



City of San Antonio

Agenda Memorandum

File Number:19-2333

Agenda Item Number: 2.

Agenda Date: 3/5/2019

In Control: Economic and Workforce Development Committee

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Rene Dominguez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT: City Council consideration of the 2019 Scope of Services for the San Antonio Economic Development Foundation-the 2019 Forefront San Antonio Business Plan.

SUMMARY:

This is a briefing by the San Antonio Economic Development Foundation (SAEDF) and City of San Antonio Economic Development Department on the 2019 Forefront San Antonio Business Plan.

BACKGROUND INFORMATION:

Policy decisions by the City's EDD are largely driven by the Jobs and Economic Competitiveness section of the City's *SA Tomorrow Comprehensive Plan*. The department partners with local organizations and administers incentive programs to carry out the goals of *SA Tomorrow* in the areas of global target industry recruitment, industry retention and expansion, and entrepreneurial and workforce development. The SAEDF Economic Development Services Agreement was developed between the City and the San Antonio Economic Development Foundation (SAEDF) in an effort to secure 21st-century jobs that pay high wages through leveraging existing competitive advantages, and by creating public/private alignment towards this long-term goal.

The partnership between EDD and SAEDF is based on recommendations of the 2009 Mayor's Corporate Retention and Recruitment Committee, which consisted of business and community members, and that called for the development of a strategic plan, a process for coordination and collaboration to include a business retention and expansion (BRE) program, and improved resource utilization. In 2015, a private sector subcommittee evaluated the five-year partnership between the City and SAEDF for years 2010-2015. The committee confirmed the continuation of the partnership as an effective model and provided formal recommendations to the Council subcommittee, then called the Economic and Human Development Subcommittee (EHDC).

The results of the private sector committee recommendations led to the development of *Forefront SA Action Plan (Forefront SA)*, the strategic plan for economic development. *Forefront SA* is the SAEDF-led 5-year economic development action plan through 2020. It is aligned through the adoption of an annual Business Plan administered by EDD and appropriated in the adequate fiscal year adopted budget.

In 2018, SAEDF worked on 18 projects, creating a total of 4,120 jobs (1,106 Target Industry jobs and 2,244 high-wage jobs) and \$164.9M in new capital investment. Additionally, SAEDF visited 70 companies for business retention and expansion efforts, added \$150K in Foreign Direct Investment, and embarked on 4 international trade missions.

ISSUE:

In 2018, SAEDF enhanced its governance and staffing structure through the integration of SA Works and the Free Trade Alliance. This integration allowed for SAEDF to comprehensively plan, develop and execute strategies in partnership with private sector leadership in each of the target industries. SAEDF will, through its role as lead convener, secure direction on industry-led initiatives in Cybersecurity, Biomedical/Healthcare, Advanced Manufacturing, Aerospace, and New Energy, and execute these activities through their enhanced staffing structure in accordance with Forefront SA.

SAEDF acts as the lead partner for the implementation of strategies in industry recruitment, BRE, international business development, entrepreneurial, and workforce development and has established core initiatives to achieve Key Performance Indicators through 2020. Through their agreement with EDD, SAEDF reports quarterly performance measures including Local CAPEX, Foreign Direct Investment, Number of New Jobs, Number of High Wage Jobs, Number of BRE Visits, and Number of International Investment Missions.

The 2019 Forefront San Antonio Business Plan now more fully encompasses the international and workforce components of economic development, as presented to the Economic and Workforce Development Committee in September 2018. The Plan includes an emphasis on international business development, in the form of finalization of the GCI market prioritization exercise, and marketing, through the creation of a San Antonio Tool Kit to include industry asset mapping and a city profile.

FISCAL IMPACT:

There is no fiscal impact associated with this briefing item.

RECOMMENDATION:

Staff recommends endorsement of the 2019 Scope of Services for the San Antonio Economic Development Foundation-the 2019 Forefront San Antonio Business Plan.