



# City of San Antonio

## Agenda Memorandum

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**Agenda Item Number:** 4.

**Agenda Date:** 3/3/2015

**In Control:** Economic and Community Development Committee

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**DEPARTMENT:** Economic Development

**DEPARTMENT HEAD:** Rene Dominguez

**COUNCIL DISTRICTS IMPACTED:** City-Wide

### **SUBJECT:**

A 4-Year Review (2011-2014) of the economic development partnership between the City of San Antonio and the San Antonio Economic Development Foundation (SAEDF).

### **SUMMARY:**

The City and SAEDF are in the final year of a 5-year agreement (Agreement) under which the SAEDF is charged with the coordination and execution of the economic development delivery system in the San Antonio region, to include business recruitment (foreign and domestic) with a focus on target industries, execution of a business retention and expansion (BRE) program, implementation of the community's Economic Development Strategic Plan (Strategic Plan) and, more recently, implementation of the San Antonio Trade and Investment Strategy. The SAEDF will present a review of the past 4 years including an overview of its annual overall job creation and business location metrics and performance. The review also includes performance with regard to: (1) target industries recruitment (Aerospace, Healthcare and Biosciences, Information Technology/Security, and the New Energy Economy); (2) international business development and foreign direct investment; (3) execution of a meaningful BRE program; and (4) the development and implementation of the Strategic Plan.

### **BACKGROUND INFORMATION:**

In 2009, a Corporate Recruiting and Retention Committee, co-chaired by Wayne Peacock and David Zachry, provided recommendations to address the long-term strategic planning for the San Antonio region. The SAEDF was selected to lead the community economic development efforts and the Committee charged the SAEDF with evolving the economic development delivery system in San Antonio toward securing high-wage jobs in specific industry clusters.

FY 2011 was the first year of the enhanced partnership between the City and SAEDF under the Agreement. The administration of the Agreement and evolution of the economic development responsibilities under the Agreement are accomplished through annual action plans (Action Plans), which contain areas of emphasis and key metrics for recruitment, business retention, marketing, and research. The SAEDF will present metrics results for FY2011-FY2014.

## **SAEDF Performance Overview**

### Recruitment

- The SAEDF has met or surpassed overall job creation and location targets, realizing a shortfall in the FY 2014 job creation goal, securing 3,640 of 3,700 jobs (98%). The Locations/Expansions and New Jobs Created metrics include job creation from both recruitment and BRE.
- Targeted industries sub-goal results have shown that approximately 1/4 of the total recruitment jobs have been in targeted industries over FY 2011- FY 2014.
- Total jobs secured from recruitment have declined slightly since FY 2011.

### BRE

- The number of BRE visits goal has been met by EDF. BRE provides assistance to local companies and is staffed by a team of economic development organizations including EDF, CoSA, Bexar County, CPS, SAWS, FTA, WSA/Alamo Colleges, to name a few. The BRE program has had some initial success; the program will continue to evolve to provide more meaningful interaction with local companies to address issues impacting their growth and success.

### International

- In order to enhance the international recruitment efforts, the City collaborated with the Brookings Institution to develop a strategic plan (San Antonio Trade and Investment Strategy) for foreign direct investment, which centralizes the local lead development channel for both exports and foreign investment, and grows foreign investment, ecosystems, and local supply chains in our local industry specializations. As part of the FY 2015 Action Plan, the SAEDF is positioned to implement the San Antonio Trade and Investment Strategy.

### Marketing

- Over the past 4 years, the SAEDF has developed a targeted marketing campaign, whereby marketing efforts are targeted to industry specific issue buys. The marketing efforts are overseen by a SAEDF subcommittee and include PR, marketing and social media strategies.

## **ISSUE:**

EDD staff recommends endorsement of the Action Plan for FY 2015, which includes: (1) that the SAEDF focus on business recruitment, retention, marketing, and research, to include specific sub-goals for targeted industries; (2) the initial implementation of the Strategic Plan and the San Antonio Trade and Investment Strategy; and (3) that the SAEDF evolve the BRE program to target headquarters, significant employers and emerging growth companies.

## **FISCAL IMPACT:**

Funding for the SAEDF Agreement was budgeted for a 5 year term and is appropriated annually from the Economic Development Incentive Fund (EDIF) in the amount of \$500,000 each year, beginning in 2011.

**RECOMMENDATION:**

EDD staff recommends endorsement by the Economic & Community Development Committee.