



City of San Antonio

Agenda Memorandum

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In Control: Economic and Workforce Development Committee

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Alejandra Lopez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Briefing on upcoming Economic Development Department public engagement activities.

SUMMARY:

This item provides an update on public engagement processes, including the plan to collect feedback for the SBEDA Significant Business Presence policy, the Workforce Ballot Initiative, the COVID-19 Workforce Recovery Plan, and updates to the Tax Abatement Guidelines.

BACKGROUND INFORMATION:

The Economic Development Department (EDD) is planning various public engagement processes regarding the following programs and policies below:

SBEDA Significant Business Presence Policy

The City's Small Business Economic Development Advocacy (SBEDA) program promotes the use of local small, minority and women-owned business enterprises on City contracts. To qualify for SBEDA incentives under the SBEDA ordinance, businesses must be certified by the South Central Texas Regional Certification Agency (SCTRCA) and must be headquartered, or have significant business presence in the San Antonio Metropolitan Statistical Area (SAMS). Currently, business not headquartered in the SAMS are eligible for the incentives if they maintain a branch location for one year and at least twenty percent of total employees are based in that branch. As of August 2020, less than one percent of businesses (seventy vendors) listed in the City's Central Vendor Registry are headquartered outside of the SAMS that qualify for SBEDA incentives under the significant business presence policy.

Workforce Recovery

City Council approved the COVID-19 Recovery and Resiliency Plan on June 4, 2020. The strategies associated with this Plan are categorized into four pillars: Workforce Development, Housing Security, Small Business Support, and Digital Inclusion. Through the Workforce Development Pillar, up to 10,000 eligible City residents will receive skills and career assessments followed by short-term, long-term and on-the-job training in career pathways that promote wage growth. High school equivalency preparation will also be available and residents receiving this education and training will also receive wraparound support, such as childcare and/or stipends, to reduce barriers and ensure programmatic outcomes are achieved. To support this effort, relationships will be established with businesses and industry specific business organizations to identify job sector growth opportunities, current and upcoming job openings, on-the-job opportunities, and employer skill set demands that will be shared with the training and education providers. The primary agencies responsible for the Workforce Development strategies include Workforce Solutions Alamo, Alamo Colleges, Project QUEST, Family Service, Restore Education, Chrysalis Ministries, and SA Works.

Workforce Ballot Initiative

To build upon the COVID-19 Recovery and Resiliency Plan Workforce Development Pillar, on November 3, 2020, San Antonio residents will consider a 1/8 cent sales tax ballot initiative to provide for workforce development and higher education through the San Antonio Early Childhood Municipal Development Corporation in accordance with Chapter 379A of the Texas Local Government Code. The workforce training associated with the initiative will focus on high-demand occupations with immediate job openings that create career pathways for residents to grow wages. In addition, this initiative will focus on promoting completion of two or four-year degrees in targeted industries, as identified in the SA Works COVID Jobs Report. Participants pursuing either type of training will also receive wraparound case management services to help navigate barriers that may prevent training completion and support job placement post training and education completion.

Tax Abatement Guideline and Economic Development Incentive Fund

Chapter 312 of the Texas Tax Code provides local governments the authority to enter into tax abatement agreements to promote the attraction of new companies and the retention and expansion of existing businesses to create jobs and investment. State law also requires the adoption of the Tax Abatement Guidelines by City Council every two years. With the current City Tax Abatement Guidelines set to expire at the end of December 2020, EDD will seek public feedback from stakeholders to promote equitable economic development in San Antonio.

ISSUE:

Staff will brief the Committee on implementation plans for various upcoming public engagement processes regarding the following programs and policies:

Significant Business Presence

City staff is currently seeking input from the local business community whether to continue with the existing significant business presence policy, or to amend the SBEDA ordinance to limit incentives to businesses that are headquartered in the SAMSAs. An electronic survey was sent to all companies registered to do business with the City and local chambers of commerce, business organizations and professional and trade associations were also asked to share the survey with their respective members. Staff also plans to conduct two (2) targeted focus group meetings of small, minority and women-owned business owners, including business owners that may be affected by this policy change. Finally, staff will invite all stakeholders to a virtual presentation to learn about the current policy and to provide feedback. EDD will present results to the Small Business Advocacy Committee (SBAC) at the September 2020 meeting and to the EWDC in October 2020. Any potential change to

the SBEDA Ordinance will require approval by the full City Council. EDD will also coordinate this community outreach with the other EDD initiatives listed below.

Workforce Recovery

The workforce program within the Recovery and Resiliency is designed to include check points, including potential amendments to partner contracts implementing the program. A public engagement process will inform any improvements to the program, as primary partner agency agreements are considered for renewal in December 2021. This public engagement process will include input from San Antonio residents who are participating in the program, employers, chambers of commerce, trade and labor organizations, workforce and social service nonprofits, training providers, and higher education institutions. In addition, focus groups will be convened before the end of November 2020 to gather direct feedback and surveys will occur throughout the implementation of the program.

Workforce Ballot Initiative

A two-phase public engagement process was designed in association with the workforce development ballot initiative. The initial phase, currently in progress, includes presentations on the preliminary design and outcomes associated with the potential program. Should voters approve the ballot initiative, the second phase will include public engagement to inform the program specific processes, identification of partner agencies involved, and the development of a robust marketing plan based off the successes of the Workforce Recovery Program.

Each phase of the public engagement process will include collaboration with San Antonio residents who could benefit from the program, employers, chambers of commerce, trade and labor organizations, workforce and social services nonprofits, training providers, and higher education institutions. In addition, each phase will target these groups through focus groups, surveys, and public presentations.

Tax Abatement Guidelines and Economic Development Incentive Fund

Property tax abatements remain a valuable tool to promote job creation and private investment in our community. The current tax abatement guidelines, approved by City Council in 2018, incorporate inclusive growth policy considerations and upskilling investment opportunities for residents. This fall, City staff will engage with stakeholder to gather feedback on inform how the tax abatement policy could further promote equitable economic development. This engagement process will seek input from San Antonio residents, employers, chambers of commerce, and trade and labor organizations through public presentations and surveys. The public engagement process will occur from September 2020 through November 2020 with the recommendation for City Council approval in December 2020.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only and has no fiscal impact.

RECOMMENDATION:

This item is for briefing purposes only.