



City of San Antonio

Agenda Memorandum

File Number:21-1890

Agenda Item Number: 18.

Agenda Date: 4/1/2021

In Control: City Council A Session

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Alejandra Lopez

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Consideration of a 2021 Professional Services Agreement and Business Plan with San Antonio Economic Development Foundation.

SUMMARY:

This Ordinance approves a professional service agreement and business plan with San Antonio Economic Development Foundation (SAEDF) for a one-year term, with two one-year renewal options for an annual contract amount of up to \$635,000.00. Funding in the amount of \$500,000.00 is available from the FY 2021 Economic Development Incentive Fund and \$135,000.00 is available from the FY 2021 General Fund. Funding for subsequent years of this contract is subject to City Council appropriation of funds and City Council approval of subsequent Operation Plans.

BACKGROUND INFORMATION:

The partnership between Economic Development Department (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 was implemented by SAEDF, in collaboration with EDD and additional economic development partners, from 2017 through 2020. Forefront SA was the overall strategy for economic growth and development

in San Antonio with their business plans outlining the specific targets for that year. Altogether, the Forefront SA strategy had the goal to facilitate the creation of 20,000 new jobs and secure \$1.5 billion in capital investment by the end of 2020. Of the jobs, 50% of them were to be in targeted industries and 55% high-wage. In order to strengthen the community already in San Antonio, the strategy included 350 BRE assists to local companies.

In the final Forefront SA report, SAEDF indicated its efforts led to the creation of 17,609 jobs (including 11,974 target industry jobs and 7,395 high-wage jobs) and a total capital investment of \$2.2 billion in the San Antonio area. The efforts surpassed the BRE target with 427 assists. The shortage of job numbers was partially due to COVID-19 which greatly affected their operations in 2020. By April 2020, SAEDF had to pivot much of their work to assist local companies in weathering the economic ramifications of the pandemic. In coordination with the city and other economic partners, they were able to support local businesses in applying for CARES Act funding and obtaining other necessary resources to stay afloat and keep their employees.

ISSUE:

Following the conclusion of the Forefront SA and 2020 Services Agreement, staff is seeking Council's approval to enter into a new agreement with SAEDF with the strategic framework of growing jobs, building people, and improving place. As part of these three pillars, there are ten initiatives with activities outlined to meet the goals and outcomes as indicated in the operations plan.

Jobs: The efforts on jobs will include targeted outreach in corporate recruitment, global development, cluster and military development and business retention & expansion.

People: Activities focused on people will include career pathway and graduation retention programs.

Place: The focus on place will include a regional centers plan, support for the airport master plan and developing a regional brand.

Under the new agreement and business plan, SAEDF will continue to focus on industry-led initiatives in aerospace, financial services, cybersecurity/technology, bioscience, and advanced manufacturing. Additionally, part of the city's funding will sponsor memberships for small businesses owned by women and people of color with the goal of increasing the diversity of SAEDF's members and empowering the whole community to have a voice on city and region focused business recruitment, retention and expansion efforts.

Finally, as part of the annual business plan, key performance indicators and goals have been developed for these three pillars to measure the impact of SAEDF's activities on San Antonio and the region. SAEDF has developed goals specifically for the City of San Antonio to measure the impact of San Antonio specific activities.

ALTERNATIVES:

City Council can choose not to approve the 2021 Professional Services Agreement and Business Plan with the San Antonio Economic Development Foundation 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 could negatively impact the coordinated economic development approached implemented through this partnership.

FISCAL IMPACT:

This Ordinance approves a professional services agreement and business plan with San Antonio Economic Development Foundation (SAEDF) for a one-year term, with two one-year renewal options for a total annual contract amount of up to \$635,000.00. Funding in the amount of \$500,000.00 is available from the FY 2021 Economic Development Incentive Fund and \$135,000.00 is available from the FY 2021 General Fund. Funding for subsequent years of this contract is subject to City Council appropriation of funds and City Council approval of subsequent Operation Plans.

RECOMMENDATION:

Staff recommends approval of the contract between San Antonio Economic Development Foundation for a one-year term, with two one-year renewal options for a total contract amount of \$1,905,000.00.