



City of San Antonio

Agenda Memorandum

File Number:20-6439

Agenda Item Number: 2.

Agenda Date: 11/3/2020

In Control: Economic and Workforce Development Committee

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Alejandra Lopez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Briefing and possible action on the San Antonio Economic Development Foundation Business Plan for July through December 2020.

SUMMARY:

The San Antonio Economic Development Foundation (SAEDF) will provide a briefing on its Business Plan and operations for July through December 2020 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 from the FY 2021 General Fund and FY 2021 Economic Development Incentive Fund Adopted Budgets.

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.

In early March, City Council approved the SAEDF 1st and 2nd Quarter Business Plan which was to continue implementation of industry-led initiatives in Cybersecurity, Biomedical/Healthcare, Advanced Manufacturing, Aerospace, and New Energy, and execute these activities in accordance with Forefront SA. However, shortly thereafter, SAEDF substantially shifted its operations to support the local economic response efforts to the COVID-19 pandemic, SAEDF is also a partner in the City's Recovery and Resiliency Plan, implementing small business outreach as well as workforce development strategies.

ISSUE:

From July to December of 2020, SAEDF will continue to implement the operations plans which includes initiatives focused on the development and execution of regional economic development partnerships, implementation of industry-led initiatives in Cybersecurity, Biomedical/Healthcare, Advanced Manufacturing, Aerospace, and New Energy, and execution of 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 December of 2020. As part of this agreement, SAEDF continues to report quarterly performance measures including capital investment, foreign direct investment, new jobs, high-wage jobs, BRE assistance, and international investment missions.

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 early 2021, SAEDF will brief City Council regarding the updated strategic plan.

RECOMMENDATION:

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