Fee Waiver Program will award City development and SAWS sewer and water impact fees based on the competitiveness of a project in the same manner as previously performed under the former Inner City Reinvestment Infill Policy for targeted industry projects that meet job, wage, and investment requirements. Additional incentives will be considered for projects operating or hiring within distressed and City prioritized areas to be determined by EDD's Inclusive Growth Strategy.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.