



City of San Antonio
**Economic
Development**
2019 Annual Report



CITY OF SAN ANTONIO
**ECONOMIC DEVELOPMENT
DEPARTMENT**



Mission Statement

To foster economic growth, through collaboration and innovation, for the continued prosperity of our community.



Economic Development leadership team (from left to right): Michael Sindon, Assistant Director; Jessica Harris, Assistant to the Director; Alejandra Lopez, Director; Shahrzad Dowlatshahi, Chief Diplomacy & Protocol Officer; Shuchi Nagpal, Interim Assistant Director; and Adrian Perez, Workforce & Economic Development Policy Administrator.

Director's Message

The mission of the City of San Antonio Economic Development Department is to foster economic growth through collaboration and innovation. We have four different, yet interconnected areas of practice: workforce, small business, industry, and international relations. Each plays a critical role in growing San Antonio's economy.

On a more meaningful level, we strive to ensure that economic development positively impacts all residents in San Antonio by working to:

- Empower
- Grow
- Advance
- Diversify

We empower residents to thrive by developing pathways to economic opportunity. We grow local small, minority, veteran, and women-owned business enterprises by connecting them to resources and contracting opportunities. We advance San Antonio by promoting the creation of jobs and investment. Finally, we diversify San Antonio's economy by forming connections on a global scale.

We work every day to foster a better San Antonio for tomorrow.

This report highlights the Fiscal Year 2019 accomplishments of the Economic Development Department, demonstrating how our department strives to promote our mission and create prosperity for all. I am honored to lead this department, and I look forward to discovering what we can accomplish in Fiscal Year 2020.

Alejandra Lopez

Director, Economic Development Department



What Makes a Community Prosper?

San Antonio is the 7th-largest city in the United States and the 2nd-largest in the state of Texas, and we're growing. By 2040 San Antonio's population will have doubled. With that prospect, comes the need to address a multitude of issues for our current and future residents.

Along with more affordable housing and improved transportation comes a need for more jobs. The City of San Antonio Economic Development Department cultivates the creation of these jobs and also works to ensure that all residents have the ability to access them. By doing so, we are working to promote economic mobility across San Antonio.

Despite these efforts, we know that San Antonio has the highest percentage of people living in poverty among the top 25 most populous metropolitan areas, according to the 2018 American Community Survey compiled by the U.S. Census Bureau. Of all residents living in the San Antonio–New Braunfels area, 15.4%—or 381,584—live below the poverty line.

We have work to do.

In recent years, the City of San Antonio has made a concerted effort to address equity and economic inclusion in our city. This means that whether you are born on the Northside or the Southside, you can benefit from the same opportunities. In the Economic Development Department, we are working to address this critical issue by re-envisioning how we work with companies interested in doing business in San Antonio, among other initiatives.

Although some of these plans are still in their beginning stages, we've already seen some success.

As we look to 2040 and beyond, we have one united goal: to help all residents prosper. By doing so, San Antonio will thrive and earn a reputation more reflective of our inclusive and diverse community.

Empowering

We help residents thrive.

“If you don’t have your GED, it’s really hard to get a job.”

–Luis Enrique Rincon
San Antonio Resident

Our workforce development efforts focus on creating pathways for residents to increase their earning potential and achieve economic mobility.

The Economic Development Department provides funding to agencies such as Family Service, Project QUEST, and Restore Education. These organizations provide various services to job seekers, including occupational training, GED preparation, job readiness workshops, and case management. Additional support services also include transportation assistance and child care.

We also partner with SA Works, Workforce Solutions Alamo, Alamo Colleges, and others. These organizations work to identify employer demands and coordinate programs and funding for residents wishing to advance their skills and education so they can enjoy better employment opportunities.

The 2019–2020 Tax Abatement Guidelines approved by the San Antonio City Council in December 2018 introduced a new pilot program called an “Upskill Project.” This type of tax abatement allows the City of San Antonio to partner with employers wishing to pursue economic incentives and provide robust workforce development opportunities. An “Upskill Project” aims to empower residents who are working in positions that do not require specialized training or education by providing access to career coaching, support services, and tuition assistance with the goal of increasing their earning potential and career mobility.



Project QUEST provides training and placement in high-wage, high-demand careers.

? DID YOU KNOW

In 2019, 70% of Project QUEST participants were women. Women who completed Project QUEST programming saw average annual earnings increase from \$14,000 to \$44,600.



4,029
SERVED



1,069
EMPLOYED



91
HIGH SCHOOL EQUIVALENT ATTAINMENT



469
DEGREES OR CERTIFICATES



GOODWILL

Provides short-term job training to help individuals transition into the workplace.



ALAMO
COLLEGES

ALAMO COLLEGES—SEGUIR ADELANTE

Provides short-term basic computer skills, as well as job and college readiness training.



SA Christian Hope Resource Center
GRACE - EMPOWERMENT - SUSTAINABILITY

SA CHRISTIAN HOPE RESOURCE CENTER

Provides resources to individuals and families who are experiencing a crisis by helping stabilize their family unit while empowering and equipping them for future success.



PROJECT QUEST

Provides long-term occupational training and other services for in-demand vocational certification programs and associate's degrees, particularly in the medical field.



DRESS FOR SUCCESS®
Going Places. Going Strong.

DRESS FOR SUCCESS

Provides participants with appropriate skills and clothing to transition to stable careers.



FAMILY SERVICE

Provides individuals with education and job training skills, including financial counseling.



CHRYSLIS
MINISTRIES

CHRYSLIS MINISTRIES

Provides job readiness support for the second-chance community.



RESTORE EDUCATION

Provides innovative educational options, a pathway to college or workforce training, and guidance toward a career.



One Man’s Story

Luis Enrique Rincon was born in Laredo, Texas, but moved to San Antonio as his mother struggled to escape an abusive relationship. Luis, now 34, grew up in an increasingly unstable environment, dropped out of school in 7th grade, and eventually became incarcerated. “I knew I wanted to better my life,” Rincon said. After seeking employment through the Goodwill Career Center, Luis was referred to

Alamo Colleges—Seguir Adelante to earn his GED. Chrysalis Ministries helped him achieve his goal by providing him with a monthly bus pass and helping with basic needs, such as hygiene items and clothes. Luis is now on his way to earning an Associate of Arts degree in Liberal Arts. “If it wasn’t for these organizations and their help, Lord knows where I’d be,” he said. “Because of their support, I’ve gotten to where I am today.”

Growing

We support entrepreneurs.



Jose Saenz, owner of Swine House Bodega, started his small business with the help of Launch SA.

? DID YOU KNOW

Local, small, minority, veteran, and women-owned businesses are vital to San Antonio’s economic health, to general business expansion, and to the community at large. Small businesses represent 97% of employer firms in the San Antonio area.

“All small business owners need support and to feel like we’re not alone. The people at Launch SA are ready to help.”

—Jose Saenz
Owner, Swine House Bodega

In order to help small businesses thrive, we offer various programs and resources to assist all types of business owners, whether they are at the ideation, the startup, or the growth phase. These programs range from access to capital to business consulting, education, mentorship, and equal opportunity in securing City contracts.

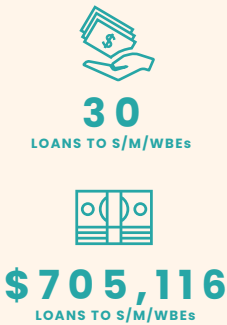
While these programs provide assistance to all local small businesses, they also play a key role in addressing the multiple challenges and barriers faced by minority and woman-owned businesses. The Small Business Economic Development Advocacy (SBEDA) program, in particular, leverages the City’s purchasing power to eliminate historic disparities and provide opportunities for local small, minority, and women-owned businesses (S/M/WBEs) to participate in City contracts. The utilization of minority and women-owned businesses continues to grow and is projected to exceed 2018’s record percentages.

The department also supports various nonprofits, such as Launch SA and LiftFund. Launch SA is a small business center that provides support to entrepreneurs at all stages. LiftFund provides financial assistance to small businesses through programs, such as the Loan Interest Buydown Program.

Together, San Antonio’s small business programs promote the inclusion of all sectors within our local economy and help entrepreneurs see their dreams come to fruition.



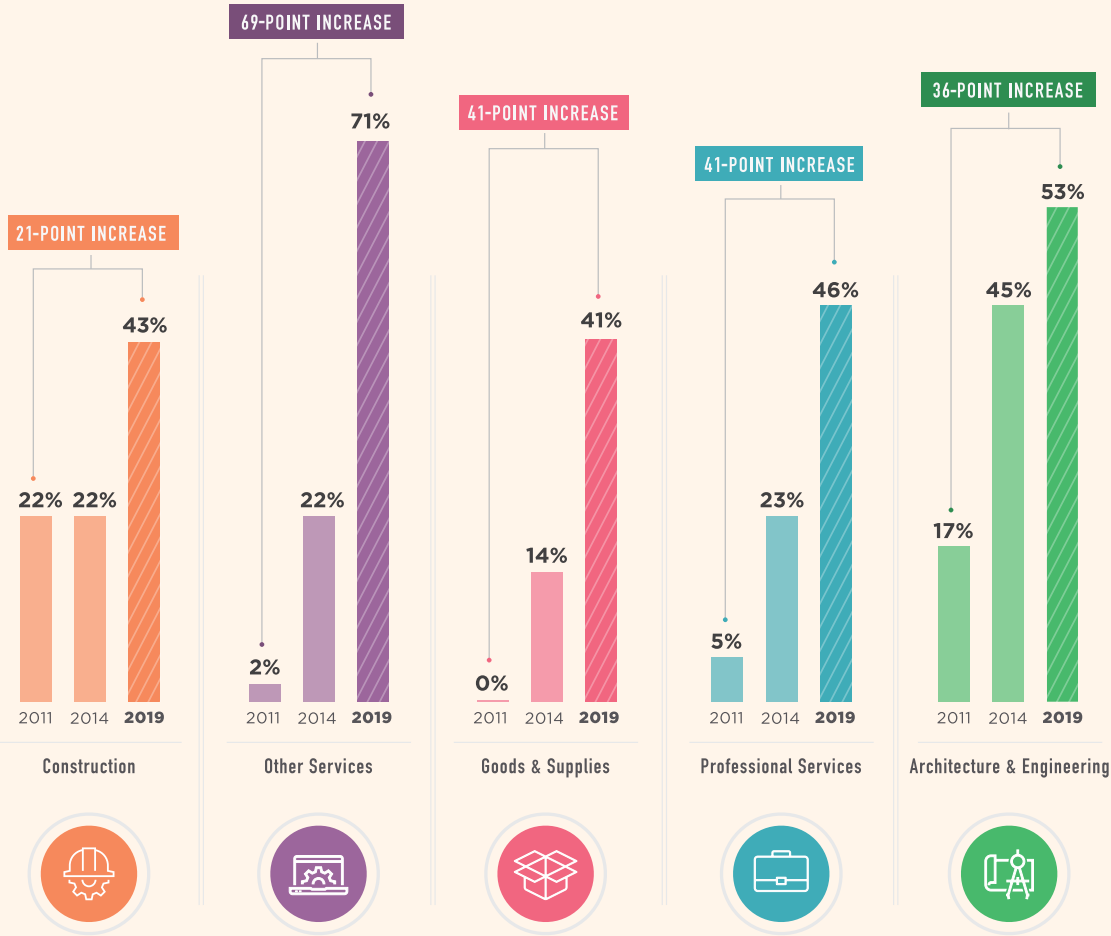
LOAN INTEREST BUYDOWN PROGRAM



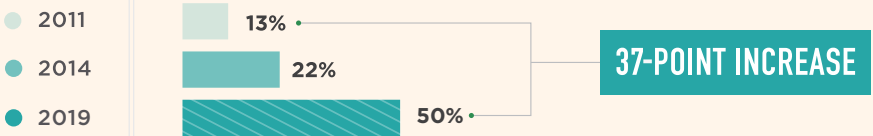
5-YEAR ANNIVERSARY IMPACT REPORT



SBEDA M/WBE UTILIZATION PROGRESS



Overall Increase



Advancing

We promote jobs and investment.



Mayor Ron Nirenberg, D3 Councilmember Rebecca J. Viagran, and other officials break ground on the Cuisine Solutions project at Brooks on the Southside.

? DID YOU KNOW

In October 2019, Corey Levenson, Ph.D., was selected as the San Antonio Military Medical Innovation Director under the San Antonio Economic Development Corporation. He will connect local researchers with military medical needs while also promoting the commercialization of military medical innovation.

“The City of San Antonio is committed to creating equitable opportunities for residents in every part of our city.”

—Ron Nirenberg
Mayor, City of San Antonio

The Economic Development Department works to increase the number of high-quality jobs in San Antonio by attracting new companies and helping those already here stay and grow.

We focus on jobs in several targeted industries, including new energy, information technology/cybersecurity, healthcare/biosciences, advanced manufacturing, and aerospace. These targeted industries were identified because they build on San Antonio’s existing strengths, offer some of the highest-paying jobs in the country, and remain in high demand in the ever-evolving 21st-century economy.

To facilitate targeted growth, we strategically recommend the use of economic development incentives, such as tax abatements and grants, along with support from industry development organizations.

In December 2018, the San Antonio City Council approved new tax abatement guidelines that focus on partnering with companies to provide workforce training opportunities for residents through paid internships and other programs. Additionally, these guidelines focus on promoting hiring from historically disadvantaged areas of the city in an effort to promote economic mobility for all residents.

9
PROJECTS

2,753
JOBS

\$686M
INVESTMENT

Project Highlights

VictoryCapital™

Jobs: 357
Investment: \$500,000

PENFED®
CREDIT UNION

Jobs: 571
Investment: \$8,973,113

accenture

Jobs: 500
Investment: \$5,000,000

LGS
INNOVATIONS

Jobs: 49
Investment: \$2,900,000

Booz | Allen | Hamilton®

Jobs: 250
Investment: \$700,000

HALLIBURTON

Jobs: 500
Investment: \$268,511,950

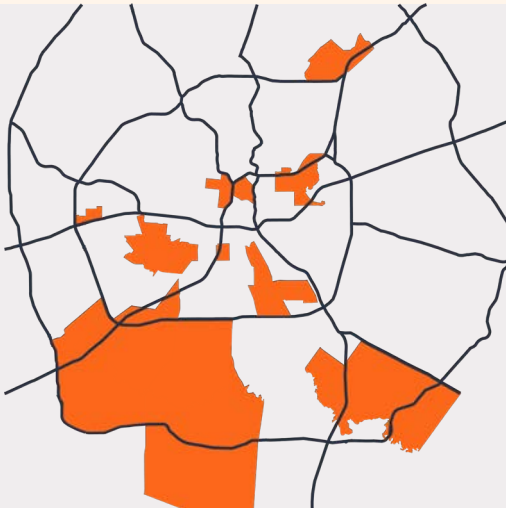
Economic Impact: \$4.9B

IN THE SPOTLIGHT

Opportunity Zones

In March 2018, Governor Greg Abbott recommended 628 census tracts in Texas as Qualified Opportunity Zones. Within Bexar County, there are 24 designated tracts, making San Antonio the city with the second most opportunity zones in Texas. These areas are eligible to receive investments through Qualified Opportunity Funds in exchange for deferment and reduction of capital gains taxes. This

federal program arose from the 2017 Tax Cuts & Jobs Act, which aims to spur economic development in historically low-income areas. Eligible investments include businesses, real estate, commercial development, and more. In 2019, the City of San Antonio created the opportunity zones manager position to lead projects within opportunity zones while also engaging with various community organizations.



Diversifying

We build global relationships.

San Antonio stands to become a global leader in our industries of focus, including IT, cybersecurity, bioscience, and manufacturing

—Raul Rodriguez-Barocio
Co-Chair, SAEDF International Advisory Council

San Antonio’s international strategy is a multi-faceted approach that includes business, diplomacy, culture, and education. This strategy focuses on accomplishing three key goals: prioritizing metros across the globe for investment, expanding San Antonio residents’ access to the world, and elevating San Antonio’s reputation.

San Antonio has 5 priority metros, as well as 11 Sister Cities and 6 other official relationships, which the city cultivates through collaboration, trade, and investment. As San Antonio builds on its international relationships and seeks to focus its outreach, it has fine-tuned its global strategy by deepening diplomatic, business, cultural, and educational ties within targeted cities and regions.

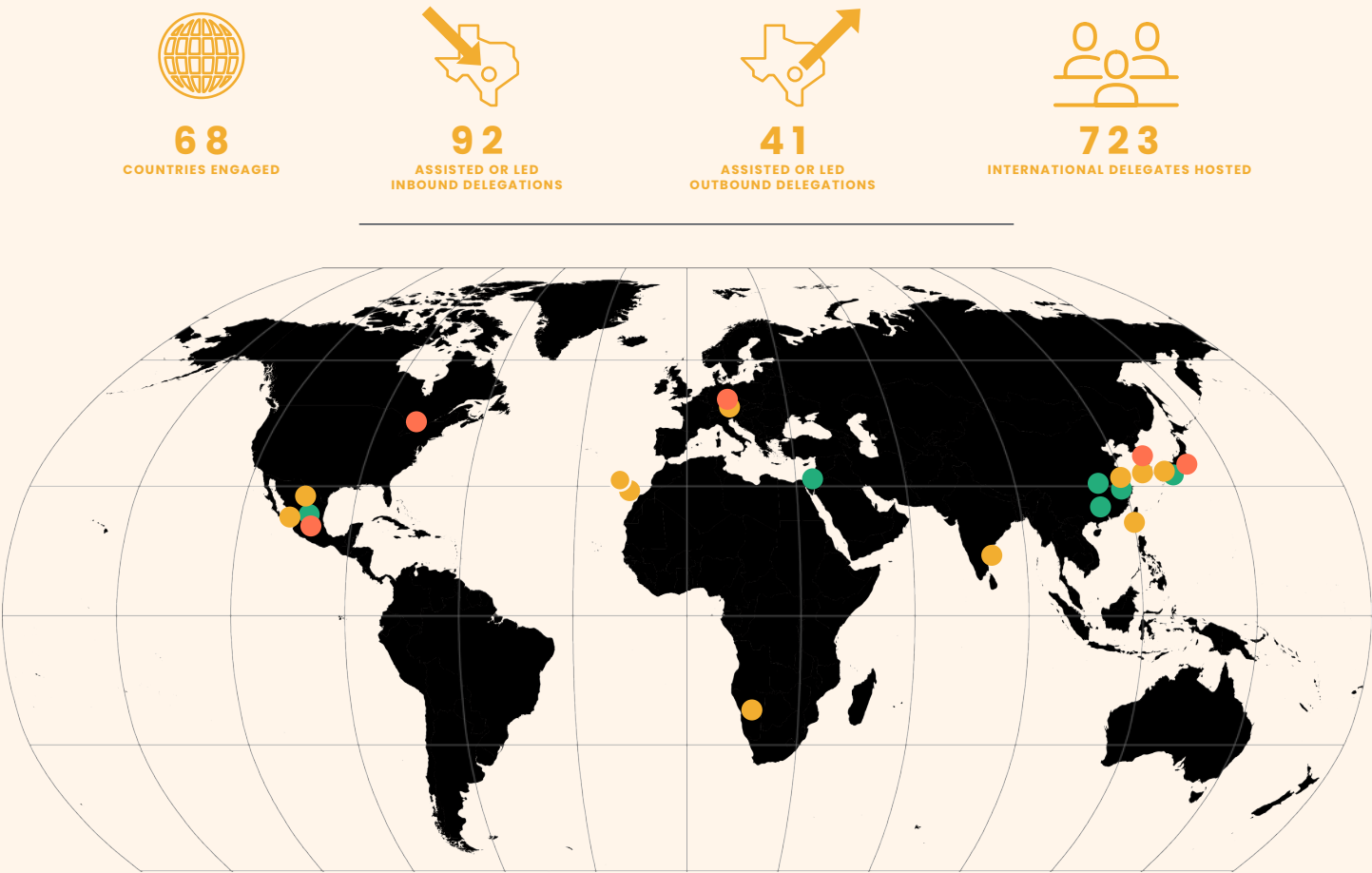
In 2019, the San Antonio Sister Cities program received the award for “Best Overall Program” from Sister Cities International based on the work the team accomplished during the Tricentennial celebration in 2018.



Mayor Ron Nirenberg meets with Ms. Akie Abe, First Lady of Japan, during the 2018 Trade and Civic Mission to Japan.

DID YOU KNOW

We collaborate with a number of community partners and other City departments to bring expressions of global culture to San Antonio through festivals and other cultural engagement activities, such as DiwaliSA, Aki Matsuri, and El Grito SA.



PRIORITY METROS	SISTER CITIES		OTHER OFFICIAL RELATIONSHIPS
TOKYO Japan	MONTERREY Mexico	KUMAMOTO Japan	SUZHOU China
SEOUL South Korea	GUADALAJARA Mexico	CHENNAI India	YANGZHOU China
FRANKFURT Germany	LAS PALMAS Spain	WUXI China	NANJING China
TORONTO Canada	GWANGJU South Korea	WINDHOEK Namibia	TEL AVIV Israel
MEXICO CITY Mexico	KAOHSIUNG Taiwan	DARMSTADT Germany	MIE PREFECTURE Japan
	SANTA CRUZ DE TENERIFE Spain		MEXICO CITY Mexico

IN THE SPOTLIGHT



Toyota
In September 2019, Toyota announced a \$391 million expansion of its truck factory

on the Southside—solidifying its commitment to San Antonio and furthering our relationship with the Japanese automaker. The project will bring new advanced manufacturing

technologies to the plant and spur future investment. Additionally, Toyota will invest \$1 million in City-approved educational and workforce development initiatives.



Looking Forward

San Antonio's long-term economic competitiveness depends heavily on ensuring that we continue to grow high-wage jobs in our targeted industries while creating pathways for residents to access those jobs. In 2020, the Economic Development Department will focus on new opportunities to promote economic inclusion and equity in the community.

Our department will support the development and implementation of the San Antonio Economic Development Foundation's new strategic plan, with a regional approach to job creation, workforce development, and place-making priorities.

Finally, our Economic Development Incentive Fund investments have shifted, along with the new tax abatement guidelines, to transfer support to employers committed to increasing the skill level of our workforce. Our inclusive growth strategy, coupled with our designated Opportunity Zones, will also help spur investment in historically underserved areas by creating jobs and new businesses.

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