



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 18.

Agenda Date: 3/19/2020

In Control: City Council A Session

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Alejandra Lopez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Consideration of the San Antonio Economic Development Foundation six-month 2020 Business Plan.

SUMMARY:

This Ordinance approves the Business Plan of the San Antonio Economic Development Foundation (SAEDF) for the first six months of 2020 which it will execute to achieve the City's goals for economic, global, and workforce development. The contract associated with this Business Plan was previously approved by City Council and funding is available in the Economic Development Incentive Fund FY 2020 Adopted Budget.

BACKGROUND INFORMATION:

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 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 sub-committee evaluated the partnership between the City and SAEDF and confirmed the continuation of the partnership as an effective model, along with recommending the development of the Forefront SA economic development strategic plan (Forefront SA). Forefront SA is implemented by SAEDF, in collaboration with EDD and other economic development partners, with target goals to reach by 2020.

The SAEDF Economic Development Services Agreement creates public/private alignment towards long-term goals and focus on creating high-wage jobs by leveraging existing competitive advantages. This Agreement requires City Council approval of an annual Business Plan aligned with Forefront SA. After a two- year period of resource realignment integrating SA Works and the Free Trade Alliance, in 2019 SAEDF focused

substantially on operational execution, securing 20 projects, creating a total of 5,472 jobs (including 4,377 target industry jobs and 1,834 high-wage jobs) and \$1.2B in new capital investment. Additionally, SAEDF visited 77 companies for business retention and expansion (BRE), added \$931M in foreign direct investment, hosted 9 inbound trade missions, and visited several companies in five different countries on investment promotion missions.

ISSUE:

From January through June of 2020, SAEDF will continue to implement industry-led initiatives in Cybersecurity, Biomedical/Healthcare, Advanced Manufacturing, Aerospace, and New Energy, and execute these activities in accordance with Forefront SA. As lead partner for the implementation of strategies in industry recruitment, BRE, international business development, entrepreneurial, and workforce development, SAEDF has established core initiatives to achieve key performance indicators (KPIs) through June of 2020. As part of this agreement, SAEDF reports quarterly performance measures including capital investment, foreign direct investment, new jobs, high-wage jobs, BRE assistance, and international investment missions.

The Forefront SA Six-Month 2020 Business Plan sets to accomplish 3 goals: (1) close existing KPI gaps; (2) strengthen pipelines between workforce and projects for 2020 and beyond; and (3) continue to improve and scale the BRE program. Priority KPIs to reach 2020 goals include: high wage jobs, BRE assistance, and job fill ratio.

This year also marks the conclusion of the Forefront SA strategy. In anticipation, SAEDF and more than 60 community partners from across private industry and the public sector are currently in the final stages of a new regional strategic planning and implementation process. SAEDF and its consultants have guided stakeholders through a research phase that resulted in a Regional Assessment and Competitive Scorecard report and a Target Sector Assessment. As part of the current strategy and implementation phase, SAEDF is leading transitional efforts to shift the community from Forefront San Antonio to a new, more regional strategy and focus. This new strategy will focus on jobs, people, and place by regionalizing and aligning existing programs and developing new industry-led workforce initiatives. In addition, the new strategy will consider the establishment of a mega-region geography to not only align economic development north to Austin, but to the south as well, and modernizing BRE by increasing the focus on company assistance after they locate to the San Antonio region. In preparation for a formal organization transition, SAEDF is currently preparing a final report on the findings and strategic recommendations. In June 2020, SAEDF will brief City Council regarding the updated strategic plan as well as a business plan for the second half of 2020, re-aligned to execute recommendations developed through this recent strategic planning process.

FISCAL IMPACT:

This item has no additional fiscal impact, as City Council has authorized the expenditure and approved the Agreement with SAEDF. Funding in the amount of \$870,000 is available in the Economic Development Incentive Fund FY 2020 Adopted Budget.

RECOMMENDATION:

Staff recommends approval of the SAEDF six-month 2020 Business Plan.