



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 22.

Agenda Date: 12/3/2020

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 3rd and 4th Quarter 2020 Business Plan.

SUMMARY:

This Ordinance approves the Business Plan of the San Antonio Economic Development Foundation (SAEDF) for the 3rd and 4th Quarter of 2020 which the Foundation has executed and will continue to 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 funds in the total amount of \$835,000.00 were approved in the FY 2021 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 focuses 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. 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, new energy, and a strong focus on recruitment of high wage jobs. As a result of the COVID - 19 pandemic, SAEDF shifted its approach to focus on business retention efforts and became a partner in the City's Recovery and Resiliency Plan, supporting small business outreach and providing real-time business intelligence regarding training needs and employment opportunities as part of the Train for Jobs workforce program.

ISSUE:

From July to December of 2020, SAEDF has continued to implement industry-led initiatives in target sectors and serves as the lead partner for the implementation of strategies in industry recruitment, BRE, international business development, entrepreneurial, and workforce development with established key performance indicators through December of 2020. As part of its agreement, SAEDF reports quarterly performance measures including capital investment, foreign direct investment, new jobs, high-wage jobs, BRE assistance, and international investment missions.

While SAEDF performance outcomes have been substantially impacted by the COVID-19 pandemic, since January 2020 SAEDF has helped secure 688 new jobs, 92% of which are considered high wage (starting over \$50,000). They assisted businesses with 144 individual requests as part of the business retention and expansion program and coordinated over 8,500 work-based learning opportunities for area youth. Since 2017, SAEDF has helped secure over 15,000 jobs to our community and \$1.9 billion in capital investment, of which \$1 billion was foreign investment.

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.

ALTERNATIVES:

City Council can choose not to approve the 3rd and 4th Quarter 2020 SAEDF Action Plan and consider other partnerships or a revised economic development structure in order to achieve the desired performance targets in recruitment, retention, expansion and marketing. However, this would be inconsistent with the terms of the SAEDF Agreement.

FISCAL IMPACT:

This item has no additional fiscal impact, as City Council has authorized the expenditure and approved the Agreement with SAEDF. Funding for this year's business plan in the amount of \$835,000.00 were approved in the FY 2021 Adopted Budget.

RECOMMENDATION:

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