



City of San Antonio

Agenda Memorandum

File Number:18-6102

Agenda Item Number: 2.

Agenda Date: 11/6/2018

In Control: Economic and Workforce Development Committee

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Rene Dominguez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

EDD Preliminary 2019-2020 Tax Abatement Guideline Updates

SUMMARY:

The Economic Development Department (EDD) will present draft recommended updates to the 2019-2020 Tax Abatement Guidelines. In addition, EDD will present preliminary findings reported by its consultant, EPS, on relevant national best practices regarding inclusive growth and initial feedback from national site selectors on integrating these principles into an economic development industry recruitment and retention policy.

BACKGROUND INFORMATION:

San Antonio has seen strong growth and has enjoyed a number of accolades from national publications and think tanks for our 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.

Despite this strong economic growth, educational attainment rates and wage levels still remain below state and national averages and when elements such 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 depends heavily on ensuring that we remain competitive for good-

paying targeted industry jobs while creating pathways for residents to participate in a growing high-performing economy with a specific focus on defined areas of opportunity. San Antonio has long been a proponent of growth strategies that connect targeted populations and targeted areas of the City to additional opportunities and investment. However, economic development practices and related policies need to be reviewed and enhanced to ensure economic opportunity is available to all residents.

In March of this year, EDD presented to the Economic and Workforce Development Committee a plan to review best practices with a focus on inclusive growth to inform the update to the 2019-2020 Tax Abatement Policy. EDD brought on a consultant to evaluate national best practices regarding inclusive growth policies as they pertain to connecting economic development projects to residents in distressed communities through workforce development investments. EPS was also charged with securing input from national site selectors on the impact to potential projects considering locating significant jobs and investment to San Antonio.

EDD has developed draft updates to the Tax Abatement Guidelines and has vetted these initial recommendations with community stakeholders. EDD will continue to seek feedback through November before making a final recommendation for Council consideration in December.

RECOMMENDATION:

This is a staff briefing and no action is required.