

SBIR/STTR GRANT PROGRAM GUIDELINES

I. PURPOSE

- 1.1 The City of San Antonio (“City”) Small Business Innovation Research and Small Business Technology Transfer (“SBIR/STTR”) Grant Program (“Program”) is designed to award funds for research-focused, for-profit, privately owned small businesses headquartered in the City of San Antonio that have received a federal SBIR/STTR Phase I or Phase II award. It is intended to support startup companies that have a high potential for commercial viability to establish new markets and spur export-oriented growth.

II. FUNDING AVAILABILITY

- 2.1 The total Program funding (Phase I and Phase II) is no more than \$500,000 per fiscal year, subject to appropriation and availability.
- 2.2 **Phase I Awards.** Eligible Phase I companies may qualify for up to \$50,000 in Program funding per fiscal year.
- 2.3 **Phase II Awards.** Eligible Phase II eligible companies may qualify for up to \$100,000 in Program funding per fiscal year.
- 2.4 Applications, with all required attachments, will be reviewed in the order in which received. Application acceptance, review, award, and grant disbursements are subject to close at City’s discretion. The City reserves the right, in its discretion, to issue an award less than the maximum dollar amount or may elect not to make an award.
- 2.5 Program funds are derived from the Economic Development Incentive Fund (EDIF) and awards are subject to restrictions and compliance reporting outlined in the City of San Antonio’s Economic Development Chapter 380 Policy in accordance with Chapter 380 of the State of Texas Local Government Code.

III. GRANT ELIGIBILITY AND REQUIREMENTS

- 3.1 The application must be submitted by the majority owner of the business or an authorized representative with legal authority to bind the applicant (the “Applicant”). Applicant business is limited to one application for the Program per fiscal year. Applicants must meet all applicable eligibility requirements at the time of application and throughout the term of agreement.
- 3.2 Phase I Eligibility Requirements:

- A. To qualify for a Phase I award, an Applicant must:
Have received a federal SBIR/STTR Phase I award from a participating federal agency within the previous two years (2024-2026);
1. Be a for-profit, privately owned business*;
 2. Be headquartered in the City of San Antonio; and
 3. Employ forty (40) employees or fewer.
- *Non-profit entities are not eligible (except as research institutions under the federal STTR program).
- B. If awarded Phase I Program funds, the recipient must maintain its headquarters within the City of San Antonio for the duration of the City grant agreement term and conduct the project within the City of San Antonio.
- C. An Applicant must not have received City Phase I Program funding in prior years.

3.3 Phase II Eligibility Requirements:

- A. To qualify for a Phase II award, an Applicant must:
1. Have received a federal SBIR/STTR Phase II award from a participating federal agency within the past two years (2024-2026);
 2. Be a for-profit, privately owned business*;
 3. Be headquartered in the City of San Antonio; and
 4. Employ forty (40) employees or fewer.
- *Non-profit entities are not eligible (except as research institutions under the federal STTR program).
- B. If awarded Phase II Program funds, the recipient must maintain its headquarters within the City of San Antonio for the duration of the City grant agreement term.
- C. The Applicant must not have received City SBIR/STTR Program funding in prior years, with exception to SBIR/STTR Phase I awards as the underlying project for a Phase II City Program grant application under the 2026 program.
- D. If awarded Phase II Program funds, the recipient must conduct at least fifty-one percent (51%) of the research activities associated with the Phase II award within the City of San Antonio.

IV. ELIGIBLE USE OF FUNDS

- 4.1 City Program funds must be used solely for costs directly related to the project funded by the federal SBIR/STTR award. These costs include but are not limited to:
- A. Direct costs for additional technical work supporting the project;
 - B. Product testing and validation;
 - C. Intellectual property protection;
 - D. Market research;
 - E. Patent search and/or Patent Attorney fees, if/when allowable under the terms of the awarding federal agency's SBIR/STTR program;
 - F. Business development plan;
 - G. The hiring of new, high paying technical or business employees; and
 - H. Regulatory pathway consulting;
 - I. Marketing materials and/or consulting for commercialization;
 - J. Small equipment necessary to advance the project.

V. INELIGIBLE USE OF FUNDS

- 5.1 City Program funds may not be used for:
- A. Projects involving new construction over the Edwards Aquifer Recharge or Contributing Zone that will result in additional impervious cover;
 - B. Projects that encroach upon military operations as defined in the SA Tomorrow Comprehensive Plan, Department of Defense Joint Land Use Studies, or the City's Annexation program;
 - C. Recoupment of personal investment;
 - D. Repayment of debt;
 - E. Use in satisfaction of settlements or judgements;
 - F. Fundraising and/or debt reduction events;
 - G. Political activities;
 - H. Personal expenses or purchases;
 - I. Expenses that have or will be reimbursed under any other federal, state, or local program;
 - J. Either directly or indirectly, to pay costs or attorney fees in any adversarial proceeding against the City or any other public entity;
 - K. Acquiring assets unrelated to the Project or eligible expenses described above;
 - L. Activities prohibited under Chapter 380, the City EDIF Guidelines, or City of San Antonio's Economic Development Chapter 380 Policy; or
 - M. Any activity not allowed by City.

VI. APPLICATION, EVALUATION & APPROVAL PROCESS

- 6.1 Applicants must submit a complete and fully executed Application, with all required attachments. An application and instructions can be obtained from the Economic Development Department's ("EDD") website.
- 6.2 Applicants must meet stage-specific requirements and include a Commercialization plan with clearly defined contents. This plan should outline two project milestones tied to commercialization objectives, a detailed budget of eligible expenses, and a timeline showing full expenditure of funds during the grant term.
- 6.3 Applications may be submitted to the City following Program launch. Applications will not be accepted when Program funds are exhausted. At any time during the City Program, the City has the discretion and authority to determine applications will no longer be accepted, or to cease award recommendations.
- 6.4 The City will review applications for completeness and compliance. The City has the discretion to request additional or supplemental documentation as part of its review. Incomplete or non-compliant applications will not be considered.
- 6.5 The City has full discretion to recommend, or not recommend, any application for award. Award recommendations are subject to the availability of funding. Award recommendation decisions may take into account whether applicants have previously received matching funds.
- 6.6 EDD will notify applicants of the award decision. If selected for award recommendation, the Applicant must confirm its commitment to proceed and finalize the Commercialization plan in coordination with EDD within thirty (30) days of receipt of the notification. Failure to confirm within that period will result in forfeiture of the recommendation. Your timely response is crucial in ensuring the continuation of the award process.
- 6.7 Recommended awards will be presented to the City Council Economic and Workforce Development Committee ("EWDC") and subsequently to City Council for final consideration of award approval.
- 6.8 The recommended award and all terms and conditions of the Program award must be memorialized in a Program Grant Agreement between the City and the Recipient prior to final consideration by City Council. Award recipients will be issued a grant agreement for execution after award notification. The grant agreement will detail the terms of the grant including payments, reporting, compliance, and insurance (if applicable).
- 6.9 City Council retains sole authority to approve or deny any agreement and is under no obligation to approve any award or agreement. City Council approval is required for each award and agreement.
- 6.10 EDD will post application period updates on the City EDD website.

VII. COMPLIANCE REQUIREMENT

- 7.1 Recipients must maintain headquarters within the City of San Antonio and shall comply with insurance and other agreement requirements for duration of the grant agreement.
- 7.2 Within thirty (30) days of notification of award, a business representative must attend a City-hosted information session to discuss grant compliance requirements and expectations. Attendance is mandatory.
- 7.3 Recipients will be required to submit to City a semi-annual financial status report as to the disposition of the funds semi-annually following the date awarded until submission of Final Report to ensure eligible use of funds.
- 7.4 Recipients of City Program funds must complete surveys issued by EDD designed to measure the economic impact and the Program and to assist development of the Program. Recipients shall complete the surveys at six (6)-months, eighteen (18)-months, and thirty-six (36)-months following date of award approval.
- 7.5 Recipients must also agree to maintain records and accounts that properly document and account for the expenditure of City Program funds for a period of five (5) years and agree to comply with any audit requests made by City. If an audit results in the determination that the Recipient has expended contract funds on an ineligible use, Recipient shall reimburse City in full for all such costs.
- 7.6 Companies must inform City in writing at least thirty (30) days prior to relocating business headquarters during the grant term and during the subsequent three (3) year survey period.
- 7.7 Recipients must provide City a copy of any Final Report or Technical Report provided to the underlying awarding federal agency within thirty (30) days of submission to the federal agency.
- 7.8 Within ninety (90) days of exhausting of the City Program award, the Recipient must submit to a final report describing specific results of work funded, documenting expenditures made with the City Program funds, and forecasting next steps and conclusions.

VIII. AWARD DISBURSEMENT

- 8.1 Awarded applicants must fully register as a Vendor with the City of San Antonio in order to receive fund disbursement. All vendors must register in the San Antonio Electronic Procurement System (SAePS).

Vendor Registration information can be found at the following website:
<https://www.sa.gov/Directory/Departments/Finance/About/Divisions/Procurement/Become-a-Vendor>

- 8.2 The City will determine method and timing of award disbursement and may require reporting and proof of expenditures before making an award. The City may impose conditions on the payment of awards at any time before such a payment is made. Award funds cannot be disbursed prior to City Council approval.
- 8.3 The award implementation and disbursement plan is structured in three payments: the initial disbursement of up to 40% of the total award occurs after the grant agreement is fully executed and the final plan is approved by EDD; the second disbursement of up to 30% is released upon documented completion of Milestone 1 and proof that 75% of the initial disbursement has been spent; the third and final disbursement of up to 30% follows documented achievement of Milestone 2 and proof that 75% of the second disbursement has been spent.

IX. PUBLIC INFORMATION

- 9.1 All applications, proposals, and any other information submitted to City related to this Program are public records and become the property of the City upon receipt and will not be returned. Public records are governed by Texas Government Code Chapter 552 and are subject to the Public Information Act, unless excluded from disclosure by the Texas Attorney General. The Applicant should not disclose to the City of San Antonio any information that would negatively affect its ownership of intellectual property or information that would be beneficial to its competitors. Any information deemed to be confidential by Applicant should be clearly noted; however, City cannot guarantee that it will not be compelled to disclose all or part of any public record under the Texas Public Information Act, since information deemed to be confidential by Applicant may not be considered confidential under Texas law, or pursuant to a Court order.