

AN ORDINANCE      2012-11-15-0907

**AUTHORIZING AN AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT BETWEEN THE CITY OF SAN ANTONIO (“CITY”) AND THE ECONOMIC DEVELOPMENT FOUNDATION (“EDF”) TO PROVIDE FOR AN ANNUAL ADVANCE DISBURSEMENT OF FUNDS; AND APPROVING THE FISCAL YEAR 2013 EDF ACTION PLAN.**

\* \* \* \* \*

**WHEREAS**, in 2010, the City and EDF entered into a professional services agreement (the “Agreement”) for economic development services that provided for the quarterly payment of \$125,000.00 by the City to be paid in arrears and also included the development of an annual action plan detailing the upcoming fiscal years goals and objectives to be achieved by EDF; and

**WHEREAS**, EDF has requested an amendment to the Agreement to provide for an advance payment of the initial quarter’s disbursement of \$125,000.00 to provide funds to accomplish the Action Plan; and

**WHEREAS**, EDF has also submitted its proposed FY 2013 Action Plan for City Council approval as required by the Agreement; and

**WHEREAS**, the FY 2013 Action Plan was submitted to the City Council’s Economic and Community Development Committee (“ECDC”) for review and has been recommended for approval; **NOW THEREFORE**:

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** An amendment to the Professional Service Agreement between the City and EDF to provide for an advancement of funds in the amount of \$125,000.00 is approved. The Amendment shall be attached to this Ordinance upon execution by the City and EDF as **Exhibit A**.

**SECTION 2.** The FY 2013 Action Plan of the Economic Development Foundation is approved. A copy of the FY 2013 Action Plan shall be attached to this Ordinance as **Exhibit B**.

**SECTION 3.** Funding in the amount of \$500,000.00 for this Ordinance is available in Fund 29059000, Cost Center 1604010001, General Ledger 5201040, as part of the Fiscal Year 2013 Budget

**SECTION 4.** Payment not to exceed the budgeted amount is authorized to San Antonio Economic Development Foundation and should be encumbered with a purchase order.

**SECTION 5.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers,

SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

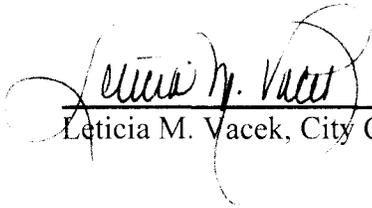
**SECTION 6.** This Ordinance shall be effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 15<sup>th</sup> day of November, 2012.



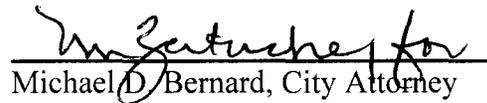
M A Y O R  
Julián Castro

**ATTEST:**

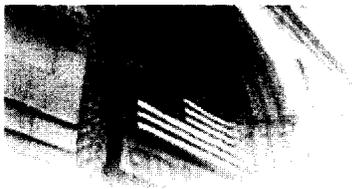


Leticia M. Vacek, City Clerk

**APPROVED AS TO FORM:**

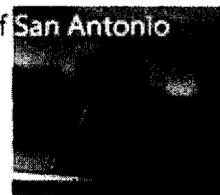


Michael D. Bernard, City Attorney



Request for  
**COUNCIL**  
ACTION

City of San Antonio



### Agenda Voting Results - 23

<b>Name:</b>	6, 7, 8, 9, 10, 13A, 13B, 14A, 14B, 14C, 17, 19, 20, 21, 22, 23, 24, 25						
<b>Date:</b>	11/15/2012						
<b>Time:</b>	09:56:02 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	An Ordinance approving the proposed FY 2013 San Antonio Economic Development Foundation (“EDF”) Action Plan as endorsed by the City Council Economic and Community Development Committee on November 6, 2012, and authorizing an amendment to the Professional Service Agreement between the City of San Antonio and the EDF to modify the quarterly disbursement of funds. [Pat DiGiovanni, Deputy City Manager; Rene Dominguez, Director, Economic Development]						
<b>Result:</b>	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x			x	
Ivy R. Taylor	District 2	x					
Leticia Ozuna	District 3		x				
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				x
Ray Lopez	District 6		x				
Cris Medina	District 7	x					
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				
Carlton Soules	District 10		x				

# **EXHIBIT A**

**FIRST AMENDMENT TO THE SERVICES AGREEMENT**

**BETWEEN THE ECONOMIC DEVELOPMENT FOUNDATION AND THE CITY OF  
SAN ANTONIO**

This First Amendment to the Services Agreement between the Economic Development Foundation and City of San Antonio (hereinafter referred to as this “First Amendment”) is hereby made and entered into by and between the the San Antonio Economic Development Foundation (hereinafter referred to as “EDF”), a Texas non-profit corporation, and the City of San Antonio (hereinafter referred to as “City”), a Texas municipal corporation, acting by and through its City Manager pursuant to City Ordinance No. 2012-11-15-\_\_\_\_, dated November 15, 2012.

**RECITALS**

- A. City and EDF are parties to that certain Service Agreement (the “Agreement”) entered into pursuant to City Ordinance No. 2010-05-13-0403 passed and approved on May 13, 2010.
- B. Prior to the effectiveness of this First Amendment, the Agreement provides for certain payment terms in accordance Article III of the Agreement.
- C. City and EDF desire to amend the Agreement as stated in this First Amendment.
- D. All other provisions of the Agreement remain in force.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained in the Agreement, the receipt and adequacy of which are hereby acknowledged, City and Contractor hereby agree as follows:

- 1. **Definitions.** All capitalized terms used in this First Amendment without definition herein shall have the meanings assigned to such terms in the Agreement.
- 2. **Amendments.** The Agreement is hereby amended as follows:
  - (A) Section 3.1 is hereby deleted and replaced with the following:

3.1 **Compensation.** As compensation for the Services, the City shall pay to EDF, annually, the sum of FIVE HUNDRED THOUSAND DOLLARS AND 0 CENTS (\$500,000.00), to be paid in advanced-quarterly installments of \$125,000.00. The quarterly installment shall be paid no later than fifteen (15) business days following the first day of the quarter and the submission of an invoice and quarterly report by EDF as detailed in Section 2.3(c)(ii), above.

3. **Effective Date.** This First Amendment shall be effective January 1, 2013.
4. **No Other Changes.** Except as specifically set forth in Section 2 of this First Amendment, all of the terms and conditions of the Agreement shall remain the same and are hereby ratified and confirmed. The Agreement, as amended by this First Amendment, shall continue in full force and effect, and the Agreement, as amended by this First Amendment, shall be read and construed as one instrument.
5. **Choice of Law.** This First Amendment shall be construed in accordance with and governed by the laws of the State of Texas.
6. **Counterparts.** This First Amendment may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this First Amendment it shall not be necessary to produce or account for more than one counterpart signed by each party hereto by and against which enforcement hereof is sought.

IN WITNESS HEREOF, the parties hereto have executed in triplicate originals this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

**CITY OF SAN ANTONIO**  
**Texas Municipal Corporation**

**SAN ANTONIO ECONOMIC**  
**DEVELOPMENT FOUNDATION**  
**a Texas non-profit corporation**

\_\_\_\_\_  
 Sheryl Sculley  
 City Manager

\_\_\_\_\_  
 Mario Hernandez  
 President

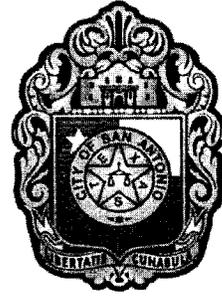
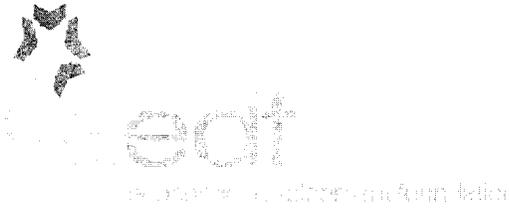
Attest:

\_\_\_\_\_  
 Leticia Vacek  
 City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
 Michael Bernard  
 City Attorney

# **EXHIBIT B**



# **ACTION PLAN FOR ECONOMIC DEVELOPMENT**

*October 2012 – September 2013*

Presented by the San Antonio Economic Development Foundation

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## Table of Contents

I.	Introduction.....	3
II.	Purpose / Mission, Service Area, Scope of Services .....	4
III.	Areas of Emphasis and Key Metrics .....	5
	Introduction.....	5
	A. Recruitment .....	5
	B. Secondary .....	7
	C. Business Retention .....	8
IV.	Marketing .....	10
	Introduction.....	10
	A. Methodology .....	10
	B. Marketing Goals.....	12
V.	Research .....	13
	Introduction .....	13
	A. Economic Profile and Competitive Index .....	13
	B. Industry Specific Research .....	13
VI.	Core Business Sectors .....	14
	A. Healthcare/ Biosciences.....	14
	B. Aerospace .....	14
	C. Financial / Professional Services Back Offices .....	15
	D. Manufacturing / Distribution.....	15
VII.	Horizon Sectors.....	16
	A. New Energy Economy .....	16
	B. Information Technology / Information Security .....	16
	C. International Business.....	17
VIII.	Target Areas and Regional Economic Development.....	17
	A. Target Areas.....	17
	B. Regional Economic Development.....	18
IX.	Budget Fiscal Year 2011-2012 .....	19
	Contract Goals .....	20

# EXHIBIT B: YEAR THREE ACTION PLAN SAEDF / CITY OF SAN ANTONIO CONTRACT

## I. INTRODUCTION

The initial twenty one months of the SAEDF Contract with the City of San Antonio have assisted in a development of a communication and reporting system that has improved the economic development delivery system for the community. Year three Action Plan focuses on continued improvement in the results related to all metrics, the initial twenty one months have resulted in over 8800 new jobs with over 38 percent high wage jobs created.

This Action Plan focuses on the continued recruitment of new job producing investments (both domestic and international), the success of the local retention and expansion (BRE) program that has been put into place and the marketing/imaging of the community for economic development purposes. The year three Action Plan focuses on a number of topics/program areas including:

- Completion of a community wide strategic plan for economic development lead by the Mayor and County Judge as outlined in the initial contract/Action Plan.
- Establishing realistic sub-goals tied to SA2020 sectors.
- Continued expansion of the BRE Program in terms of technical assistance provided by the team.
- Completion of the Image Study on San Antonio.

Additionally, for this Action Plan to be successful and for the continued success in attracting and creating job producing investments, the following items need to be put in place during year three of the contract (Oct. 1, 2012 through Sept. 30, 2013).

- Competitive incentive packages for high-skill and high-wage projects.
- New priority incentives for target areas in the City.
- Continued funding from Bexar County for the expanded SAEDF.
- Confidential treatment of all prospects
- Local government policy maintaining a positive business climate.

Finally, the initial twenty one months of the contract have been successful and the vast majority of SAEDF's goals were met or exceeded. The coordination between SAEDF and City staff and leadership continues at a high level but the confidentiality of

business prospects and information remains intact. Confidentiality must be a key consideration and upheld for this Action Plan and our future economic development activities.

## **II. PURPOSE / MISSION**

The Action Plan in year three continues to be a results orientated plan aligning the resources of SAEDF, the City of San Antonio and other allied partners. The focus continues to be on job producing investments from recruited companies and local businesses. The plan is directly linked to the targeted industry of the City and the SA2020 Plan. The imaging/marketing of San Antonio as a progressive, well-educated city attractive to business investments is a priority purpose for this contract year.

### **SERVICE AREA**

For purposes of SAEDF activities funded by the City, services will be delivered for the principal benefit of the area and residents within the boundaries of the city of San Antonio and its ETJ in effect during the contract period. For purposes of SAEDF activities funded by Bexar County, services will be delivered for the principal benefit of the area and residents within the boundaries of Bexar County.

### **SCOPE OF SERVICE KEY DELIVERABLE ELEMENTS**

- 1) Recruit / Retain / Expand business in current targeted industry and local business clusters with a specific focus on the SA2020 targeted sectors of Healthcare / Biosciences, Aerospace, Information Technology / Information Security and the New Energy Economy.
- 2) As needed research reports on global and national economic trends, growth sectors, and regional competitiveness issues.
- 3) Plan, design, and implement coordinated marketing and imaging campaigns.
- 4) When possible inform and advise the City of San Antonio and Bexar County on business recruitment, retention and expansion issues and opportunities.
- 5) Provide site selection assistance for prospect companies providing options and information on all areas of the city and, when appropriate, an emphasis on targeted areas of the City and County.
- 6) Provide reports as specified in Section 2.3c of the City Contract.

### **III. AREAS OF EMPHASIS AND KEY METRICS**

#### **INTRODUCTION**

The scope of work will continue to focus on both the recruitment of new job producing investments and the retention and expansion of local companies. During the first full contract year, twenty four companies announced new plans for investment and jobs that were recruited from outside the San Antonio area or were local companies making announcements of expanded facilities.

During the first three quarters of the second year we continue to see strong trends related to Information Technology / Information Security with four located companies and an additional four back office operations. Also two Healthcare / Biosciences companies have been located in the nine months and one New Energy economy related company.

#### **A. RECRUITMENT**

SAEDF will continue to target core business sectors with a proven competitive advantage and track record in the San Antonio region. The Healthcare / Biosciences, Aerospace, Financial and Professional Services Operations, Distribution and Manufacturing sectors have well-established infrastructure, supply lines, and labor force in place to be successful and continue to grow.

Diversification toward a more progressive and growth-oriented economy will add new layers to this already strong foundation, through recruitment of knowledge intensive and innovative firms, such as clean technology, renewable energy operations, information technology / information security, as well as R&D facilities, international operations, and headquarter offices.

Competing effectively for these operations will be strengthened through favorably aligned local government policies, services, capital investments, education and workforce development, transportation, infrastructure, utilities, financial institutions and real estate offerings, etc. Coordination will be required to appropriately leverage resources, expertise, and connections with our City and County leadership and economic development departments, local chambers, trade associations, Alamo Colleges, Workforce Solutions Alamo, Texas Research and Technology Foundation, Texas Workforce Commission, BioMed SA, Free-Trade Alliance, Startech, Governor's Office, higher-education, media, and many others.

Recruitment activities will place an emphasis on operations which offer a greater proportion of high-skill / high-wage jobs and industry diversification with a focus on the SA2020 targeted industry sectors. Aggressive and tailored new incentive packages will be

sought through the City and County for prospects seeking target locations such as downtown and southern Bexar County. As new strategic plans are developed, in partnership with the Mayor and County Judge’s leadership, to redefine our community for 2020 and beyond, plans will be incorporated to further refine recruitment targets for the future.

Year Three quantifiable goals for recruitment include metrics addressing:

- total added payroll
- number of high-wage jobs

These are in addition to the basic deliverables of:

- number of qualified prospects
- number of located companies and locally expanded operations
- total new jobs created

	<b>Target</b>	<b>Change from 2012 Goal</b>
New qualified prospects	<b>108</b>	+5%
Locations / expansions	<b>22</b>	+10%
New jobs created	<b>3,700</b>	+13%
Payroll*	<b>\$118M</b>	+20%
High-wage jobs**	<b>1040</b>	+13%

\* Payroll as reported by employers less benefits.

\*\* High-wage jobs can be reported as either: (1) the number of qualified professional jobs reported in high-wage industries (e.g. advanced business services, aerospace, life sciences, renewable energy, high-tech / IT); or (2) as the percentage of jobs whose earnings are above the county average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently \$43,700). Should data from the company not be available, and with the agreement of the City, option two could be determined using an occupational matrix based on IMPLAN data or from TWC data.

<b>Target Goals for SA2020 Sectors</b>	<b>Target</b>	<b>Change from 2012 Goal</b>
New qualified prospects	<b>22</b>	<b>+83%</b>
Locations / expansions	<b>4</b>	<b>+100%</b>
New jobs created	<b>660</b>	<b>+100%</b>

Note: Target Goals for SA2020 Sector are included in the Goals for the Fiscal Year 2012 – 2013.

## **B. SECONDARY**

SAEDF continues to monitor the total number of announced jobs in a given time period, as a portion of the total number of jobs created in the San Antonio MSA for the same time period. For example, from October 1, 2011 through June 30, 2012, (9 months of the second contract year) SAEDF assisted projects announced 4,132 jobs, compared to the creation of 18,600 new jobs in the San Antonio MSA, a very high 21.79%, when compared to the MSA. The announced jobs are not all filled immediately, but we feel this is a good secondary metric to monitor performance as it pertains to the region's economic activity. This comparison may result in modification of the primary metrics based upon economic conditions. Because of a 12-month lag in data, this information will only serve as a measurement guide.

## **C. BUSINESS RETENTION**

SAEDF allocated a VP position to the development and implementation of the Business Retention and Expansion (BRE) program during the second year of the contract. The primary purpose of the program continues to be to retain and expand local business in key industry clusters and encourage job growth in the local corporate base.

During the third year of the contract, SAEDF will continue to work with our area partners including the City of San Antonio, Bexar County, The Greater San Antonio Chamber of Commerce, The North Chamber of Commerce, the San Antonio Manufacturers Association, CPS Energy and other business organizations that will dedicate resources and staff to assist with BRE meetings.

During the nine (9) months of the second year contract, SAEDF had 51 contacts / visits in the BRE Program. In fiscal year 2013, SAEDF will continue to target key business and industry clusters along with the recommendations from area partners.

Targeted clusters for the third contract year include Healthcare / Biosciences, Manufacturing and Information Technology / Information Security. The Manufacturing and Information Technology / Information Security focus is a carry-over from the second year. To augment the impact of the BRE Program during the third year, we will also focus on targeted areas of the city; particularly the East and West sides of San Antonio, and work directly with the entities in those areas.

Also a continuing BRE effort will be calling on SAEDF assisted companies that have located in San Antonio in the past ten (10) years as well as continuing visits to key high profile local employers. When appropriate and based on availability, these high profile

visits will include the participation of the City and County leadership. The Greater Chamber has expressed an interest in assisting with this portion of the BRE Program and will be engaged and encouraged to visit some of these companies on their own time.

For fiscal year 2013 our target goal is to visit 68 companies including companies contacted / visited by our area partners. This coordinated schedule of annual visits will serve to express appreciation to key employers and to reassert the commitment of San Antonio and Bexar County to provide a favorable operating environment. Visits will also seek to identify at-risk local operations and the issues affecting their continuation of business in San Antonio.

At the beginning of each contract quarter, SAEDF will strive to identify a list of companies within the targeted cluster to be contacted and asked for an appointment. Securing meetings with the company is contingent upon the company accepting the appointment request.

In identifying and targeting these companies, SAEDF will take into consideration the larger employers in a particular sector, area of the city, recommendations received from partner organizations, and, when available, information pertaining to companies within a sector that have the most growth potential or are facing difficulties in maintaining active operations.

### **BRE Company Survey Instrument**

SAEDF has developed and will continue to utilize a survey instrument to assess the needs and challenges facing local companies and the specific industry, as well as identify opportunities for growth and new job creation. (The Survey is outlined in year two Action Plan)

SAEDF will identify a core BRE Program Team for staff visits to include, but not limited to: SAEDF, COSA, Bexar County and CPS Energy. SAEDF will schedule appointments based on the availability of company officials and then invite other team members to accompany SAEDF.

Survey results will be analyzed internally by SAEDF staff. When needed a one page report will be generated summarizing the information and identifying common trends.

It is SAEDF's goal to complete a survey during a personal visit to the businesses. When a local company chooses not to participate in a survey, SAEDF or personnel from the BRE Team will provide a brief summary of the contact / visit. The summary will answer basic questions such as:

1. Does the company have plans for future expansion?

2. Is the company experiencing difficulty in the San Antonio marketplace?
3. Does the company have specific recommendations to improve the San Antonio business climate and their particular industry?

Outcomes:

The BRE Program has three (3) possible outcomes:

1. To help a local business expand.
2. To address problem areas specific to the company.
3. No action necessary.

Finally, additional positive outcomes from the BRE visitation process can benefit economic development efforts by:

- The local operation can assist SAEDF with the solicitation of visiting their headquarters to discuss local issues, expansion and / or relocation with their executives.
- Ascertaining their key supply-chain partners for introductions as prospects to also expand or relocate to San Antonio.

The following metric will be used to measure BRE performance:

	<b>Target</b>	<b>Change from 2012 Goal</b>
Annual Visits*	<b>68</b>	<b>+12%</b>

\*Total number of visits made to the companies within the targeted clusters for that contract year. Goal includes visits / contacts by economic development partners.

Note: When appropriate SAEDF will provide information related to located or expanded companies and jobs that assist the City and County to determine business / industry sectors that impact council districts and county precincts.

**TARGET GOALS FOR SA2020 SECTORS**

	<b>Target</b>	<b>Change from 2012 Goal</b>
Annual Visits*	<b>18</b>	<b>+50%</b>

Note: Target Goals for SA2020 Sector are included in the Goals for the Fiscal Year 2012 – 2013.

## **MARKETING**

### **INTRODUCTION**

During the second contract year, SAEDF continued a coordinated effort among the City, County, CVB, and SAEDF private members to develop a more consistent and harmonized image and message set, which resonates with prospects and leverages our respective distribution channels. This was done through the ongoing effort of a print and electronic ad campaign focused on SA2020 targeted sectors. By mid-year a new campaign was developed and approved by the marketing committee. A new website was rolled-out, giving prospects quick and easy access to information critical in evaluating San Antonio's assets as an expansion location. A Geographic Information System (GIS) feature was added, giving visitors immediate access to available business properties filtered by specific criteria. The new design of the website inspired the updated IPAK (information package) and other collateral materials.

In the second year, direct response marketing efforts were focused on the Site Selector event held in September. For the first time, a direct marketing effort involving an integrated mix of strategies (advertising & PR) was used to stimulate inquiries by prospects for the L.A. Trip initiative. The results will help us determine on what scale we might duplicate such efforts for other significant marketing trips.

The Image Study conducted by Frost & Sullivan in August will give us the opportunity to understand corporate America's perception of the San Antonio market. As we move into the third year of the contract, this study will serve as the barometer for what we communicate to our targets.

Marketing efforts will continue to include a focus on San Antonio's attributes for targeted SA2020 industry sectors, local assets and resources. Opportunities will be explored to highlight why companies continue to choose S.A. for their expansion.

#### **A. METHODOLOGY**

The results of the Image Study have yet to be realized and explored. However, the goal will be to utilize the results to either reinforce the current campaign strategy and message or help establish a new one.

## **Practical Approach**

In year three of the contract, the results of the L.A. Marketing Trip will help determine the direct-response marketing – strategies and budget that help drive prospect inquiries and market industry familiarity with the region’s business proposition. Public relations, communication activities, marketing materials and advertising are also included in this initiative.

## **Strategic Approach**

Marketing efforts will be aimed at specific sectors, ranking programs, award programs, analyst / consultant studies, and corporate real estate membership groups. Marketing programs will continue to highlight community assets that enforce our identity (e.g. talented human resources, unique niche advantages, targeted growth areas, and community incentive programs) with the media that supports the message - we are a progressive, business-friendly city.

The strategy includes a quality of life message appealing to knowledge based businesses. The approach will tout San Antonio’s emerging and successful industries and highlight opportunities for young professionals (i.e. San Antonio is one of the “Top 20 Cities” for this set). This includes information on colleges and universities for continuing education (i.e. masters / PhD programs), salaries and benefits provided by local companies, and the cost of living - all of which are of major importance to this demographic.

## **Tactical Approach**

Prospecting events, industry marketing conferences, seminars and other activities that reach potential investors and established networks are vital. The importance of the international markets continues to grow with opportunities in Mexico, China, Japan and other markets. The marketing approach will include two international trips during the third year of the contract, including a city sponsored trip to China. The approach will also include a site consultant’s event targeting key location consultants from California, Illinois, New York, New Jersey and other key states. The goal of the consultants’ event is to educate these professionals on unique San Antonio attributes such as downtown, Port San Antonio, Brooks City Base and cluster industries in the market.

Marketing trips will also include a focus on SA2020 sector planned trips for the third contract year includes the following:

- Aviation MRO Conference
- Green Manufacturing Expo

- ASES National Solar
- Bio International
- Aerospace – NBAA
- Solar Power International
- Marketing trip to Maryland / Washington, D. C. to contact Cyber Security / IT Companies

SAEDF will also coordinate activities with the City’s CVB to leverage opportunities for meeting with corporate representatives attending conventions in San Antonio and in recruiting conventions

Marketing aimed at industry sectors to which we aspire such as the New Energy Economy (i.e. clean technology and sustainable energy) are included, as well as target marketing related to R&D and headquartered operations of these sectors. We will continue to deliver a broader message by identifying key lifestyle sites, utilizing social media (e.g. SAEDF blog), and creating industry specific testimonials to share with prospects. We can begin this process by re-editing some of our existing video footage. These short video segments will be ideal to feature on the SAEDF website and YouTube. Links can be provided to the appropriate prospects for viewing. Specialized publications and Web sites aimed at the Horizon Sectors and technology professionals will broaden our reach in delivering the San Antonio message.

## B. MARKETING GOALS

	<b>Target</b>	<b>Change from 2012 Goals</b>
Marketing trips	<b>30</b>	No Change
International Marketing Trips	<b>2</b>	Same as 2012
Press releases	<b>15</b>	+25%
Award submissions*	<b>8</b>	+60%
National pitches**	<b>60</b>	+50%
Trade and local pitches***	<b>100</b>	+18%
Articles <sup>+</sup>	<b>165</b>	+10%
Online activity <sup>++</sup>	<b>2.75M</b>	No Change
Total audience <sup>+++</sup>	<b>64M</b>	+45%

\* Award submissions are the number of applications submitted for state and / or national award consideration.

+ Articles are the total number published in which SAEDF provided information, background and / or quotes.

++ Online activity is the number of Web impressions by SAEDF.

+++ Total audience is the total reported circulation / viewers of print, online, TV, and radio outlets for which SAEDF generated media.

#### Target Goals For SA2020 Sectors

	Target	Change from 2012 Goal
Marketing trips	6	+50%

Note: Target Goals for SA2020 Sector are included in the Goals for the Fiscal Year 2012 – 2013.

## IV. RESEARCH

### INTRODUCTION

During the second year of the contract SAEDF has carried out a very aggressive research program to build on the information available for economic development purposes. For year three of the contract analytics will continue to be a priority for the SAEDF / City Action Plan. Year three efforts will focus on maintenance of the economic profile and utilization of the data center, aerospace and target industry studies.

#### A. ECONOMIC PROFILE AND SA2020 BASELINE INDEX

In year three of the contract the focus will be maintaining the profile and working with SA2020 to establish a baseline by which to measure progress in economic sectors and community competitiveness outlined in the study.

#### B. INDUSTRY SPECIFIC RESEARCH

With the continued development of SA2020 and the community strategic plan for economic development, SAEDF will have the opportunity to focus on key sectors that

present the best short-term opportunities for growth and impact on the local economy. The ongoing sector specific research will address the following:

1. International and national trends in the sectors
2. Sector growth occupations
3. Primary location factors
4. Degree of compatibility with San Antonio / Bexar County business location factors

## **V. CORE BUSINESS SECTORS**

### **A. HEALTHCARE / BIOSCIENCES**

#### **Year Two Contract Milestones:**

- NBTY opens vitamins manufacturing operation on the East Side.
- San Antonio experiences continued growth of military medicine at Fort Sam Houston.
- Xenex moves its corporate headquarters and operations to San Antonio.

#### **Year Three Contract Action Items:**

- In conjunction with BioMed SA, identify top Healthcare / Biosciences companies for BRE Program.
- Continue implementing additional marketing aimed at the bioscience sector.
- Attend, along with area partners, the Bio 2013 Conference.
- Provide support to BioMed SA, Startech, Texas Research and Technology Foundation and others involved in the development and identification of capital formation opportunities related to the sector.

### **B. AEROSPACE**

#### **Year Two Contract Milestones:**

- Issued RFP for aerospace industry study.
- Coordinated retention efforts with Port San Antonio staff (Boeing, Standard Aero).
- Aerospace employment remains above 10,000 in the San Antonio area.

### **Year Three Contract Action Items:**

- Utilize aerospace industry study to target domestic, international industry leaders.
- Market San Antonio's aerospace assets at National Business Aviation Aerospace Conference.
- Continue working with Boeing and others to maximize the commercial work load at Port San Antonio.

## **C. FINANCIAL / PROFESSIONAL SERVICES BACK OFFICES**

### **Year Two Contract Milestones:**

- Recruited Centene Health Services Operation (289 high-wage jobs).
- Worked with United Healthcare on local expansion (250 jobs).
- Worked on local expansion of VMC at Brooks (600 jobs).

### **Year Three Contract Action Items:**

- Approach existing financial / shared service companies to capitalize on other aspects of their business (i.e. regional headquarters, management professionals, data centers).
- When appropriate, showcase downtown and center city buildings and assets to financial / shared service companies.
- Focus marketing campaign to recruit high wage financial / shared service jobs .

## **D. MANUFACTURING / DISTRIBUTION**

### **Year Two Contract Milestones:**

- Recruited NBTY, 100 jobs and Maruchan 600 Jobs.
- Located three manufacturing operations.
- Ended third quarter of year two contract with more than 30 active manufacturing prospects.

### **Year Three Contract Action Items:**

- Continue a BRE Program for local manufacturers along with San Antonio Manufacturers Association identifying the top manufacturing operations in the San Antonio area.

- Work closely with Port San Antonio on distribution and logistics opportunities and prospects particularly tied to new markets in China.
- Target national and international companies to establish regional manufacturing operations.
- Attend a national manufacturing trade show.

## **VII. HORIZON SECTORS**

### **A. NEW ENERGY ECONOMY**

#### **Year Two Contract Milestones:**

- Assisted in the location of Bergstrom, 140 jobs.
- Continued work with CPS and solar panel manufacturing companies.

#### **Year Three Contract Action Items:**

- Target new energy economy companies tied to CPS Purchase Power agreements.
- Promote R&D assets of Texas Sustainable Energy Research Institute, established by the Mayor's Office, City and CPS Energy in partnership with UTSA to help lead regional initiatives for energy innovation and industry growth.
- Participate with network of stakeholders committed to a renewable energy cluster in San Antonio.
- Expand marketing efforts branding San Antonio as a solar smart city.
- Increase recruiting of renewable energy companies to San Antonio.

### **B. INFORMATION TECHNOLOGY / INFORMATION SECURITY**

#### **Year Two Contract Milestones:**

- Located first co-location data center, Cypress One (15 jobs).
- Assisted with expansion of Lowe's data center.
- Conducted marketing trip to the Washington, D.C. / Fort Mead area calling on Information Security firms.
- Located three IT / back office operations.

#### **Year Three Contract Action Items:**

- Utilized data center study to target IT.

- Complete BRE Program targeted at Information Technology / Information Security firms in partnership with the North Chamber.
- Identify new prospects related to the 24<sup>th</sup> Air Force and the Texas Cryptologic Center.
- Collaborate with the Air Force, Chambers of Commerce, and Office of Military Affairs to attract additional high paying jobs related to Information Security.
- Support local industry, Alamo Colleges, and UTSA to establish a degree / training program to build on employee pipeline of qualified local San Antonio residents.

### **C. INTERNATIONAL BUSINESS**

#### **Year Two Contract Milestones:**

- Located one company based in Japan, Maruchan in the manufacturing area (600 new jobs).
- Conducted marketing trip to South America with the Governor's Office and TexasOne.
- Conducted joint trip with City to China.

#### **Year Three Contract Action Items:**

- Partner with Free Trade Alliance and the City of San Antonio's International Economic Development staff for international marketing and prospect development.
- Partner with La Asociación de Empresarios Mexicanos to coordinate NAFTA20 event.
- Conduct two international recruiting trips including coordination with:
  - Governor's Office International Trade Missions
  - Local partners, City and County's Trade Missions.
- Leverage local industries for international opportunities.
- Leverage stronger relationships with China to augment prospect pipeline.

## **VIII. TARGET AREAS AND REGIONAL ECONOMIC DEVELOPMENT**

### **A. TARGET AREAS OF DEVELOPMENT FOR THE CITY AND COUNTY**

#### **Year Two Contract Milestones:**

- Located one company on the East Side of San Antonio NBTY.
- Located one company in the ICRIP (expansion at Brooks City Base).

- Located one manufacturer in the ETJ of city in the Southwest sector.

#### **Year Three Contract Action Items:**

- Conduct a location consultant's event to focus on downtown and the ICRIP.
- Maintain momentum from new incentives geared to target areas communicating the City's intent to tailor additional incentives for these areas.
- Address product improvement issues with the City to assist target areas in qualifying for site selection criteria, such as parking ratios and accessibility.
- Build synergies around existing assets within city target areas.
- Expand marketing efforts to site selectors and consultants.
- Identify local companies in target areas that may have future expansion plans.
- Work in coordination with Center City Development Office (CCDO) and Centro Partnership in developing strategies.

### **B. REGIONAL ECONOMIC DEVELOPMENT**

#### **Year Two Contract Milestones:**

- Located U.S. Silica / BNSF facility near Von Ormy.
- Located Eagle Ford related Platinum Energy near Elmendorf.
- Continued to work with the CPS Energy suburban cities.

#### **Year Three Contract Action Items:**

- Participate in discussions on regional factors to include in the strategic plan for economic development.
- Identify regional sites for large job generating projects.
- Meet with regional cities and counties to identify assets and their targeted industries to explore potential areas of cooperation and benefit.
- Develop a strategy for regional communities to participate with SAEDF for mutual benefit; to build regional competitiveness by further integrating economic development messages and resources.

### C. SAEDF / CITY CONTRACT BUDGET (FISCAL YEAR 2011-2012)

<b>Income</b>		
City Contract	\$500,000	
<b>Total Income</b>		<b>\$500,000</b>
<b>Operating Expenses</b>		
<b>Staff Expenses</b>		<b>\$181,000</b>
Salaries (2 FTEs)	\$144,000	
Taxes (FICA, Medicare, FUTA, SUI)	\$14,000	
Benefits (Insurance, 401K)	\$23,000	
<b>Prospect and Marketing Expenses</b>		<b>\$269,000</b>
Advertising	\$125,000	
Public Relations	\$60,000	
Electronic Tools (Web site)	\$4,000	
Brochures COMP & Exec. Summary, etc.)	\$6,000	
Consulting(Annual wage study&other studies)	\$40,000	
Computer expense / Xceligent / GIS	\$10,000	
Prospect expenses	\$14,000	
Travel	\$10,000	
<b>Administrative Expenses</b>		<b>\$50,000</b>
Auto	\$2,000	
Trade Association Dues (TexasOne)	\$11,000	
Audit / Accounting	\$5,000	
Contract Accounting	\$2,000	
Rent & Services	\$13,000	
Telephone	\$4,000	
Postage / Delivery	\$1,000	
Supplies	\$2,000	
Copying / Printing	\$3,000	
Publications / Subscriptions	\$1,000	
Insurance	\$5,000	
Miscellaneous Overhead	\$1,000	
<b>Total Operating Expenses</b>		<b>\$500,000</b>
<b>Net Cash</b>		<b>\$0</b>

## CONTRACT GOALS

FISCAL YEAR 2012-2013

### Goals

Targeted Opportunities	Annual Contract Goal	Change From 2012 Goals
New qualified prospects	108	+5%
Locations / expansions	22	+10%
New jobs created	3,700	+13%
Payroll	\$118M	+20%
High-wage jobs	1040	+13%
Annual visits	68	+12%
Marketing trips (2 International Trips)	30	No Change
Press releases	15	+25%
Award submissions	8	+60%
National pitches	60	+50%
Trade and local pitches	100	+18%
Articles	165	+10%
Online activity	2.75M	No Change
Total audience	64M	+45%

**TARGET GOALS FOR  
SA2020 SECTORS  
FISCAL YEAR 2012-2013**

Targeted Opportunities	Annual Contract Goal	Change from 2012 Goal
New qualified prospects	22	+83%
Locations / expansions	4	+100%
New jobs created	660	+100%
Annual visits/BRE Program	18	+50%
Marketing trips	6	+50%

Note: Target Goals for SA2020 Sector are included in the Goals for the Fiscal Year 2012 – 2013.