



City of San Antonio

Agenda Memorandum

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Agenda Date: 5/27/2015

In Control: City Council B Session

DEPARTMENT: Economic Development

DEPARTMENT HEAD: Rene Dominguez

COUNCIL DISTRICTS IMPACTED: All Districts

SUBJECT: Café Commerce Update

SUMMARY: An update on services offered and outcomes achieved through Café Commerce.

BACKGROUND INFORMATION:

In 2012, former Mayor Julián Castro convened a taskforce of business owners and business advocacy organizations for the purpose of brainstorming methods and strategies for promoting small and new business growth in San Antonio. Business participants represented a wide array of industries, including retail, food and dining, engineering, technology, public relations, trade services, and private investors. Business advocacy organizations included various chambers of commerce, the University of Texas at San Antonio (UTSA), ACCION Texas, the Westside Development Corporation (WDC), and San Antonio for Growth on the Eastside (SAGE).

The taskforce identified the need to establish a culture of entrepreneurship throughout the community (for both adults and youth, but specifically engaging a young population) and increase coaching, mentoring and apprenticeship opportunities for future and existing small business owners. The taskforce also highlighted the value of existing business development resources in San Antonio and identified the need to increase marketing of these resources.

The taskforce recommended the establishment of an entity, ultimately named “Café Commerce,” to provide entrepreneurship education and mentoring, as well as to serve as a resource and referral clearinghouse or a one-stop for business information. It further recommended the outsourcing of operations and management of Café Commerce to promote an organic and innovation-focused approach to service delivery. Thus, the City solicited proposals to identify a partner to further develop, implement and manage Café Commerce.

In November 2013, City Council approved the execution of an agreement with ACCION Texas, now LiftFund, in an amount not to exceed \$1,000,000 for a five year period for the operation and management of Café Commerce. The agreement includes both a virtual and physical location where entrepreneurs can gather, collaborate, and learn more about entrepreneurship and small business resources. In 2014, 10,000 square feet in the 1st floor of the San Antonio Central Library was remodeled to provide a physical location for Café Commerce.

ISSUE:

In June 2014 Café Commerce was officially opened to the public and over 200 people attended the grand opening. Café Commerce has implemented “U.S. SourceLink”, the “Ice House Entrepreneurship Program”, and “1 Million Cups” that were developed by the Ewing Marion Kauffman Foundation, which is a leader in the field of entrepreneurship and business, to satisfy key objectives of centralizing business resource information and fostering the entrepreneurial mindset.

“U.S. SourceLink” is a web-based clearinghouse made up of San Antonio community small business resources that will better market and deliver resources to entrepreneurs and existing small businesses looking to start or grow their businesses. The “Ice House Entrepreneurship Program”, which began its first classes in August 2014, is an eight week entrepreneurial education program that emphasizes problem solving, critical thinking, opportunity identification, and fosters the development of the entrepreneurial mindset. The overall objective of the “Ice House Entrepreneurship Program” is to empower learners by exposing them to entrepreneurial thinking while immersing them in real-world entrepreneurial experiences. To date, two classes have graduated from “Ice House”, with the next class starting in May. “1 Million Cups” began in July 2014 and each week provides two local entrepreneurs an opportunity to present their startup ideas to a diverse audience of entrepreneurs, mentors, and advisors for critical business advice to advance their ideas. Almost 80 startups have presented at “1 Million Cups”, including companies like CodeUp and nonprofit organizations like B-Cycle.

In addition to these core functions, Café Commerce has also implemented programs such as “Break Fast and Launch”, “Downtown Retail Loan Fund”, “Civic unHackathon”, and “1 Million Pints”. Café Commerce hosts a diverse array of training events, seminars, startup pitch presentations, and other business programs in both English and Spanish. The facility has hosted over 250 events with organizations ranging from Goodwill to the San Antonio Economic Development Foundation’s Global Cities Committee and the San Antonio Central Library has recorded a 10% increase in attendance since Café Commerce opened its doors.

In September 2014, Café Commerce was awarded a grant through the Small Business Administration Growth Accelerator Fund to launch a restaurant business accelerator called “Break Fast and Launch”. The SBA received 832 applications and awarded 50 grants across the nation. Awardees were invited to the White House in November 2014 to network and share best practices. The objective of “Break Fast and Launch” is to increase the sustainability of new restaurants, food trucks, bars, and related culinary ventures by combining entrepreneurial education, mentorship, and hands-on culinary training. “Break Fast & Launch” is the first culinary business accelerator in the nation.

The “Downtown Retail Loan Fund” provides small business owners and entrepreneurs looking to start a new retail business in downtown San Antonio access to a dedicated loan fund administered by Café Commerce in partnership with the 80/20 Foundation, LiftFund, Centro Partnership, and the Center City Development Office. The goal of the fund is to activate vacant storefronts along Houston and Commerce Streets as well as other downtown retail corridors. To complement this program, Café Commerce also implemented the “Civic unHackathon Program”, which engaged volunteer coders to create a web-based platform to help match

potential tenants and vacant spaces. Café Commerce is also partnering with the City on the “OPEN” pop-up retail program, and serving as a lead facilitator for the San Antonio Economic Development Foundation’s strategic plan.

These programs implemented and developed by Café Commerce have received high recognition and Café Commerce was invited to present “When New Businesses Hatch at The Public Library” and “Creating a New Accelerator for Culinary Business,” which highlighted both Café Commerce and “Break Fast and Launch” at SXSW in March 2015.

Café Commerce is tracking both activity and impact metrics. Activity metrics include the number of walk-ins (500+), members (500+), resource partners (87), web searches (1,000+), referrals to other partners (600+), number of events (250+), and social media reach. Through quarterly surveys of members Café Commerce is tracking the type (minority, women-owned, etc.), progress (achieving incorporation) and growth (new part and full-time jobs, access to capital) of the entrepreneurs and small businesses who utilize their programs.

ALTERNATIVES:

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FISCAL IMPACT:

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RECOMMENDATION:

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