



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 3.

Agenda Date: 6/4/2019

In Control: Economic and Workforce Development Committee

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Rene Dominguez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT: Briefing on the San Antonio Military Life Science Commercialization Action Plan implementation, Charter, and staff support.

SUMMARY:

This briefing will provide an update on the implementation of the San Antonio Military Life Science Commercialization Action Plan and Charter. Staff also seeks the Committee's endorsement for City Council consideration of the establishment the San Antonio Military Medicine Innovation (SAMMI) Director as a contract employee of the San Antonio Economic Development Corporation (SAEDC) to help facilitate the implementation of the Action Plan and Charter through an Economic Development Incentive Fund Grant from the City in the amount of \$300,000 over three years.

BACKGROUND INFORMATION:

San Antonio is home to significant military medical research missions focused on developing new trauma/critical care technologies and products to treat wounded warriors. These military units include the U.S. Army Institute for Surgical Research, the Navy Medical Research Unit San Antonio (both at Fort Sam Houston), and the Air Force's 59th Medical Wing (Lackland Air Force Base). It is estimated that these military medical missions contribute \$4.6 billion in annual economic impact for the community. To help them meet their medical mission requirements, the military wants to partner and collaborate with private industry and research institutions.

In August 2017, the City's Economic Development Department formed a Life Science Working Group to explore ways to better leverage military medical research for commercialization. The Working Group included military partners along with representatives from the SAEDC, UTSA, UT Health SA, Velocity TX, Texas BioMed, Southwest Research Institute, BioBridge Global, BioMed SA, the Economic Development Foundation and private industry representatives (Acelity, InCube Labs, and Prytime Medical).

The Working Group agreed the community should study the potential for leveraging military medical research to include the feasibility of establishing a full-time position to facilitate these efforts. As a result, the City funded a \$50,000 study through consultant Teresa Evans LLC, which began in January 2018 and concluded with the development of the San Antonio Military Life Science Commercialization Action Plan (“Action Plan”) in August 2018. Key recommendations from the Action Plan include to: (1) ensure alignment with military medical missions; (2) establish a full-time SAMMI Director position aligned with a governmental entity such as the SAEDC; (3) develop a long term sustainability model through establishment of an Alliance; (4) investigate potential commercialization funding mechanisms; and (5) conduct a phased implementation approach beginning with an initial six-month phase.

The City requested the SAEDC conduct the initial implementation phase of the Action Plan. On September 24, 2018, the SAEDC Board approved a \$50,000 Economic Development Services Agreement with Teresa Evans LLC to execute Phase I with the following objectives: (1) build bridges and create sustainable collaboration; (2) align key government and community stakeholders to support the Action Plan; and (3) develop a Charter that outlines a pathway for establishment of the SAMMI Director position and an Alliance.

On March 29, 2019, the Working Group was briefed on the Charter and supported the recommended strategies. The SAEDC Board approved the Charter on April 1, 2019, and directed the SAEDC Executive Director to seek grant funding in the amount of \$300,000 from the City to help establish the full-time SAMMI Director position within the SAEDC subject to approval by City Council. The SAEDC Board also authorized the Executive Director to initiate advertising of the position with a goal to secure funding and hire someone by the end of FY 2019. Advertising for the SAMMI Director began on April 15, 2019.

ISSUE:

The SAMMI Director is proposed as a contract employee of the SAEDC reporting to the Executive Director, based on the Working Group recommendation to align the position with a governmental entity. The SAMMI Director will be responsible for identifying and facilitating collaborations that help meet military medical mission requirements and create commercialization opportunities for San Antonio. The SAMMI Director should have knowledge of military medical research activities and structure, community resources and assets, Department of Defense tech transfer processes, commercialization pathways, and funding opportunities. The SAMMI Director should also have experience in the life science industry, commercializing a medical device/technology and/or working for the military in a medical R&D capacity. As an employee of the SAEDC, the SAMMI Director will serve as a resource to the community at large as well as a neutral party.

Per the SAEDC Bylaws, the SAEDC requires City Council approval to establish the SAMMI Director position and hire a qualified candidate to fill the position.

This initiative aligns with several of the key long-term economic goals laid out in the City’s SA Tomorrow Comprehensive Plan, as well as those presented in Forefront SA, the community’s economic development strategic plan led by the San Antonio Economic Development Foundation (SAEDF). Such goals include the promotion of entrepreneurship made possible through commercialization within the City’s targeted industries of bioscience and healthcare and support for our local military missions.

FISCAL IMPACT:

The San Antonio Military Life Science Commercialization Action Plan and Charter recommend a three-year budget of approximately \$523,500 for the SAMMI initiative, of which \$450,000 is allocated for salary. The SAEDC has funding available in the amount of \$150,000 to support a portion of the SAMMI initiative and is seeking an EDIF grant from the City in the amount of \$300,000, payable at \$100,000 per year for three years.

The SAEDC also intends to seek annual donations totaling approximately \$30,000 for three years from local institutional life science partners to help fund the SAMMI operations, such as funding/hosting Military Medical Industry Days and other such events. Full financial support for this initiative is critical to its successful implementation and demonstrates continued commitment to prospective SAMMI Director candidates.

RECOMMENDATION:

Staff recommends the Committee's endorsement to seek City Council approval for: (1) the SAEDC to establish the SAMMI Director position; (2) the SAEDC to hire someone as a contract employee to fill this position; and (3) an EDIF grant of \$300,000 to the SAEDC to help fund the SAMMI Director Position.