

# ECONOMIC DEVELOPMENT STRATEGIC FRAMEWORK

CITY OF SAN ANTONIO, TEXAS



OCTOBER 2022

**TIP**  
STRATEGIES

# ACKNOWLEDGMENTS

TIP Strategies, Inc., (TIP) would like to thank the dozens of business and community leaders who participated in the creation of the City of San Antonio's *Economic Development Strategic Framework*. TIP is especially grateful to the entire Economic Development Department staff who generously gave their time and provided valuable insights to steer the framework toward success. In addition, TIP would also like to thank the City of San Antonio department directors for their critical guidance, support, and feedback throughout the development of this framework.

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# INTRODUCTION

# THE PUSH FOR PROSPERITY

The City of San Antonio (the City) has tremendous economic potential. It is one of a handful of US cities—places like New York, Philadelphia, and New Orleans—known around the world for their vivid history and cultural richness, a claim that cannot be made by any other Texas city. Home to a large, rapidly growing population, San Antonio is a welcoming community that combines relatively affordable housing with a variety of amenities and entertainment options. The regional economy is driven by several strong industries, each of which depends on major assets located in the City, ranging from Joint Base San Antonio (JBSA), the nation’s largest joint base, to Southwest Research Institute (SwRI). From military medicine to research and development (R&D), the regional economy provides residents with a wide variety of employment opportunities. A robust higher education and training network anchored by the University of Texas at San Antonio (UTSA), another economic driver in the City, offers residents accessible options for postsecondary education leading to higher paying careers. With assets like these, the City should be well-positioned for success. Yet despite its many advantages, San Antonio’s past performance when competing for jobs, investment, and development has not been commensurate with its value.

Several factors have held the City back. San Antonio has an abundance of low-wage work, driving the City’s median household income to be the lowest (\$53,400) among peer cities. The City is also one of the least educated major cities in the country with only 26 percent of residents over age 25 having earned a bachelor’s degree or higher. Similar to historical challenges in other major urban areas, the City has a long history of highly segregated development patterns due to the effects of White flight to areas outside of Loop 410 and suburban sprawl. Still today, the community does not fully embrace density, mixed-use, and urban real estate development in vital districts and along major commercial corridors. San Antonio has also lost major corporate headquarters, such as AT&T, and still struggles to attract new large private employers to provide investment and well-paying jobs.

A robust network of economic development partners has sought to address these issues through business development, small business support, and workforce initiatives. However, the work of these partners is often siloed and sometimes results in a duplication of efforts. Working in close partnership with the regional economic development organization, [greater:SATX](#), the City of San Antonio’s Economic Development Department (EDD) can lead collaborative efforts to align partners, break down silos, and leverage its access to other City resources in support of continued economic prosperity for San Antonio residents.

Recognizing the need for a more strategic approach to economic development, EDD initiated a planning process designed to build a more resilient local economy, position San Antonio to compete for capital and investment, and better define the role EDD should play in that effort. This process brought together public and private leaders to build on the success of other planning initiatives, including greater:SATX’s [All In SATX](#) plan, the City of San Antonio [Planning Department](#)’s comprehensive plan, [SA Tomorrow](#), among others.

TIP Strategies, Inc., (TIP) led the planning process in partnership with Andrade-Van de Putte Associates and The Retail Coach. The three-phase project launched in the spring of 2022 with the discovery phase, which included an in-depth analysis of economic, demographic, and industry data compiled in an interactive data visualization. The resulting *San Antonio Economic Development Analysis* was presented for review by EDD and delivered via [a publicly accessible link](#). In addition to the quantitative analysis, the consulting team conducted an extensive community and stakeholder engagement process that included individual interviews, roundtable discussions focused on specific topics, a perception survey targeting site selectors and local real estate brokers, and in-person workshops to co-create the strategies within the *Economic Development Strategic Framework*. The framework will serve as a blueprint for guiding the City’s strategic economic growth initiatives over the next five years.

# THE KEY TAKEAWAYS

Several key themes emerged from quantitative data analysis and qualitative stakeholder engagement. These themes informed the review of the City's strengths, weaknesses, opportunities, and threats (SWOT analysis) and the four goals that comprise the *Economic Development Strategic Framework*.

## *San Antonio has unique assets to support a thriving local economy.*

San Antonio's arts and cultural strengths are unparalleled. With a rich cultural history and authenticity, San Antonio is home to amenities that allow tourists and residents to explore the City's past with the Alamo and the San Antonio Missions National Historical Park, the only UNESCO World Heritage site in Texas. Every year, San Antonio residents celebrate the City's Mexican American culture with 11 days of festivals and events through Fiesta San Antonio. In addition to its rich cultural heritage, San Antonio was named a UNESCO Creative City of Gastronomy with its vibrant culinary scene, being just one of two US cities with the distinction. In the past year alone, San Antonio has added 84 new murals with the help of organizations like San Antonio Street Art Initiative, Centro San Antonio, San Anto Cultural Arts, and others.<sup>1</sup>

The City also has a long history of deep ties with the US military and is home to the largest joint base in the US Department of Defense (DoD), Joint Base San Antonio (JBSA). The City's [Military & Veteran Affairs Department estimates](#) that populations directly affiliated with JBSA contributed \$18.7 billion in gross domestic product (GDP) to the Texas economy in 2017. In addition to monetary impact, the City's military presence also provides a strong pool of talent and robust military medicine operations that reinforce San Antonio's bioscience strengths. Beyond biosciences, San Antonio's diverse economic base is supplemented by an exceptional ecosystem of industry assets supporting information technology, mobility, sustainable energy, and corporate services.

Along with strong community and industry assets, the City invests in workforce development initiatives at a level that is enviable compared to peer municipalities. With \$200 million supporting [Ready to Work](#), the City is expanding access to education and training opportunities to promote economic mobility for San Antonio workers. The City is also home to a thriving network of higher education institutions from the five Alamo Colleges District campuses to the University of Texas at San Antonio, a newly minted Carnegie R1 doctoral university.<sup>2</sup> Furthermore, UTSA is expanding its downtown presence through the National Security Collaboration Center, as it continues to build on its status as a leader in cybersecurity education. Overall, the City provides residents a variety of opportunities for professional growth and a strong sense of place.

## *To compete on the national and international stage, San Antonio must understand its current economic base and adapt to confront challenges.*

The City of San Antonio is the seventh largest US city by population, behind New York City, Los Angeles, Chicago, Houston, Phoenix, and Philadelphia, respectively (see Figure 34, page 63). Yet, this fact does not account for the size of the metropolitan statistical area (MSA). Considered within this larger context, the data paint a much more holistic picture of the local labor shed, essential information for businesses looking to relocate or expand. Comparing MSAs by population, the San Antonio-New Braunfels MSA ranks 24th, much more in line with

<sup>1</sup> Nicholas Frank. "Mayor Touts San Antonio's 'Swagger' in Downtown Murals." *San Antonio Report*. May 1, 2022.

<https://sanantonioreport.org/mayor-ron-nirenberg-downtown-san-antonio-murals/>.

<sup>2</sup> An R1 designation is defined as a doctoral university with very high research activity according to [The Carnegie Classification of Institutions of Higher Education](#)®. R1 institutions must have awarded at least 20 research/scholarship doctoral degrees and had at least \$5 million in total research expenditures as reported through the National Science Foundation Higher Education Research & Development Survey.

Charlotte, Orlando, Portland, and Austin MSAs (see Figure 35, page 63). While San Antonio doesn't have the severe municipal challenges of New York City, Los Angeles, or Chicago, the City still faces other issues.

Compared to the 30 most populous US MSAs, the San Antonio MSA has a higher-than-expected share of government employment. With 18 percent of total jobs in the public sector, the San Antonio MSA falls significantly behind the nation's capital (23 percent) and the capital of the largest state, Sacramento, California, at 23 percent (see Figure 36, page 64). At the same time, San Antonio touts the impact of small businesses as a major driver of the local economy and devotes significant public sector resources to support them. Yet, the share of private sector employment provided by small businesses (firms with fewer than 500 employees) in Bexar County is just 38 percent—meaning that large businesses (firms with 500 or more employees) provide nearly two out of three private sector jobs in Bexar County (see Figure 37, page 64). For comparison, Bexar County's share of jobs in small businesses is nearly 10 percent lower than the nation, where firms with fewer than 500 employees make up 47 percent of private sector employment.

San Antonio is the largest Latinx or Hispanic majority city in the US. Beyond the City's well-known Hispanic culture, it is a welcoming community for residents from a range of racial and ethnic backgrounds, with almost 75 percent of residents identifying as Latinx or Hispanic, Black or of African descent, or Asian. Yet the inequities across racial and ethnic lines in San Antonio are severe. While one in four residents (26 percent) hold a bachelor's degree or higher, just 17 percent of Latinx or Hispanic residents have reached the same credential level. For comparison, roughly one in three adults nationwide (33 percent) hold a bachelor's degree or higher.

Relatively low levels of educational attainment have translated into lower wages in the area, affecting median household income levels. San Antonio has the lowest median household income among a set of peer cities ranging from the largest Texas cities (Austin, Dallas, and Houston) to Charlotte, Phoenix, and Jacksonville. San Antonio also has a much lower share of high-income households (those earning greater than \$150,000 per year) than peer cities. As a comparison, San Antonio's median household income of \$53,400 is almost one-third lower than Austin's median household income of \$75,800, and Austin has more than twice as many high-income households.

With lower income across all levels, it might be expected that racial and ethnic disparities would be less visible, but that is not the case despite some improvements over time. Between 2015 and 2020, the City of San Antonio's median household income increased by about \$2,000 in real dollar terms, from about \$51,400 in 2015 to \$53,400 in 2020. While all racial and ethnic demographic groups experienced increases in median household incomes between 2015 and 2020, Black households experienced a slight relative decrease. The median Black household earned 77.5 percent of the City median in 2015 but only 75.2 percent of the median by 2020. With a median household income of \$68,481 in 2020, White San Antonio households still earned about 30 percent more than the Citywide median (over \$15,000 higher). Meanwhile, in 2015, Hispanic households in San Antonio had an inflation-adjusted median income of \$44,080, or 85.7 percent of the Citywide median. By 2020, Hispanic households had gained ground, with income levels nearly 90 percent of the City's overall median household income.

A successful economic development framework must include investments in equitable strategies to provide fair access to resources and opportunities, create a local economy in which every individual and group is valued, and eliminate systemic barriers to allow for full contribution to the community's economic vitality. A focus on equitable strategies can improve educational attainment and income levels, engender economic healing across San Antonio's neighborhoods, and promote opportunities for advancement for residents.

## *Approaching economic development more strategically can help build a more resilient local economy.*

To address these challenges head-on, City leadership and economic development partners must be willing to implement priority initiatives that disrupt the status quo. Through the stakeholder engagement process, community leaders expressed a general sense of caution about change. However, with a clear understanding of San Antonio's wealth of assets and the challenges limiting its economic growth potential, the City of San Antonio is poised to solidify its competitive edge by taking full advantage of its opportunities.

Now is the time for San Antonio to cast a vision for growth and investment that preserves the City's authenticity and ensures that all community members can share in the benefits. Place-based development can simultaneously leverage multiple areas of the City identified as having the greatest economic potential and the greatest economic need. One roundtable participant, when asked to suggest an economic development opportunity for San Antonio, pointed to the development of "a portfolio of hubs," proclaiming that the City "can have a downtown tech hub *and* a Port San Antonio tech hub." The Decade of Downtown<sup>3</sup> prioritized investment in San Antonio's central business district. Residents can reap the rewards of continued investments in downtown revitalization. Industrial development opportunities are plentiful in the Port San Antonio, Brooks, and Southside community areas. To ensure equitable growth, the Eastside community area and the Westside community area can also benefit from targeted investments that uplift existing residents. Meanwhile, the San Antonio Economic Development Corporation (SAEDC) remains an untapped tool to support these placemaking initiatives.

In addition to targeted placemaking initiatives, the City can benefit from strengthening its business development efforts, in part by improving its marketing efforts. The story of San Antonio is far more than the Alamo or the River Walk, and that story needs to be shared more effectively to a wider audience. At the same time, improving local business development programs, particularly business retention and expansion programs, will help local firms flourish in San Antonio by connecting them to resources to meet their needs.

The *Economic Development Strategic Framework* can only achieve its full potential by leveraging economic and community development work already underway throughout San Antonio. With that context, this framework builds on the work of *All In SATX*, all the associated plans within *SA Tomorrow*, the *San Antonio Small Business Ecosystem Assessment*, the *Metro Priority Plan*, the Alamo Area Council of Governments *Comprehensive Economic Development Strategy*, and more. That existing work built a strong foundation for the framework to approach San Antonio's economic development efforts more strategically moving forward. To successfully accomplish that, the *Economic Development Strategic Framework* enables the community to amplify collaboration on existing projects, work with clearly defined roles and responsibilities, and integrate new priority initiatives to maximize impact for San Antonio residents.

<sup>3</sup> See, for example, Michael Barajas. "How Julian Castro's 'Decade of Downtown' Reshaped San Antonio." *Texas Observer*. July 10, 2019. <https://www.texasobserver.org/how-julian-castros-decade-of-downtown-reshaped-san-antonio/>.

# THE PATH FORWARD

With these key takeaways in mind, the *Economic Development Strategic Framework* sets a roadmap to position the City of San Antonio on the path toward a more resilient economy, to provide direction on competing with national and global peers, and to specifically define the role that the Economic Development Department (EDD) should play in that effort.

FIGURE 1. ECONOMIC DEVELOPMENT STRATEGIC FRAMEWORK OVERVIEW








Five guiding principles were developed at the onset of the project as a direct response to some of San Antonio's most complex challenges and compelling opportunities: **economic opportunity, resilience, investment and growth, assets, and equity**. The guiding principles serve as the foundation for the framework's four goals, with the fourth goal detailing the tools, partnerships, and staffing needed to support the other three. Overall, the strategies and actions within each goal are designed to leverage existing strengths, mitigate challenges, and build on the momentum of San Antonio's growth and economic development initiatives already underway.

- **Goal 1. Innovation and Industry.** Retain, expand, and attract businesses within each strategic industry cluster, provide more effective small business support, and facilitate innovation-centric entrepreneurship.
- **Goal 2. Placemaking and Real Estate.** Accelerate place-based real estate development projects that create quality spaces for new jobs and investment in San Antonio's regional centers and neighborhood economic nodes.
- **Goal 3. Talent and Workforce.** Ensure San Antonio residents have accessible pathways to well-paying jobs and employers have access to a robust pipeline of talent.
- **Goal 4. Capacity and Resources.** Align the City's economic development tools with strategic growth and coordinate with local organizations on shared goals and actions that benefit San Antonio as a whole.

In addition to the four goals, the planning process included a review of the City's target industries. Following an analysis of quantitative, qualitative, and strategic factors, TIP narrowed the focus to five strategic industry clusters, which represent the strongest opportunities for significant new investment and employment growth in San Antonio (see Figure 2, page 7). These five clusters are supported by a strong presence of anchors and assets in the City and build on emerging trends to support a resilient local economy. See Appendix A for more details.

**FIGURE 2. STRATEGIC INDUSTRY CLUSTERS OVERVIEW**

 <b>MOBILITY</b>	 <b>IT SECURITY &amp; INFRASTRUCTURE</b>	 <b>SUSTAINABLE ENERGY</b>	 <b>BIOSCIENCE ANCHORS &amp; CATALYSTS</b>	 <b>CORPORATE SERVICES</b>
<ul style="list-style-type: none"> <li>• Automotive</li> <li>• Logistics</li> <li>• Manufacturing</li> <li>• Aerospace</li> <li>• Defense/Military</li> </ul>	<ul style="list-style-type: none"> <li>• Aerospace</li> <li>• Cybersecurity</li> <li>• Technology</li> <li>• Defense/Military</li> </ul>	<ul style="list-style-type: none"> <li>• Technology</li> <li>• Energy</li> <li>• Environmental Services</li> </ul>	<ul style="list-style-type: none"> <li>• Defense/Military</li> <li>• Bioscience</li> <li>• Healthcare</li> <li>• Higher Education</li> <li>• Research/Development</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Services</li> <li>• Headquarters</li> <li>• Insurance Services</li> </ul>

The City of San Antonio has tremendous potential to support a thriving local economy with a robust network of economic development tools and partners. To fully reach the level of success that San Antonio is capable of, economic development leaders must take on transformational initiatives that disrupt the status quo and reposition the local economy to be more resilient and equitable. With many partners involved in the economic development ecosystem, EDD can lead the process in breaking down silos to work more collaboratively. Harnessing the momentum of recent economic development initiatives—from the strategic allocation of American Rescue Plan Act (ARPA) funding to support small businesses to the recent creation of the Air Service Development Fund—will be an essential element of the framework's successful implementation.



# PLANNING CONTEXT

# COVID-19 IMPACTS

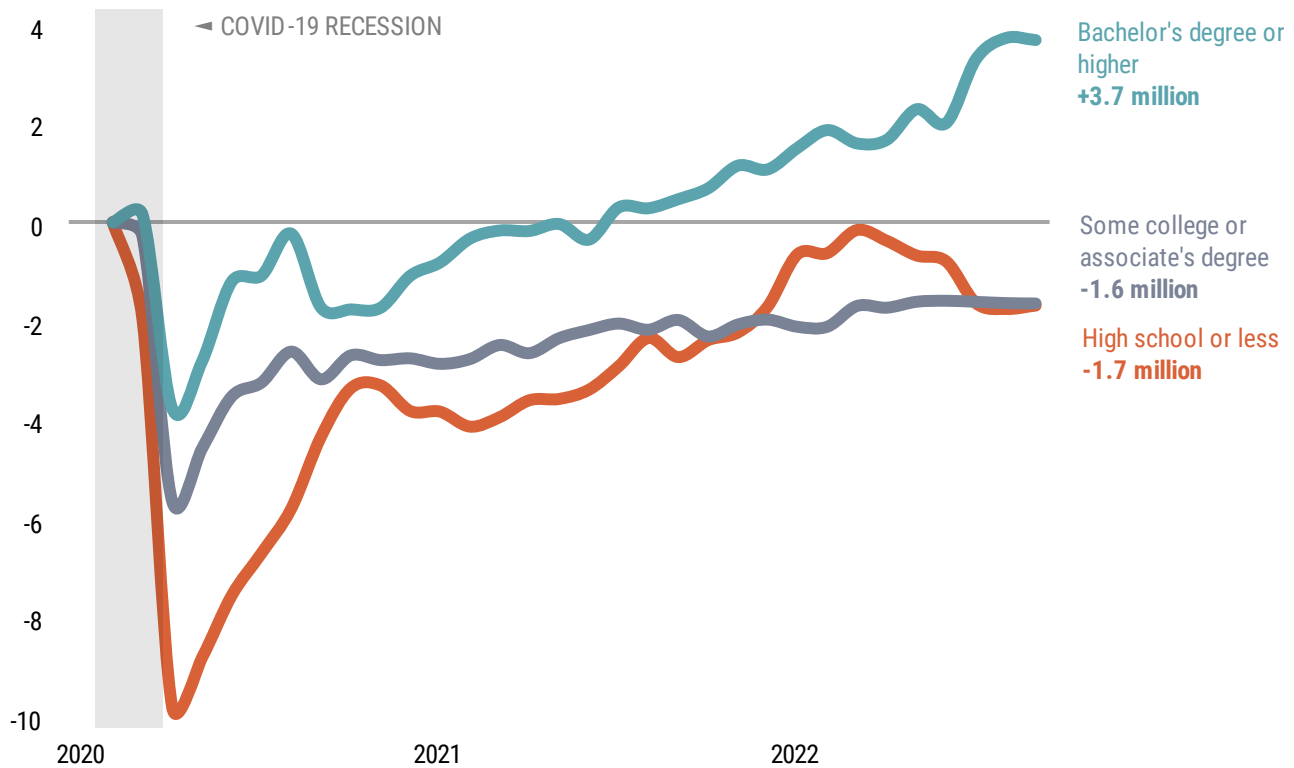
Strategic plans, whether for a single organization or for an entire city, must consider the larger context in order to be effective tools for decision-making. The need to account for external factors and broader trends is even more important in the creation of economic development strategies because local economic growth depends in large part on how local companies, workers, and residents interact with and benefit from the outside world. The creation of a vibrant economy in San Antonio will require attracting new investment and jobs, helping existing businesses sell products and services to external markets, and developing a more skilled and educated workforce. Global economic issues, including trends accelerated by the COVID-19 pandemic, will continue to affect San Antonio's ability to be successful in these efforts.

Since early 2020, the COVID-19 pandemic has caused many disruptions in the economy. Yet most of the large structural changes happening in the US economy and labor market were already underway. In most cases, these trends were accelerated and amplified by the pandemic, not created by it. Some of the most notable trends that will affect the City going forward include the following.

- Federal funding.** The American Rescue Plan Act (ARPA) of 2021 authorized \$1.9 trillion to help the US economy recover from the impacts of the COVID-19 pandemic through aid to households, small businesses, nonprofits, and industries, such as tourism and hospitality. Of the \$1.9 trillion, \$195 billion was slated for states and \$130 billion for local governments. The state of Texas has been allocated nearly \$16 billion in ARPA funds, while Bexar County and the City of San Antonio have been allocated roughly \$389 million and \$326.9 million, respectively. Meanwhile, the federal Infrastructure Investment and Jobs Act (passed in November 2021) allocates roughly \$35 billion to Texas over five years for roads, bridges, pipes, ports, broadband, and other infrastructure projects. The CHIPS and Science Act (passed in July 2022) directs \$280 billion into investments that advance innovation, including artificial intelligence (AI), robotics, quantum computing, and other advanced technologies, including \$52 billion for semiconductor manufacturing. This enormous infusion of federal funds provides the City of San Antonio the opportunity to invest in strategic initiatives that lead to sustainable economic growth.
- Inequitable recovery.** The COVID-19 pandemic has had an uneven impact on workers with varying educational attainment rates. While workers across nearly all industries and experience levels initially faced job losses as the result of the pandemic lockdown in the spring of 2020, by August 2022 the US economy had recovered all jobs lost.<sup>4</sup> However, the divide between more educated and less educated workers has grown, as workers with bachelor's degrees have fully recovered from early 2020 job losses while those with lower levels of educational attainment continue to lag in their recovery (see Figure 3, page 10). This imbalance reinforces the City's ongoing work to provide equitable access to participation in the local economy by connecting residents to education and training opportunities through Ready to Work.

<sup>4</sup> US Bureau of Labor Statistics, Current Employment Statistics; National Bureau of Economic Research, Business Cycle Dating Committee.

**FIGURE 3. CUMULATIVE CHANGE IN US EMPLOYMENT**  
MILLIONS OF JOBS FROM FEBRUARY 2020



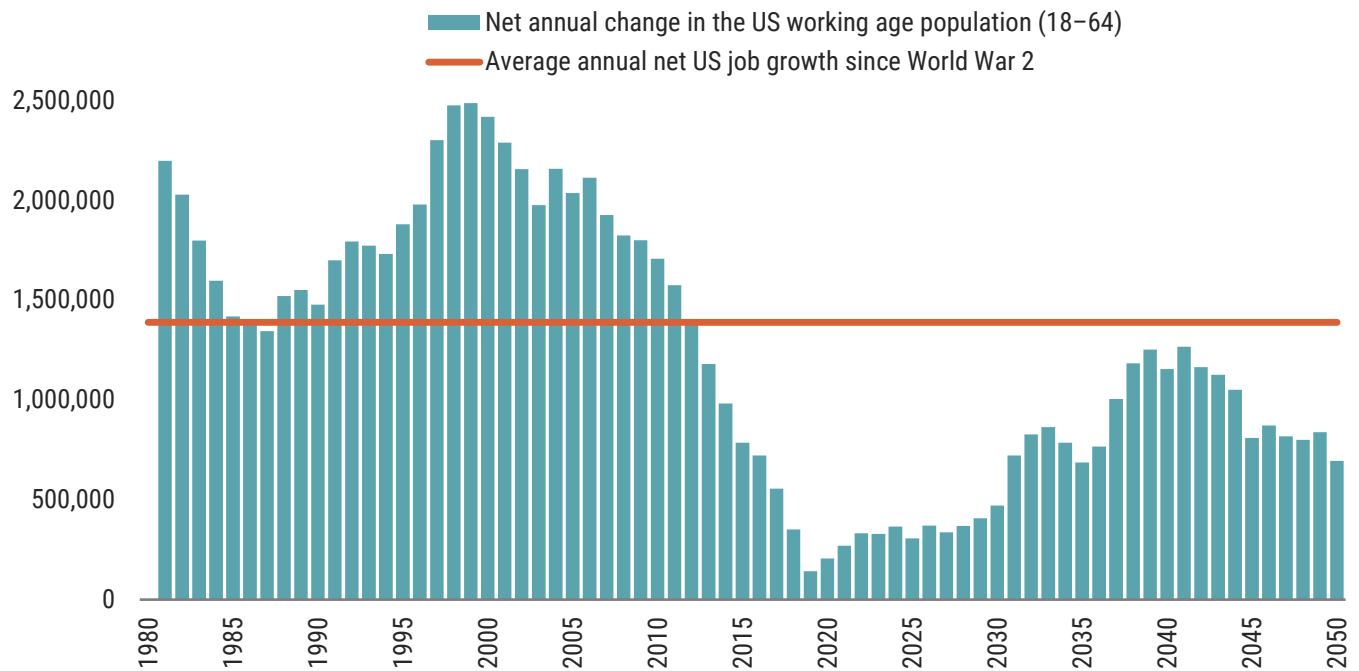
Source(s): US Bureau of Labor Statistics, Household Survey (Current Population Survey); National Bureau of Economic Research (NBER); TIP Strategies, Inc.

Note(s): Employment is seasonally adjusted and includes all workers 25 years and older. The current recession began in February 2020 and ended (officially) in April 2020.

- Workforce shortages.** Even though the number of jobs in the US economy has rebounded to pre-pandemic levels, the same cannot be said for the labor force participation rate, a major indicator of available workers to fill job openings. In February 2020, the US labor force participation rate was 63.1 percent—as of June 2022, that measure was 62.1 percent.<sup>5</sup> The economic upheaval associated with the COVID-19 pandemic has made the competitive market for talent increasingly fierce, and data show that competition will not end anytime soon, with labor shortages projected to extend over the next generation (see Figure 4, page 11). To stay competitive and maintain the base of local workers, San Antonio must enhance its talent retention efforts to keep high school and university students in the City.

<sup>5</sup> US Bureau of Labor Statistics.

FIGURE 4. SUPPLY AND DEMAND OF US WORKERS



Source(s): US Census Bureau, International Database (IDB); US Bureau of Economic Analysis, Current Employment Statistics; TIP Strategies, Inc.

Note(s): Population estimates and projections are for the resident population. The US population components shown in the IDB may not match the official population components for the United States, in part, due to differences in how they are displayed (calendar year versus midyear-to-midyear estimates).

- Remote work.** Since the mid-2000s, the location of daily work has been evolving with the US economy. In 2006, 3.9 percent of employed persons worked from home, and that percentage increased to 5.7 percent by 2019.<sup>6</sup> This trend accelerated tremendously with the onset of the COVID-19 pandemic, with the work-from-home rate peaking at 35.4 percent in May 2020.<sup>7</sup> The flexibility to work from home varies depending on wages, race, and ethnic groups. For example, higher-wage workers are six times as likely to be able to work from home compared to lower-wage workers.<sup>8</sup> Additionally, White workers are much more likely to be employed in occupations that allow for working from home (see Figure 5, page 12). While the long-term effects of working from home and remote work remain unknown, the opportunity to leverage San Antonio's strong quality of life to attract workers with these job flexibilities can increase the City's overall competitiveness.
- Housing crisis.** Access to affordable and attainable housing is a crisis nationwide, affecting households across various income levels (see Figure 6, page 12). While San Antonio has a relatively low cost of living compared to peer cities (see Figure 15, page 20), to maintain that competitive advantage, the City must continue its efforts to increase the stock of diverse housing options.

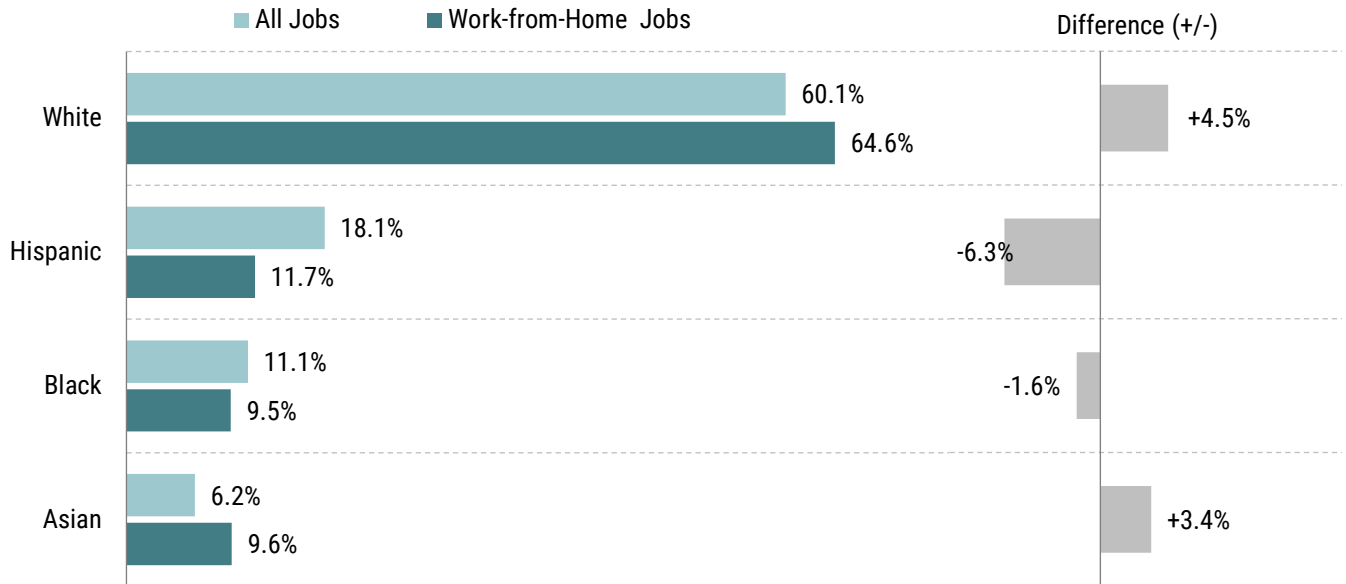
<sup>6</sup> US Census Bureau, American Community Survey 1-Year Estimates.

<sup>7</sup> US Bureau of Labor Statistics, Current Population Survey, Household Survey Supplemental Data.

<sup>8</sup> "[Job Flexibilities and Work Schedules—2017–2018 Data from the American Time Use Survey](#)." US Department of Labor, Bureau of Labor Statistics. September 24, 2019.

**FIGURE 5. DISPARITIES IN JOB FLEXIBILITY**

RACE AND ETHNICITY MIX IN WORK-FROM-HOME OCCUPATIONS IN THE US

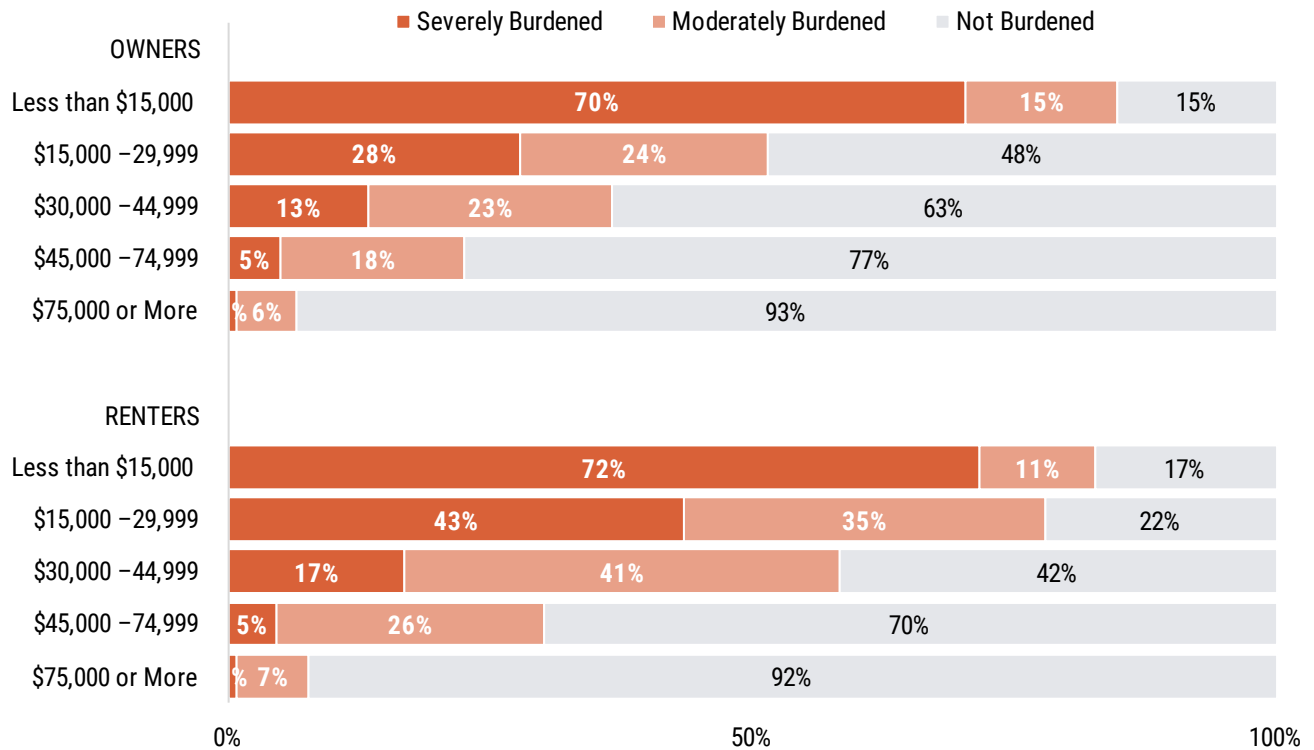


Source(s): US Census Bureau, American Community Survey 2021, 1-Year, Tables B08301, B08105B, B08105D, B08105H, B08105I

Note(s): White as defined here excludes those of Hispanic descent. Race and ethnicity labels have been shortened for legibility.

**FIGURE 6. PERCENTAGE OF US HOUSEHOLDS STRUGGLING WITH HOUSING COSTS AS OF 2019**

HOUSING BURDEN BY HOUSEHOLD INCOME BRACKET

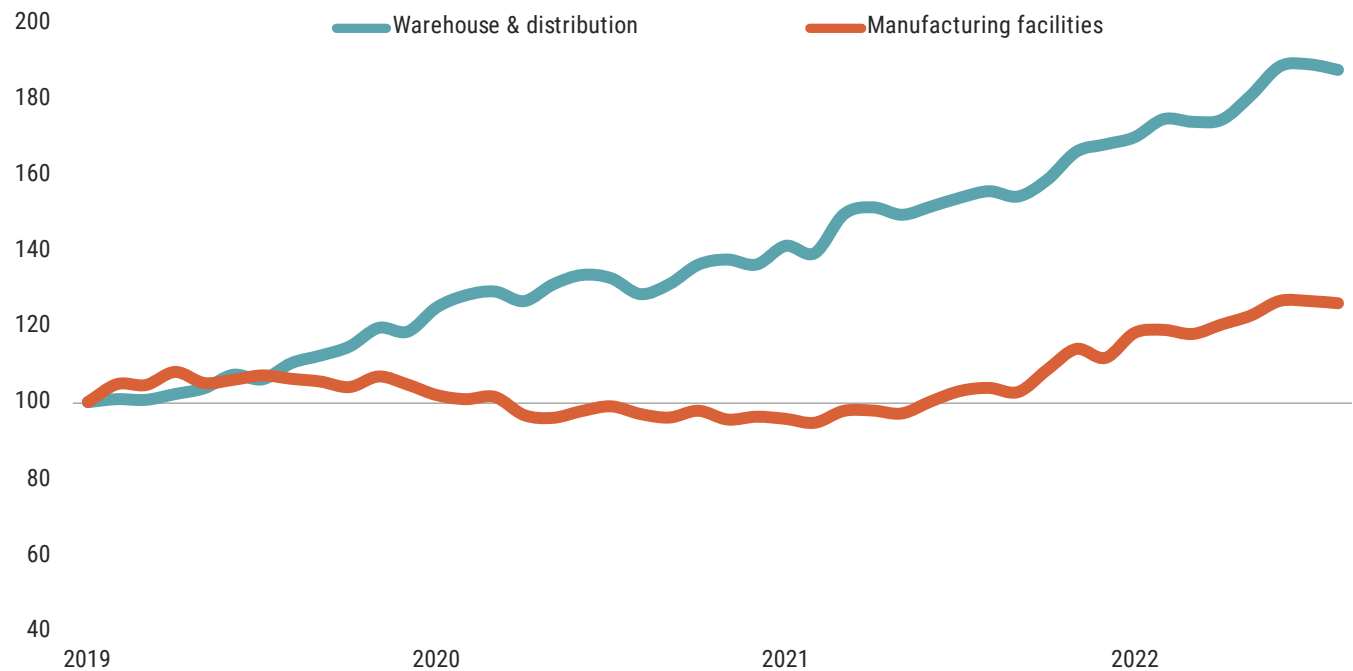


Source(s): Joint Center for Housing Studies (JCHS) of Harvard University, The State of the Nation's Housing 2022, Table W-2; TIP Strategies, Inc.

Note(s): Based on JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

- Industrial development.** Consumer spending is the largest force in the US economy, accounting for roughly two-thirds of GDP over the past two decades.<sup>9</sup> That pattern is unlikely to change. However, there is a structural change underway. The way companies deliver products to consumers is shifting from a retail-centric model to an industrial-driven model. According to CoStar's Q2 2022 data, the US is currently building 642.5 million square feet of industrial space, more than 10 times the amount of retail space currently under construction (59.6 million square feet). To put this into historical perspective, in 2010 and 2011, during the initial recovery from the Great Recession (2007–2009), the US was building roughly the same amount of industrial space and retail space, about 40 to 50 million square feet in any given quarter. The rise of industrial development is being driven by a convergence of factors, including supply chain restructuring impacted by trade policy (tariffs and protection of national industries), vertical integration of multiple industries, and the just-in-time delivery model of products to businesses and consumers. These factors are increasing demand for industrial space for everything from warehousing and logistics to manufacturing and data centers. The unprecedented growth of industrial development is taking place across the entire US (see Figure 7, page 13), but the construction of new space has been most prominent along the I-35 corridor in Texas. In five of the past seven quarters (from Q4 2020 through Q2 2022) both San Antonio and Austin have ranked in the nation's top 10 markets (among the 54 markets with at least 100 million square feet of existing inventory) for their share of industrial space under construction as a percentage of existing inventory, while the Dallas-Fort Worth market has consistently ranked as the top market overall for the amount of industrial space under construction.

**FIGURE 7. PRIVATE SECTOR CONSTRUCTION SPENDING**  
JANUARY 2019 INDEXED TO 100



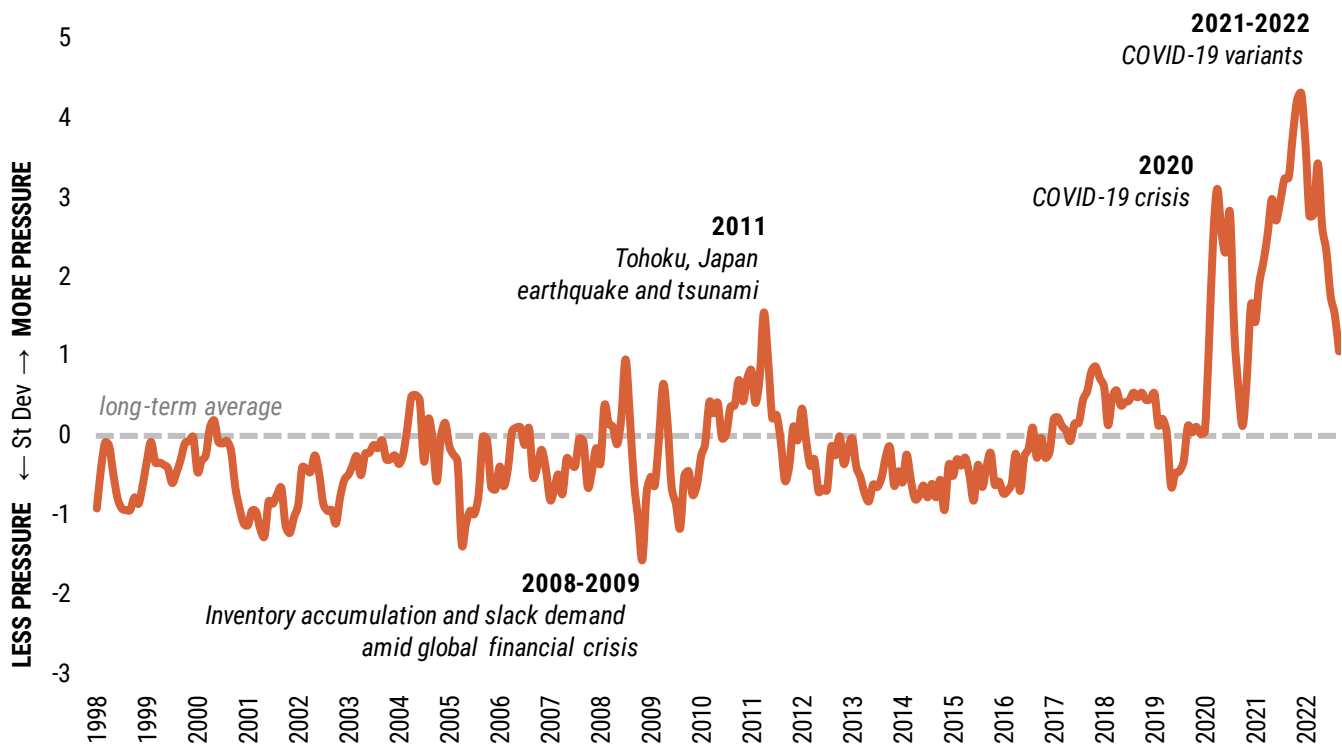
Source(s): US Census Bureau; TIP Strategies, Inc.

Note(s): The chart is indexed to a base month and reflects the seasonally adjusted value of private construction put in place.

<sup>9</sup> U.S. Bureau of Economic Analysis. "Shares of Gross Domestic Product: Personal Consumption Expenditures." Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/DPCERE1Q156NBEA>.

- Supply chain disruption.** Global supply chains were already under increasing strains before the pandemic, due to growing consumer demands combined with increasingly restrictive trade and immigration policies. Offshore manufacturing was favored for its lower costs, but business decision-makers often failed to account for the loss of resiliency in supply chains. The arrival of the COVID-19 pandemic exposed the risks of relying on overseas production (see Figure 8, page 14). The supply chain bottlenecks that initially drove prices higher in 2020 have started to ease. However, the 2022 COVID-19 pandemic shutdowns in China and the ongoing war in Ukraine will continue to complicate the global flow of goods. With the risks of leaving production offshore likely to remain elevated in the foreseeable future, the push for reshoring and nearshoring (primarily focused on Mexico) of production has risen to the forefront. Reshoring can be beneficial by reducing transportation costs, improving production timelines, making product innovations more effective, and potentially reducing the total cost of products. In addition to reshoring of production functions, the reshoring of research, design, professional, and back-office functions offers another set of opportunities for economic development.

**FIGURE 8. GLOBAL SUPPLY CHAIN PRESSURE INDEX**  
STANDARD DEVIATION WHERE "NORMAL" EQUALS 0

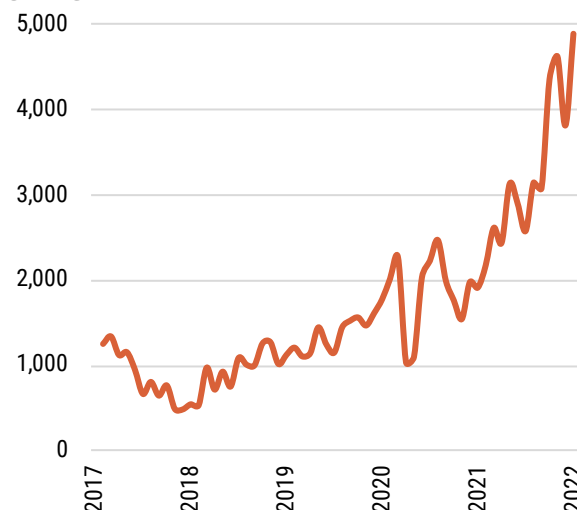


Source(s): US Federal Reserve Bank of New York; TIP Strategies, Inc.

Note(s): Index scaled by the current standard deviation from the long-term average.

- Climate change and energy disruption.** Climate disruptions—from extreme weather events to droughts—have always affected economic development. In recent years, climate resiliency has become a top priority for companies and community leaders alike. Even the mention of “climate change” in job postings has increased nearly five times since 2017 (see Figure 9, page 15). But what is often missing from the conversation is the potential for new economic opportunities. Linking climate challenges more directly to economic development strategies offers a largely untapped source of economic growth by recruiting new target industries, driving innovation and entrepreneurship, and attracting and developing talented workers. Innovative companies and entire industries are revolutionizing old ways of doing business. San Antonio can benefit from positioning the local economy to be more resilient to take full advantage of these trends.

**FIGURE 9. US JOB POSTINGS MENTIONING “CLIMATE CHANGE”**



Source(s): Lightcast; TIP Strategies, Inc.

- Geopolitical disruptions.** The Russian invasion of Ukraine has caused widespread disruptions in commodities markets. The most visible price spikes can be seen in natural gas and crude oil supplies, but other essential commodities ranging from wheat to fertilizers have also undergone severe price increases. In addition to the rising prices of critical energy and food supplies, the war has increased broader geopolitical conflict, including trade restrictions, adding further pressure to already high levels of inflation. Beyond the economic challenges associated with Russian aggression, it is a warning that the rise of authoritarian and antidemocratic regimes in other countries pose additional threats that could spill over into the global economy. The current geopolitical uncertainty is also a reminder of the importance of a strong US military, defense industry, and a pipeline of highly trained military and federal civilian personnel. San Antonio is uniquely situated to participate in national and global security issues with its well-deserved brand of Military City USA (thanks to Joint Base San Antonio) and other prominent defense industry employers, along with its large presence of cybersecurity and other federal agencies focused on cybersecurity and other national security priorities.

These trends represent the major forces shaping the US economy as it continues its long transition from a twentieth-century system of mass production and natural resource extraction to a twenty-first-century economy defined by technology and innovation. While these factors are almost entirely beyond San Antonio’s degree of control, the City’s leadership cannot afford to ignore them.

Fortunately, the City is making strides toward addressing the major challenges confronting the economy. To address workforce shortages, Ready to Work is expanding access to education and training opportunities. The City’s *SA Climate Ready: A Pathway For Climate Action & Adaptation* plan is laying the groundwork to tackle climate change and energy disruptions head-on. San Antonio voters recently approved a \$150 million investment to increase the City’s stock of affordable housing through the largest bond program in City history.<sup>10</sup> The Equity Atlas provides the data needed to make informed decisions in support of equitable investments. While the *Economic Development Strategic Framework* intends to build on the City’s existing efforts, it also lays out new strategies and actions to place San Antonio on the path toward a more resilient economy. The framework defines the role that EDD and its partners must play for San Antonio to successfully compete with peer cities across the US and around the globe, while growing the City’s tax base and creating greater, more equitable, economic opportunities for all residents.

<sup>10</sup> “[San Antonio Voters Approve Historic Infrastructure and Affordable Housing Investments through \\$1.2 Billion Bond Program.](#)” City of San Antonio. May 7, 2022.

# ECONOMIC ANALYSIS

As part of the strategic planning process, TIP Strategies, Inc., completed a comprehensive analysis of data and trends that define San Antonio's overall competitiveness and economic health. The *San Antonio Economic Development Analysis*, delivered via [a publicly accessible link](#) as an interactive data visualization, was scaled across three levels: a high-level view of San Antonio's connections to the larger **global** economy, a **regional** dashboard of current socioeconomic factors compared to benchmarks, and an investigation into the dynamics of **local** economic node development patterns.

## Dive Deeper

Throughout this analysis, links are provided to additional online data, where available. Figures that can be explored in a web browser are indicated by the hyperlinked symbol shown above.

FIGURE 10. ECONOMIC DEVELOPMENT ANALYSIS LANDING PAGE 



### GLOBAL

San Antonio's connectivity to the rest of the world is examined through the lens of airport activity at SAT, the presence and deployment of foreign talent in the local labor market, cross-border capital investments, and international mergers and acquisitions involving San Antonio firms.



### REGIONAL

The current conditions of region are assessed through social and economic metrics that describe the context of San Antonio's residents and workers.



### LOCAL

Ten economic nodes were identified within the City. These nodes lie at the intersection of existing transportation corridors, activity centers in the SA *Tomorrow* comprehensive plan, and areas identified through stakeholder input as areas of great economic need and potential. The analysis of these 10 nodes focuses on the commercial real estate landscape and potential of these neighborhoods.

Source(s): City of San Antonio GIS; American Community Survey, 2015 and 2020 5-year samples; Emsi Burning Glass 2022.2; US Bureau of Labor Statistics; CoStar Group; US Bureau of Transportation Statistics; Crunchbase; fDi Markets; US Foreign Labor Certification Data Center; TIP Strategies, Inc.

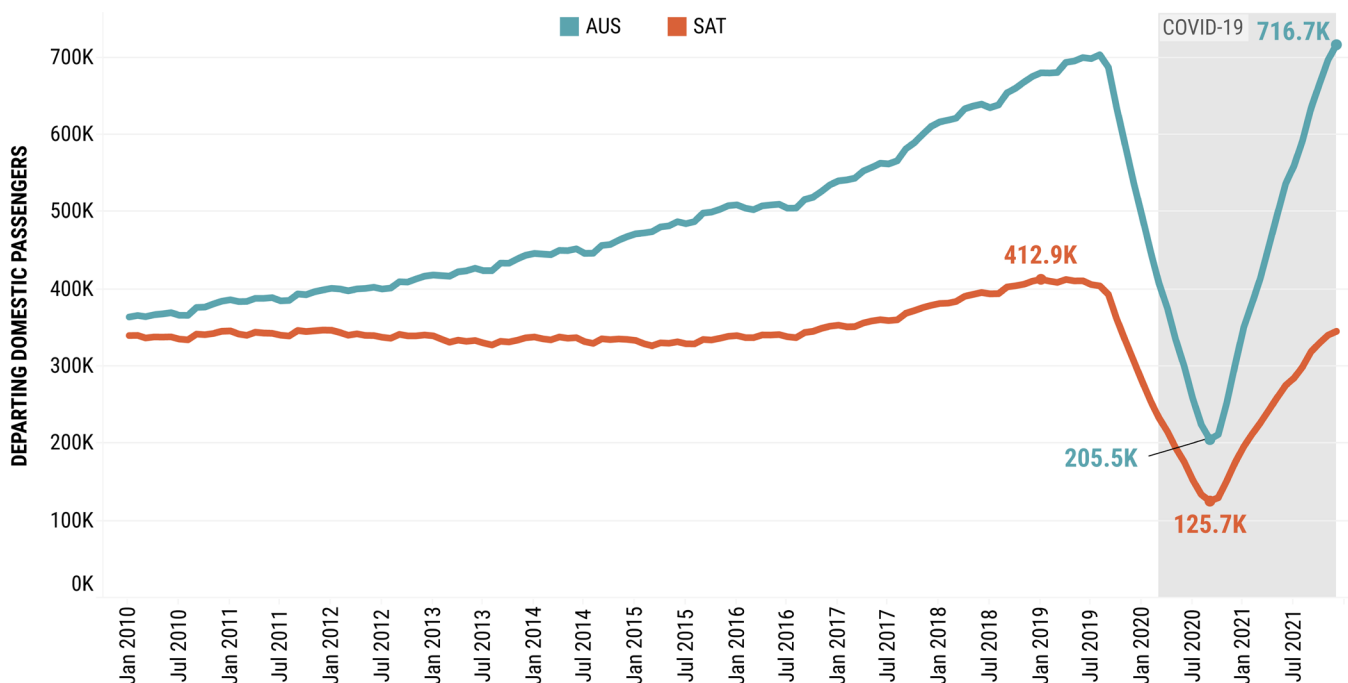
Note(s): SAT is the three-letter code used to identify the San Antonio International Airport.

## GLOBAL TRENDS

In the global economic analysis, three takeaways emerged as most indicative of San Antonio's competitiveness on the international stage. First, the San Antonio International Airport (SAT) is a vital access point for travelers and freight. Compared to Austin-Bergstrom International Airport (AUS), the closest commercial airport, SAT's service levels have struggled to keep up. Domestic passenger travel at AUS fully recovered and even exceeded pre-pandemic levels by December 2021. By contrast, SAT's domestic passenger travel in December 2021 still lagged its pre-pandemic high of 412,900 domestic passengers (January 2019) by 67,300 travelers. However, there is strong momentum to improve SAT's services, with a \$2.5 billion [Terminal Development Program](#) to construct a third terminal and greater: SATX's [Air Service Development Fund](#) to attract new nonstop air service. The second takeaway concerns San Antonio's relatively low numbers of H-1B visa certifications, an indicator of the City's attractiveness for professional international workers. Finally, foreign direct investment (FDI) trends indicate San Antonio's ability to attract capital from outside the US. Given the strength of San Antonio's ties to Central and South America, FDI from those areas was less than anticipated. Moving forward, San Antonio can increase its international competitiveness by continuing the ongoing improvements to SAT, targeting talent attraction efforts toward foreign professionals, and maintaining strong diplomatic and economic ties with other countries.

***In early 2010, Austin-Bergstrom International Airport outpaced San Antonio International Airport by servicing just 24,100 additional domestic passengers. From 2010 to 2019, Austin's domestic passenger travel grew by 92 percent compared to 21 percent for San Antonio.***

**FIGURE 11. DEPARTING DOMESTIC PASSENGER TRENDS, AUSTIN-BERGSTROM AND SAN ANTONIO INTERNATIONAL AIRPORTS**  
TRENDS SHOW THE 12-MONTH MOVING AVERAGE OF DEPARTING PASSENGERS TO DOMESTIC (US) DESTINATIONS.



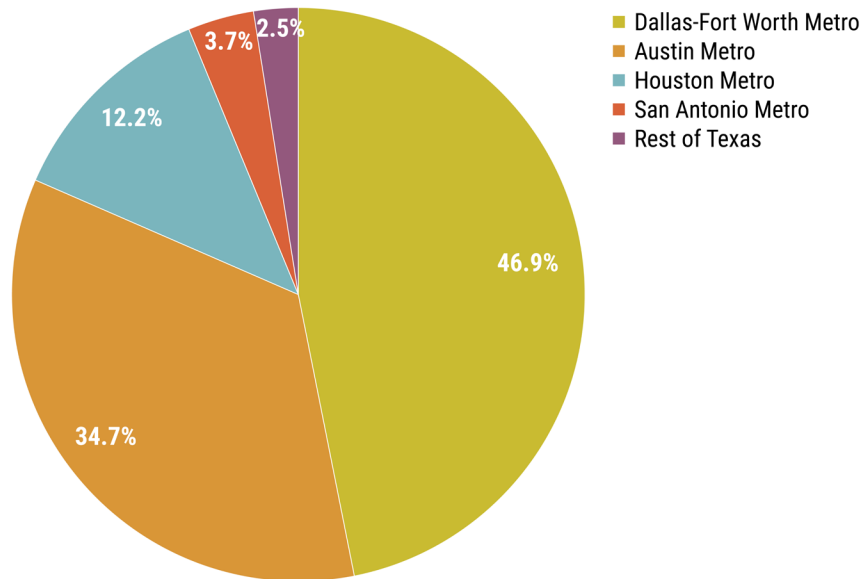
Source(s): US Bureau of Transportation Statistics, T-100 Segment Reports for All Carriers; TIP Strategies, Inc.

Note(s): Only includes scheduled passenger flights, nonscheduled civilian passenger flights, and destinations with at least 100 annual passengers.

**The share of San Antonio's H-1B visa certifications was only 3.7 percent of statewide certifications in FY 2021 (4,381 of 117,663), lagging DFW's certifications by 50,777.**

**FIGURE 12. TEXAS H-1B CERTIFICATIONS BY REGION, FY 2021**

NUMBER OF H-1B WORKER VISA CERTIFICATIONS BY MAJOR METROPOLITAN AREA IN FEDERAL FISCAL YEAR (FY) 2021.



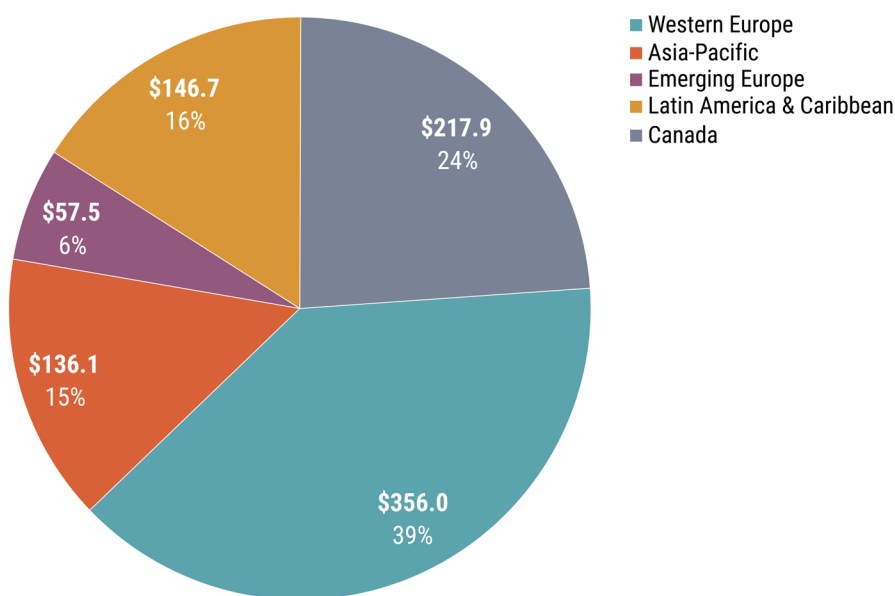
Source(s): US Department of Labor, Office of Foreign Labor Certification, Foreign Labor Certification Data Center; TIP Strategies, Inc.

Note(s): The federal fiscal year covers the period from October 1, 2020, through September 30, 2021. The H-1B visa class includes special categories E-3 (for Australia) and H-1B1 (for Chile and Singapore). Data shown here exclude applications that were denied or withdrawn prior to certification. It includes all certifications, including any that were withdrawn after the certification process was completed.

**Only 16 percent of San Antonio's foreign direct investments (\$146.7M in capital investment) came from Latin America from 2016 to 2021.**

**FIGURE 13. ORIGINS OF FOREIGN DIRECT INVESTMENTS INTO SAN ANTONIO**

ESTIMATED CAPITAL INVESTMENTS (US\$ MILLIONS), 2016–2021



Source(s): fDi Markets; TIP Strategies, Inc.

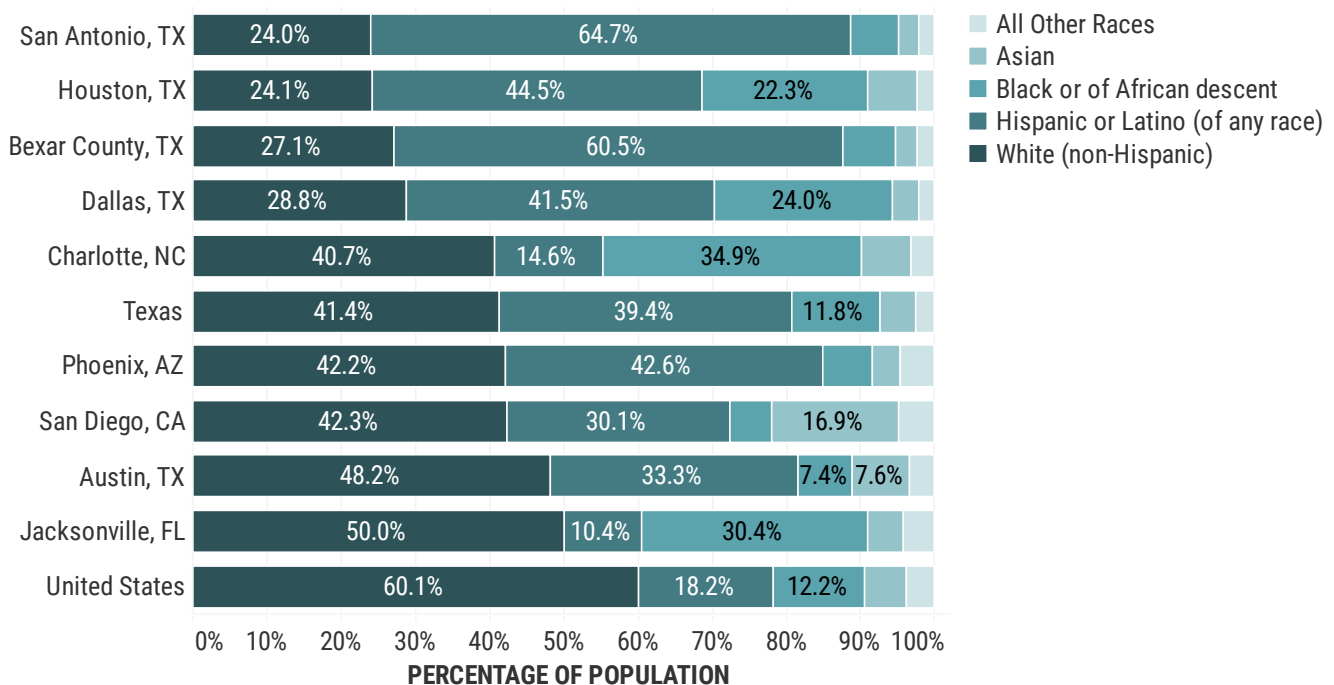
## REGIONAL TRENDS

Measuring San Antonio's current socio-economic factors against peer benchmarks is an important consideration in assessing the region's competitiveness on the national stage. Using Houston, Dallas, Charlotte, Phoenix, San Diego, Austin, and Jacksonville as peer benchmarks, San Antonio possesses unique strengths, including a high population growth rate and a relatively low cost of living. However, the City also has the lowest median household income (\$53,400) and the lowest share of residents ages 25 and over having earned an associate's degree or higher (34 percent). The City also deals with severe inequities across racial and ethnic groups. Median household incomes for Latinx or Hispanic households in San Antonio came in \$5,676 short of the City's median. For Black and of African descent households, the measure is \$13,247 short of the City's. While San Antonio is taking a step in the right direction to address these inequities, more work remains to push the economy toward true economic inclusion.

***Roughly 75 percent of San Antonio residents identify as Latinx or Hispanic, Black or of African descent, or Asian.***

**FIGURE 14. RACE AND ETHNICITY, 2020**

POPULATION BY SHARE OF RACE AND ETHNIC GROUPS. 



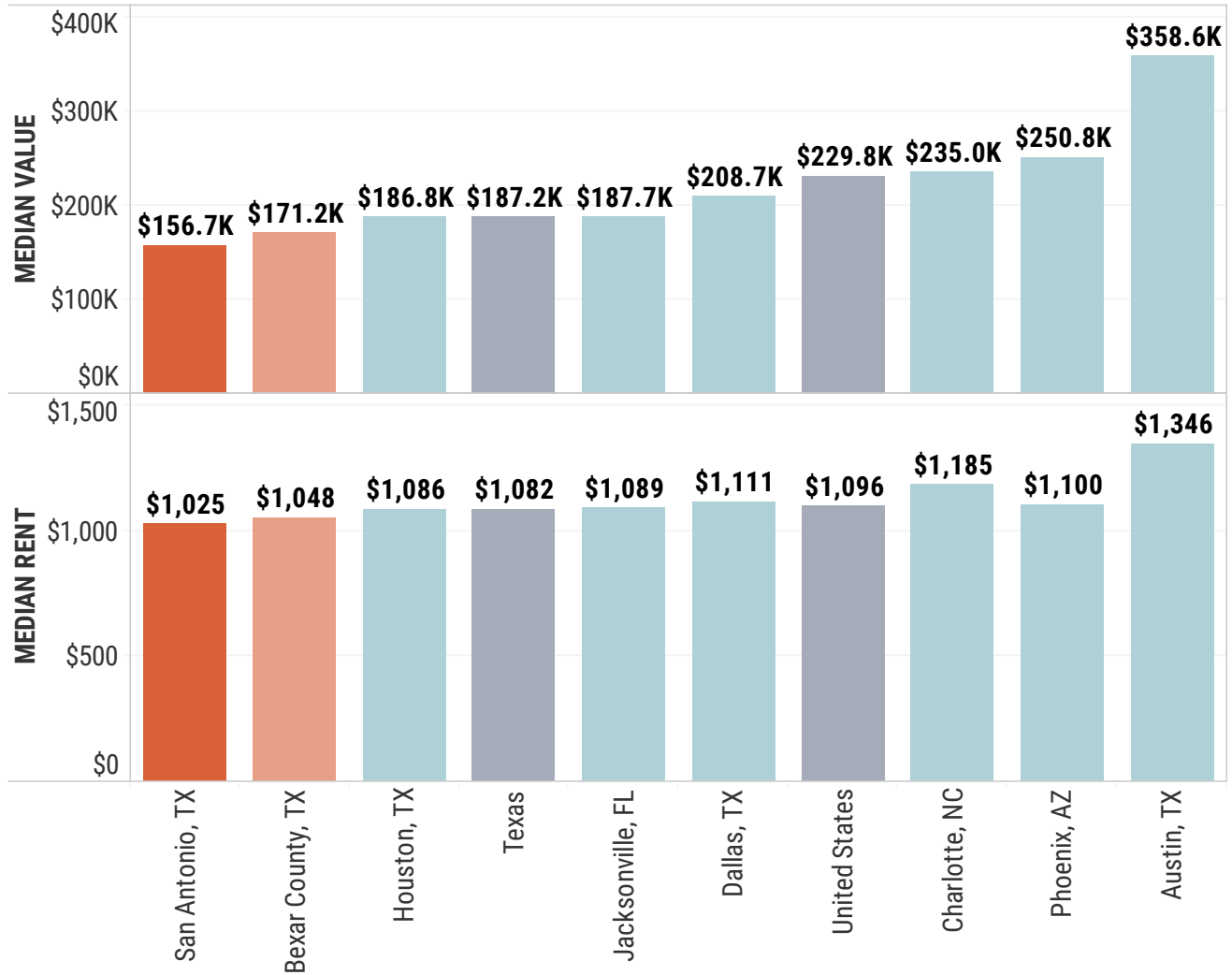
Source(s): American Community Survey, 2020 5-year sample; TIP Strategies, Inc.

Note(s): The US Census Bureau categorizes Hispanic or Latino as an ethnic group rather than a race. The Hispanic or Latino group includes all races; the remaining racial groups exclude Hispanics or Latinos. The All Other Races group includes Native Americans, Alaska Natives, Native Hawaiians, other Pacific Islanders, multi-racial persons, and other races. These data are based on self-identification and reflect a social definition of race/ethnicity.

*Compared to benchmarks, San Antonio's housing costs are the lowest with a 2020 median home value of \$156.7K for owner-occupied units and a median monthly rent of \$1,025.*

**FIGURE 15. HOUSING COST, 2020**

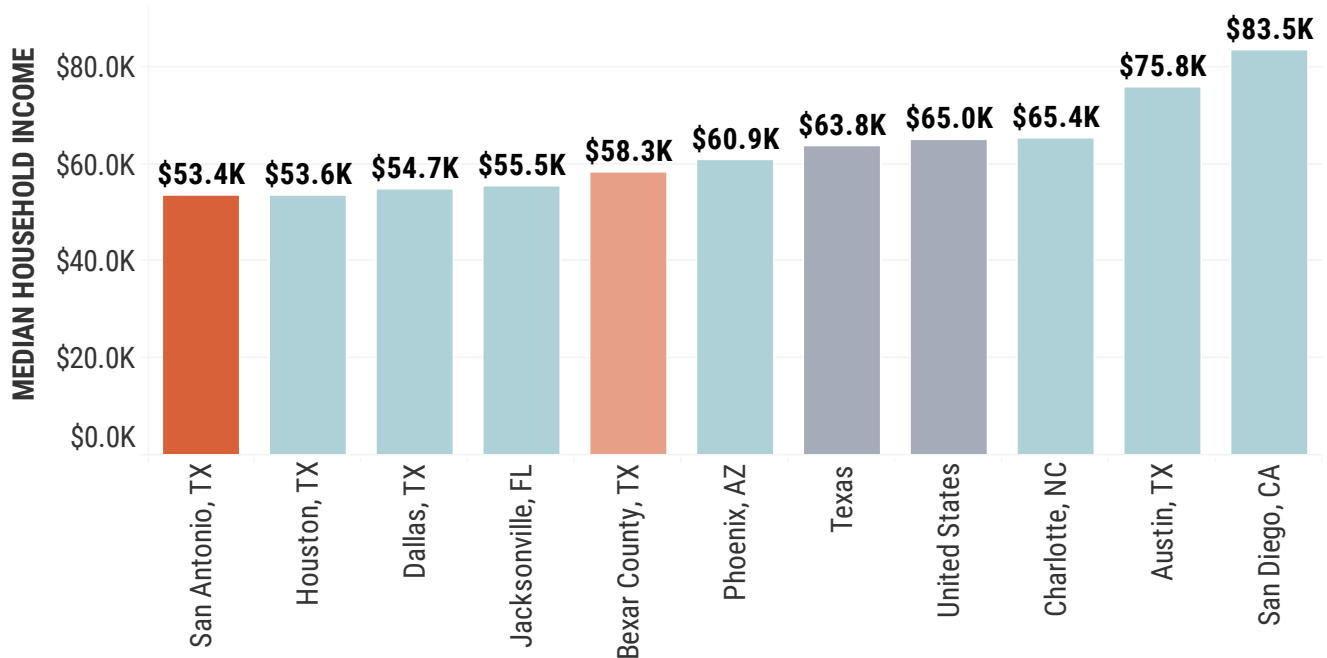
MEDIAN HOME VALUE AMONG OWNER-OCCUPIED UNITS AND MEDIAN MONTHLY RENT. 



Source(s): American Community Survey, 2020 5-year sample; TIP Strategies, Inc.

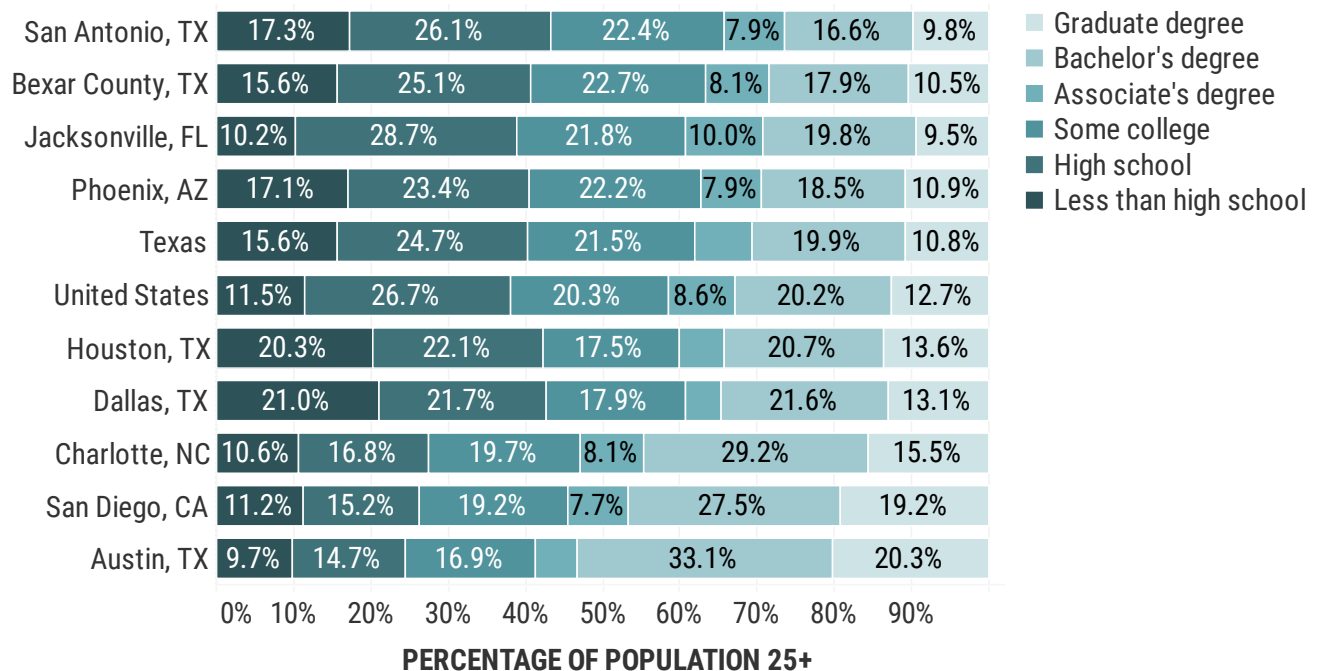
**San Antonio also has the lowest median household income (\$53,400) and percentage of residents over 25 who have earned a bachelor's degree or higher (26 percent).**

FIGURE 16. MEDIAN HOUSEHOLD INCOME, 2020



Source(s): American Community Survey, 2020 5-year sample; TIP Strategies, Inc.

FIGURE 17. EDUCATIONAL ATTAINMENT, 2020

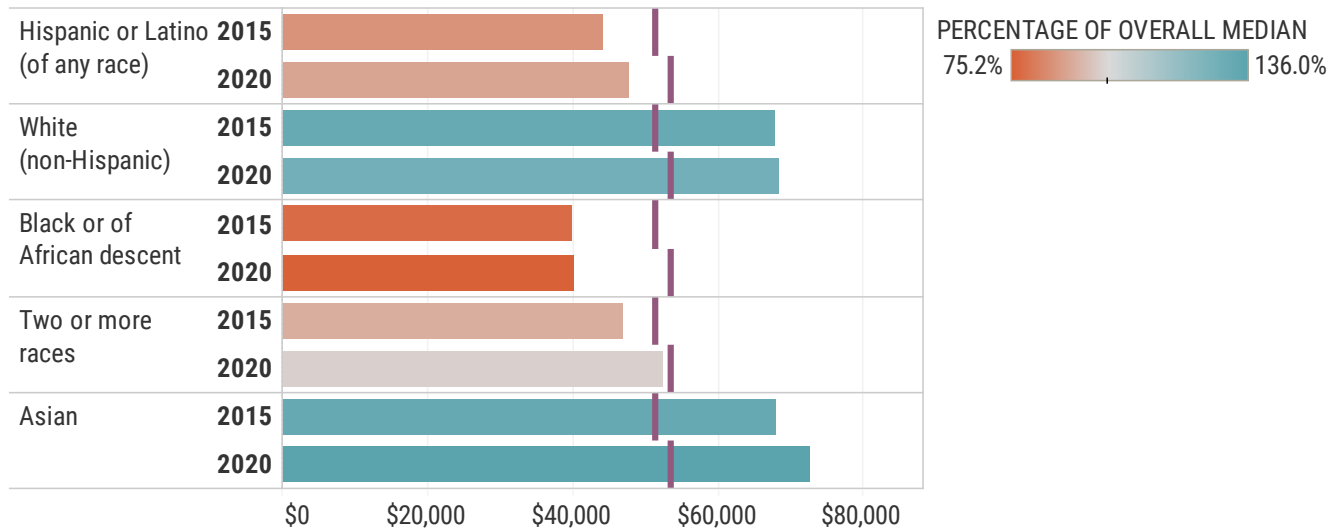


Source(s): American Community Survey, 2020 5-year sample; TIP Strategies, Inc.

Note(s): Educational attainment only measured for population 25 and older. High school includes equivalency. Some college indicates no degree was received. Graduate degree includes professional degrees and doctoral programs.

*In San Antonio, median incomes and educational attainment rates vary drastically by racial and ethnic groups.*

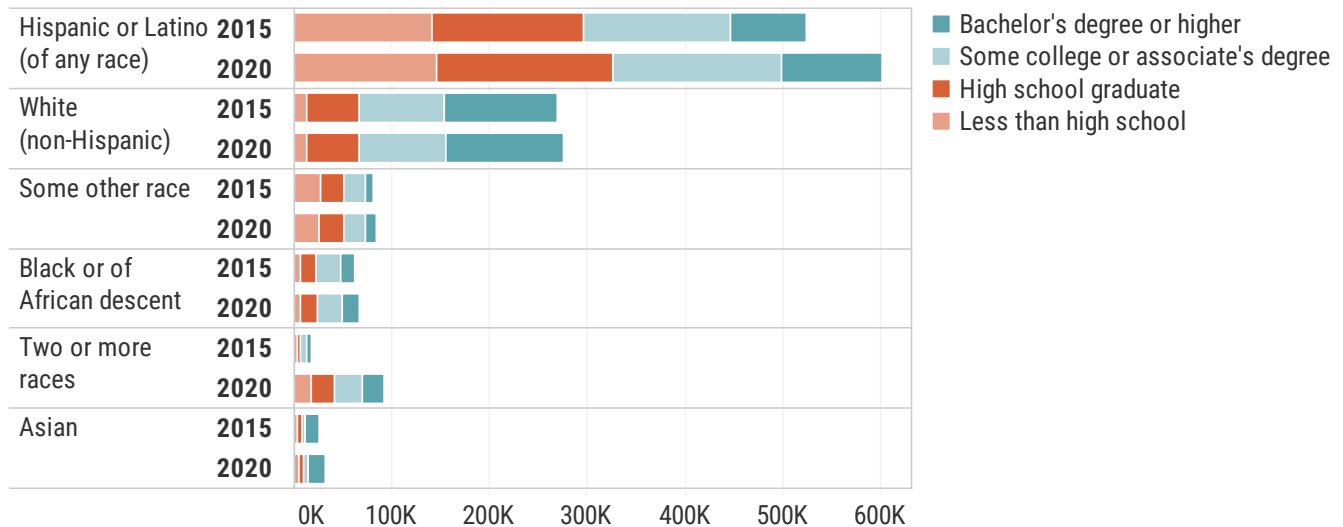
**FIGURE 18. MEDIAN HOUSEHOLD INCOME OF SAN ANTONIO RESIDENTS BY RACE AND ETHNICITY, 2015 VS. 2020**



Source(s): American Community Survey, 2015 and 2020 5-year samples; TIP Strategies, Inc.

Note(s): Overall median household income is shown by the vertical lines. All median household income values are in inflation-adjusted 2020 dollars. The US Census Bureau categorizes Hispanic or Latino as an ethnic group rather than a race. The Hispanic or Latino group includes all races; the White (non-Hispanic) group excludes Hispanics or Latinos. The remaining groups do not distinguish between ethnicities, so Hispanics and non-Hispanics may both be included. Other racial groups are excluded from this analysis due to small sample size and to conserve space. These data are based on self-identification and reflect a social definition of race/ethnicity.

**FIGURE 19. EDUCATIONAL ATTAINMENT OF SAN ANTONIO RESIDENTS 25 AND OLDER BY RACE AND ETHNICITY, 2015 VS. 2020**



Source(s): American Community Survey, 2015 and 2020 5-year samples; TIP Strategies, Inc.

Note(s): Educational attainment only measured for population 25 and older. High school includes equivalency. Bachelor's degree or higher includes professional degrees and doctoral programs. The US Census Bureau categorizes Hispanic or Latino as an ethnic group rather than a race. The Hispanic or Latino group includes all races; the White (non-Hispanic) group excludes Hispanics or Latinos. The remaining groups do not distinguish between ethnicities, so Hispanics and non-Hispanics may both be included. The Some other race group includes Native Americans, Alaska Natives, Native Hawaiians, other Pacific Islanders, and other races. These data are based on self-identification and reflect a social definition of race/ethnicity.

## LOCAL TRENDS

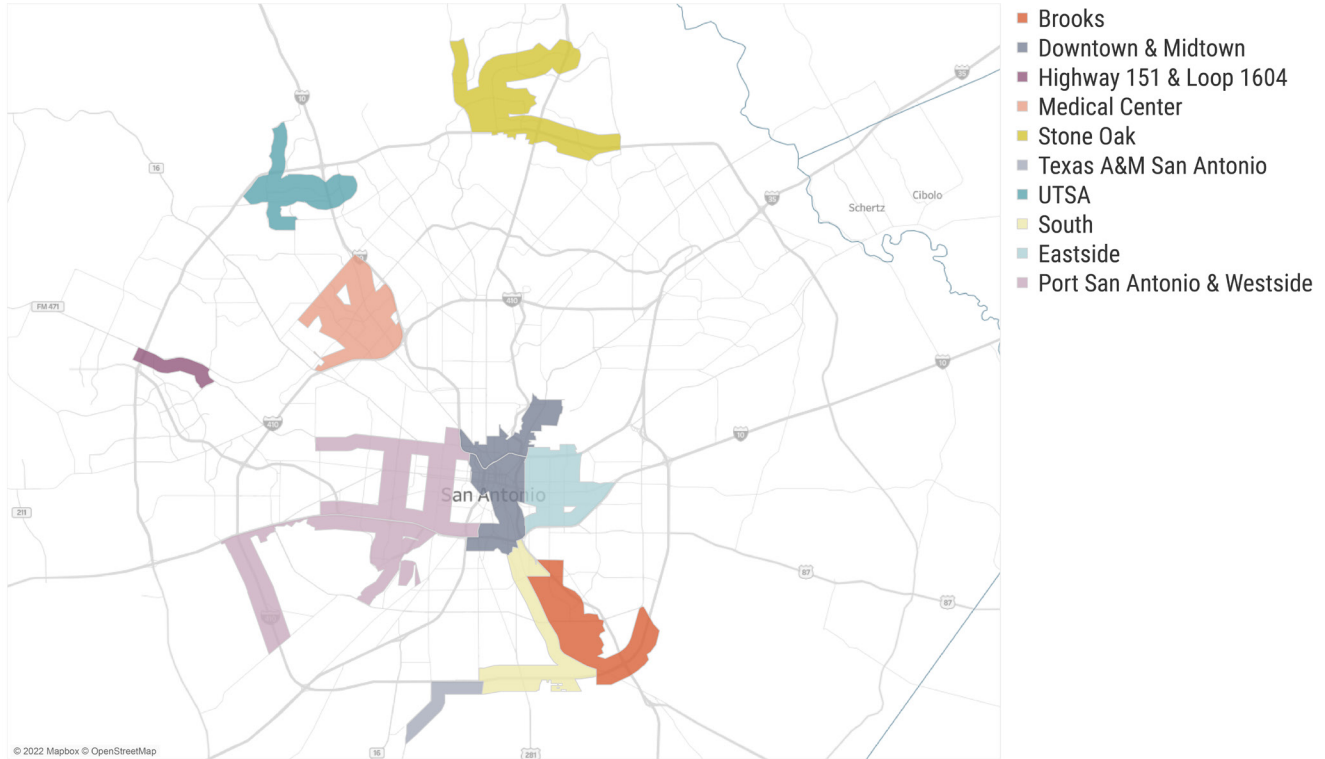
As part of the local economic analysis, TIP conducted a detailed investigation into 10 San Antonio neighborhood economic nodes (see Figure 20, page 24). The nodes analyzed lie at the intersection of existing transportation corridors, activity centers in the *SA Tomorrow* comprehensive plan, and areas identified through stakeholder input as areas of great economic need and potential. As shown in Figure 21 (page 24), different economic nodes or neighborhoods within San Antonio have drastically different economic performance indicators, including, but not limited to, median income levels, educational attainment rates, and housing costs. The long history of redlining and discrimination in San Antonio created unfair economic conditions and systemic barriers that have kept some neighborhood residents from creating, building, and retaining wealth. The City has taken steps toward acknowledging and working to reduce and ultimately eliminate these disparities through the City's Office of Equity and initiatives, such as the Equity Atlas. Ultimately, explicitly targeting programs and resources in the economic nodes with existing disparities can propel the City's efforts to implement equitable growth, uplifting long-neglected communities, confronting inequity head-on, and ensuring economic healing and vitality.

### *There are severe disparities across San Antonio's economic nodes.*

- **Income.** Nearly one-half (47 percent) of San Antonio households have a household income of less than \$50,000. That percentage is higher in the Brooks area, Eastside, Downtown & Midtown, the Medical Center, Southside, and Port San Antonio & Westside. On the Eastside, for example, 64.7 percent of households have a household income of less than \$50,000 compared to just 23.5 percent of households with the same income range in Stone Oak.
- **Educational attainment.** Slightly more than one-third (34 percent) of San Antonio residents over the age of 25 have completed an associate's, bachelor's, or graduate degree. When that number is broken down by economic node, the spectrum ranges from Port San Antonio & Westside, where just over 13 percent of residents ages 25 and over have completed some type of postsecondary degree, to Stone Oak, where more than three out of five adults fall into this category (62.6 percent). Other nodes where educational attainment lags include the Brooks area, Eastside, the Texas A&M San Antonio University (TAMUSA) area, and Southside.
- **Housing values.** Nearly one-half (47 percent) of owner-occupied housing units in San Antonio are valued below \$150,000. That percentage is higher in the Brooks area, Eastside, the TAMUSA area, Southside, and Port San Antonio & Westside. On the upper end of the spectrum, the vast majority (86.2 percent) of owner-occupied housing units in the Port San Antonio & Westside area are valued below \$150,000 compared to a small fraction (10.5 percent) of units in Stone Oak.

**FIGURE 20. MAP OF LOCAL ECONOMIC NODES**

TEN ECONOMIC NODES IDENTIFIED AS AREAS OF GREAT ECONOMIC NEED AND POTENTIAL

Source(s): TIP Strategies, Inc.; City of San Antonio, *SA Tomorrow Comprehensive Plan*.Note(s): These nodes lie at the intersection of existing transportation corridors, activity centers in the *SA Tomorrow* comprehensive plan, and areas identified through stakeholder input as areas of great economic need and potential.**FIGURE 21. COMPARISON OF HOUSEHOLD INCOME, EDUCATIONAL ATTAINMENT, AND HOUSING COSTS**

SAN ANTONIO ECONOMIC NODES VS. THE CITY OF SAN ANTONIO

■ ABOVE CITY OF SAN ANTONIO VALUES    ■ BELOW CITY OF SAN ANTONIO VALUES

	HOUSEHOLD INCOME % of HH earning > \$50K/yr	EDUCATIONAL ATTAINMENT Residents 25+ with associate's +	HOUSING COSTS % of units valued > \$150K
<b>City of San Antonio</b>	<b>53%</b>	<b>34%</b>	<b>53%</b>
Eastside	35%	21%	27%
Port San Antonio & Westside	36%	13%	14%
South	44%	17%	33%
Brooks	45%	20%	33%
Downtown & Midtown	47%	35%	58%
Medical Center	47%	45%	69%
Texas A&M San Antonio	55%	21%	43%
UTSA	69%	60%	87%
Highway 151 & Loop 1604	70%	44%	62%
Stone Oak	77%	63%	90%

Source(s): US Census Bureau, American Community Survey 5-year aggregate samples, 2015 and 2020; City of San Antonio; TIP Strategies, Inc.

Note(s): Household (HH) income is the percentage of households with more than \$50,000 in annual income. Educational attainment is the percentage of residents 25 years and older with an associate's, bachelor's, or graduate degree. Housing costs is the percentage of housing units valued at more than \$150,000.

# STAKEHOLDER ENGAGEMENT

To leverage the expertise of local leaders, TIP partnered with Andrade-Van de Putte & Associates to conduct a robust stakeholder engagement process.

## ROUNDTABLES AND INTERVIEWS

The process included individual interviews and roundtable discussions. Over 20 individual interviews were conducted with Mayor Ron Nirenberg, every City councilmember, leaders representing a variety of departments within the City of San Antonio (including Planning, Neighborhood and Housing Services, Development Services, Workforce Development, and Aviation), and partner organizations (including greater:SATX). TIP also engaged stakeholders and subject matter experts through 22 roundtable discussions. These facilitated sessions were organized to gain an understanding of how San Antonio can leverage cross-sector collaboration. Roundtables focused on the following areas, with some topics covered in multiple sessions.

- Young professionals
- Economic development
- Real estate developers
- Major employers
- Small businesses
- Small business organizations
- Diversity, equity, and inclusion
- Downtown development/placemaking
- Community organizations
- Arts and culture/tourism
- Cyber/information technology/innovation
- Finance
- Infrastructure
- Aerospace/mobility/advanced manufacturing
- Workforce and higher education
- Biosciences/healthcare
- San Antonio Economic Development Department staff
- City of San Antonio department directors

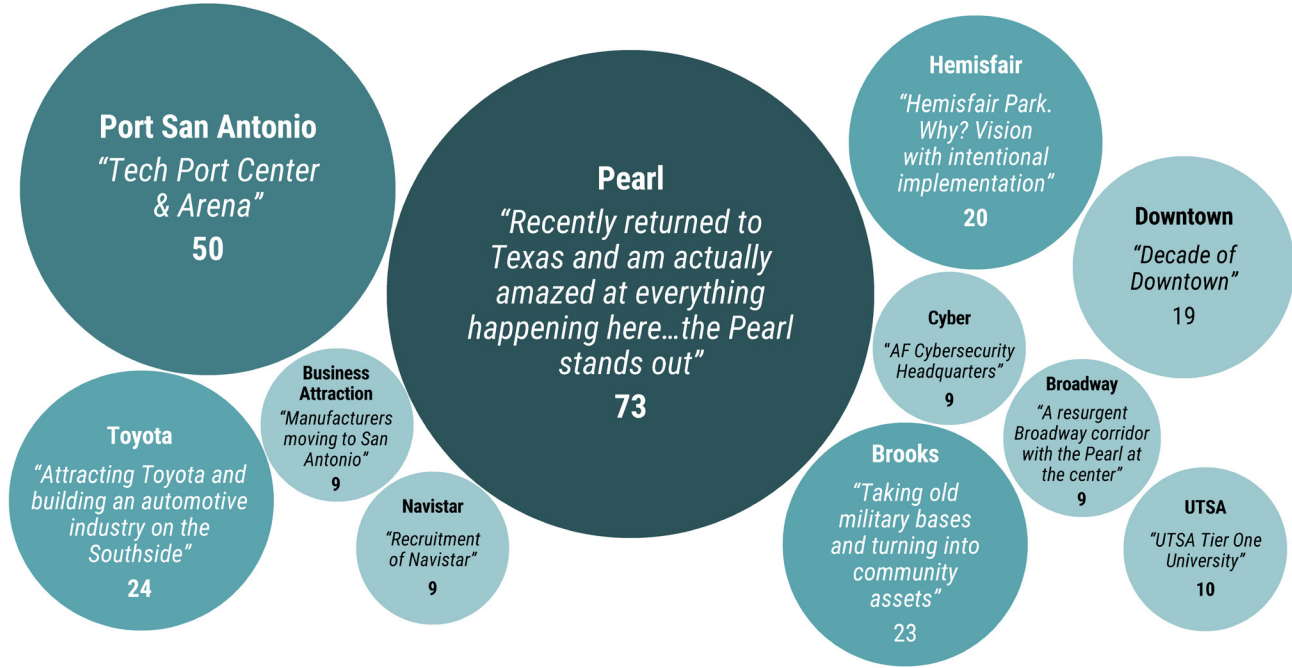
During the roundtables, community members provided their insights through a live polling exercise via Mentimeter. Through this mechanism, roundtable participants discussed a variety of San Antonio's strengths, challenges, and opportunities. Findings from the poll questions include the following.

- **San Antonio's biggest recent economic success.** A few of San Antonio's communities stood out as strong assets and case studies for future strategic development. These noteworthy successes include the mixed-use development of the Pearl area, Port San Antonio for its emerging tech sector, Toyota and the attraction of the automotive industry on the Southside, and placemaking efforts in the Brooks area (see Figure 22, page 26).
- **Locations with the greatest economic potential.** Roundtable participants highlighted Port San Antonio area, Downtown, Pearl/Broadway, UTSA Downtown Campus/Westside, and Texas A&M SA/Toyota as the top five areas in the City with greatest economic potential (see Figure 23, page 26).
- **Locations with the greatest need for targeted economic development.** From roundtable discussions, the top five areas identified for targeted development include AT&T Center/Eastside, Lone Star/Missions/Southside, UTSA Downtown Campus/Westside, Downtown, and the Port San Antonio area. As demonstrated in Figure 23 (page 26), the Downtown, Port San Antonio, and UTSA Downtown Campus/Westside were highlighted as areas of both greatest potential and greatest need for development. These areas provide an exciting opportunity for targeted, thoughtful investment.
- **Highest priorities for real estate development.** Roundtable participants identified mixed-use development as their primary real estate priority, closely followed by multifamily residential, industrial, and single-family residential developments.

- Metrics to measure community success.** Looking toward the implementation phase, community leaders expressed that educational attainment, median income, high-wage job growth, and the retention and expansion of existing businesses will be their highest priority metrics in measuring economic success in San Antonio.

**FIGURE 22. ECONOMIC DEVELOPMENT SUCCESSES**

WHAT HAVE BEEN SAN ANTONIO'S BIGGEST ECONOMIC DEVELOPMENT SUCCESSES OVER THE PAST FEW YEARS?



Source(s): TIP Strategies, Inc.

Note(s): Numbers indicate the count of responses that mentioned a specific topic.

**FIGURE 23. LOCATIONS WITH THE GREATEST POTENTIAL AND THE GREATEST NEED FOR ECONOMIC DEVELOPMENT IN THE CITY**

AREA	GREATEST POTENTIAL	GREATEST NEED
AT&T Center / Eastside	29	142
Lone Star / Missions / Southside	43	119
UTSA Downtown Campus / Westside	60	78
Downtown	83	64
Port San Antonio area	99	53
Texas A&M SA / Toyota	50	45
San Antonio Int'l Airport / North Central	31	43
Brooks area	45	35
South Texas Medical Center area	41	25
Rolling Oaks / Far Northeast	6	14
Highway 151 / Westover Hills / Alamo Ranch	28	13
Pearl / Broadway	73	9
UTSA Main Campus / La Cantera	33	7
Stone Oak / Far North	17	4

Source(s): TIP Strategies, Inc.

Note(s): Numbers reflect total number of responses for each category. Responses sorted by greatest need for targeted economic development. Area names differ from the economic nodes used in the previous section. This discrepancy is due, in part, to format of the polling questions being formed before adhering to the naming conventions used in the SA Tomorrow planning process.

## PERCEPTION SURVEY

As part of the strategic planning process, TIP conducted an online survey of site selectors and real estate brokers familiar with San Antonio. The survey was open for a four-week period between April 25, 2022, and May 20, 2022, and drew 74 respondents. The survey instrument opened with three basic questions about respondent demographics, location, and professional responsibilities. The remainder of the survey included 14 questions directed at respondents' perceptions of, and experiences working with, site location and development projects in San Antonio. All responses were confidential. Question-by-question survey results were provided separately as an interactive data visualization.

An overwhelming 92 percent of respondents self-identified as having responsibility for site selection or development decisions. Roughly 53 percent of respondents (39 of 73 answering this question) were based out-of-state, with the remaining 47 percent in Texas. Gen Xers (32 of 72) were the dominant age group in the survey, followed by Baby Boomers (23), Millennials (16), and Gen Z (1). Though not designed to be a scientific sample, the pool of respondents is nevertheless believed to be an adequate representation of site selectors and real estate professionals doing business in San Antonio.

The following four primary themes emerged in the comprehensive results of the survey.

### *A shortage of available and trained workers is viewed as a barrier to San Antonio's growth.*

Workforce challenges of varying types coalesced as a central theme throughout the survey. When asked about San Antonio's weaknesses, labor availability was the most common response (about 15 percent of respondents). Respondents cited the availability of managerial/professional workers as one of their most important site selection factors (average score of 4.0 out of 5.0), but they also ranked San Antonio's performance on this factor somewhat lower (average score of 3.1). Roughly one of every six respondents (17 percent of the total) specified access to labor as a negative tipping point for site selection decisions in San Antonio. Workforce limitations were mentioned across a range of key industries, with labor pool size and skill levels emerging as barriers to San Antonio's growth.

FIGURE 24. TIPPING POINT FACTORS

IN YOUR OPINION, WHAT FACTOR IN SAN ANTONIO'S DEVELOPMENT PROCESS HAS TIPPED A SITE SELECTION DECISION EITHER POSITIVELY OR NEGATIVELY?



Source(s): Survey results compiled by TIP Strategies, Inc.

Note(s): Larger font sizes indicate a higher frequency of responses. Of the 74 total respondents, 40 answered this question.

### *Site availability is a negative tipping point for San Antonio.*

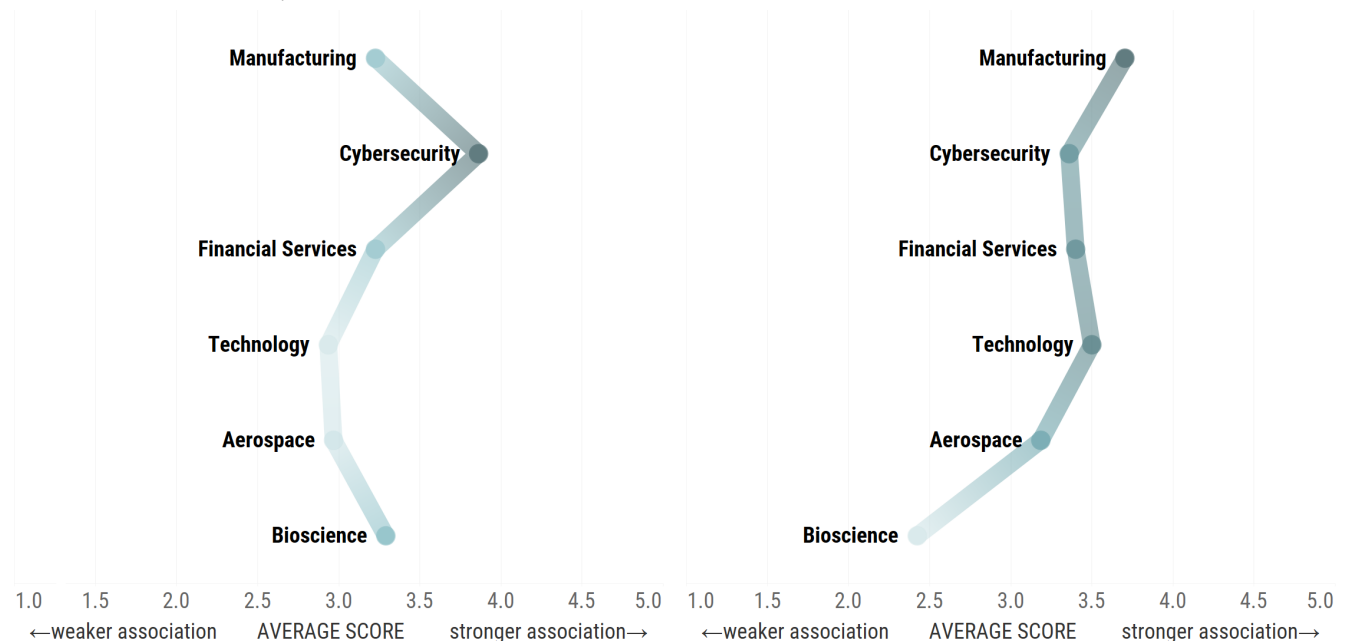
Another challenge cited throughout the survey was site availability. This was mentioned by several respondents as a negative tipping point for site selection decisions. Respondents reported a lack of shovel-ready sites as a barrier for San Antonio in site-selection competitions. Additionally, when rating San Antonio's performance across an array of multiple factors, respondents were critical of the availability of turnkey industrial buildings (though in the current national climate of record-low industrial vacancies, the dearth of industrial space is unlikely to be unique to San Antonio).

### *Texas site selectors and real estate brokers view cybersecurity as the top industry associated with San Antonio. Out-of-state site selectors associate San Antonio most with manufacturing.*

Perceptions of San Antonio's business climate varied depending on the locations of the survey respondents. When asked the likelihood of considering San Antonio for future investments, respondents based outside of Texas expressed the most enthusiasm (average score of 3.7). This inclination toward future investment was especially notable because in-state respondents held a slightly better perception of San Antonio's business climate (average score of 3.8 in Texas compared to an average score of 3.6 out-of-state). Respondent location also impacted awareness of the City's industries. Those located in Texas were more likely to associate cybersecurity with San Antonio than those out-of-state (average score of 3.9 in Texas compared to an average score of 3.4 outside of Texas). The same was true for the bioscience industry (average score of 3.3 in-state compared to an average score of 2.4 out-of-state). Respondents based in Texas viewed Austin as San Antonio's most competitive peer (average score of 4.0), while out-of-state respondents viewed Atlanta as the most competitive of the peer metro areas (average score of 4.0).

**FIGURE 25. TEXAS PROFESSIONALS' VIEWS ON SAN ANTONIO'S INDUSTRIES**

ON A SCALE FROM 1 TO 5, HOW MUCH DO YOU ASSOCIATE THE FOLLOWING INDUSTRIES WITH SAN ANTONIO?



Source(s): Survey results compiled by TIP Strategies, Inc.

Note(s): The scale indicates the average score, with 5 being the highest possible and 1 being the lowest possible. Of the 74 total respondents, 63 answered this question.

***Strengthening San Antonio's marketing and branding can improve the City's perception among site selectors and real estate brokers.***

When asked how San Antonio can raise its profile among business executives, branding was a popular response. While respondents recognized the strengths brought to the City by the Alamo and the River Walk, they also noted being less aware of the City's other offerings.

**FIGURE 27. WHEN I THINK OF SAN ANTONIO**

WHAT WORD OR PHRASE COMES TO MIND WHEN YOU THINK OF SAN ANTONIO?



Source(s): Survey results compiled by TIP Strategies, Inc.

Note(s): Larger, darker font sizes indicate a higher frequency of responses. Of the 74 total respondents, 60 answered this question.

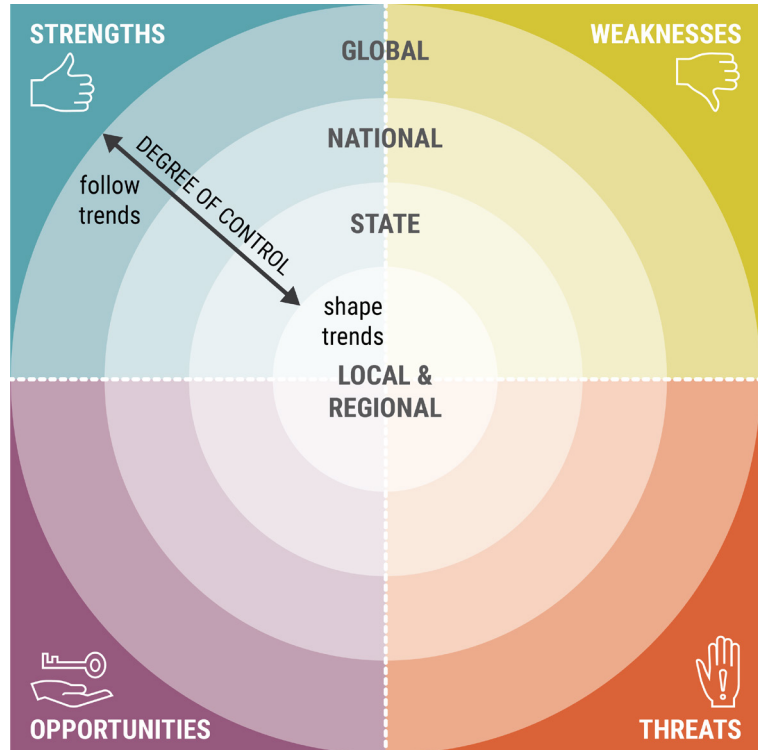
# SWOT ANALYSIS

During the discovery phase of the project, the consulting team gathered qualitative input from local stakeholders in San Antonio concerning local economic development issues. In addition, TIP conducted quantitative data analyses to understand San Antonio's competitive position in the region. The results of these efforts informed the following strengths, weaknesses, opportunities, and threats (SWOT) analysis.

The four components of a SWOT analysis can be defined as follows.

- **Strengths:** Assets and resources that can be built on to grow, strengthen, and diversify the local/regional economy.
- **Weaknesses:** Liabilities and barriers to economic development that could limit economic growth potential.
- **Opportunities:** Competitive advantages and positive trends that hold significant potential for the attraction of new businesses, investments, and skilled workers.
- **Threats:** Unfavorable factors and trends (often external) that could negatively affect the local/regional economy.

FIGURE 28. SWOT OVERVIEW



Source(s): TIP Strategies, Inc.

FIGURE 29. SWOT DETAILS

	Degree of Control	
	High (Local, Regional, State)	Low (National, Global)
Strengths	<ul style="list-style-type: none"><li>• UTSA and other strong higher education institutions</li><li>• Cyber</li><li>• Port San Antonio</li><li>• Healthcare and biosciences</li><li>• Military presence</li><li>• Pearl</li><li>• Authenticity and rich cultural history</li><li>• Manufacturing</li><li>• Tourism</li><li>• Workforce development investments</li><li>• Business friendly environment</li><li>• Cost of living</li><li>• Population growth</li><li>• Sister City relationships</li></ul>	<ul style="list-style-type: none"><li>• Innovation capacity</li><li>• Diverse economic base</li><li>• Venture capital</li></ul>
Weaknesses	<ul style="list-style-type: none"><li>• Competing priorities</li><li>• Student retention</li><li>• Available and trained workforce</li><li>• Duplicative efforts</li><li>• Gaps in educational attainment</li><li>• Air travel</li><li>• Access to capital</li><li>• Site availability</li><li>• Number of independent school districts</li></ul>	<ul style="list-style-type: none"><li>• US national debt</li><li>• Talent shortages</li><li>• Aging population</li></ul>
Opportunities	<ul style="list-style-type: none"><li>• Downtown revitalization</li><li>• Place-based economic development</li><li>• Arts and culture</li><li>• Economic development tools</li><li>• Tech and innovation growth</li><li>• Marketing</li><li>• Business retention and expansion</li><li>• San Antonio International Airport expansion</li><li>• Inclusive and equitable growth initiatives</li><li>• I-35 growth</li></ul>	<ul style="list-style-type: none"><li>• Reshoring of production</li><li>• Federal funding opportunities</li><li>• Remote workers and talent attraction</li><li>• Global sustainable development goals</li><li>• Foreign direct investment</li><li>• International students</li><li>• Cultural and economic exchange with international partner cities</li></ul>
Threats	<ul style="list-style-type: none"><li>• Poverty</li><li>• Reputation for low cost of labor</li><li>• Economic disparities</li><li>• Gentrification</li><li>• Racial inequities</li><li>• State policy</li><li>• Electric grid reliability</li></ul>	<ul style="list-style-type: none"><li>• Increased automation</li><li>• Childcare and early learning program accessibility</li><li>• Rising housing costs</li><li>• US political uncertainty</li><li>• Rampant inflation</li><li>• Immigration restrictions</li><li>• Fragile global supply chains</li><li>• Climate change</li><li>• COVID-19 pandemic economic impacts</li><li>• Rise of authoritarian and anti-democratic regimes</li><li>• War in Ukraine</li><li>• Cybersecurity threats</li><li>• Trade policy uncertainty</li></ul>

Source(s): TIP Strategies, Inc.




# STRATEGIC FRAMEWORK

## Goal 1. Innovation and Industry

*Retain, expand, and attract businesses within each strategic industry cluster, provide more effective small business support, and facilitate innovation-centric entrepreneurship.*

The first goal of the strategic framework focuses on providing more efficient and effective support to existing employers, small businesses, and home-grown startups. Large businesses—firms with 500 or more employees—provide nearly two of every three private sector jobs in Bexar County. To date, San Antonio has leveraged its competitive advantages to be the home of major employers, like JBSA, USAA, H-E-B, Valero, Methodist Healthcare System, Rackspace Technology, and Toyota. To retain these large employers, San Antonio economic development partners must continue to enhance their business development activities, particularly those related to the strategic industry clusters (see Figure 30, page 33). Because of its existing capabilities and relationships, greater:SATX can focus its business retention and expansion (BRE) on large employers (firms with more than 1,000 jobs) and leading business attraction efforts. Meanwhile, EDD is well-positioned to strengthen its BRE efforts to better serve San Antonio's existing midsize employer base (firms with 500 to 1,000 jobs). EDD is also suited to continue its small business support functions and uplift the City's entrepreneurial networks to foster new business formation as effective paths toward creating economic opportunity for residents. Through strategic business development efforts, the City can embrace its competitive advantages to support a thriving local economy with more robust BRE programs, more effective small business support systems, and reinforced innovative entrepreneurial ecosystems.

FIGURE 30. STRATEGIC INDUSTRY CLUSTERS IN DETAIL

	<p><b>MOBILITY</b></p> <p>Mobility is made up of aerospace, automotive, logistics, and manufacturing projects. The military's aviation assets, Toyota's long history in San Antonio, Boeing's manufacturing production, and DeLorean's recent investments are indicative of growth opportunities in this industry cluster.</p>
	<p><b>IT SECURITY AND INFRASTRUCTURE</b></p> <p>San Antonio's IT security and infrastructure assets include the National Security Collaboration Center at UTSA, the Sixteenth Air Force (Air Forces Cyber), the National Security Agency, Rackspace, and the San Antonio Chamber of Commerce's Cybersecurity Council.</p>
	<p><b>SUSTAINABLE ENERGY</b></p> <p>Continued investments in sustainable energy provide new opportunities for green technologies. With CPS Energy, the largest municipal utility in the US, San Antonio can be a leader in the development of innovative energy production and distribution technologies.</p>
	<p><b>CORPORATE SERVICES</b></p> <p>With major employer headquarters, from USAA to Frost Bank, San Antonio can continue to market itself as a strong hub for firms operating in professional services, insurance, and finance.</p>
	<p><b>BIOSCIENCE ANCHORS AND CATALYSTS</b></p> <p>San Antonio has a strong base of healthcare and bioscience companies, fueled by anchor institutions, such as the Medical Center, SwRI, and the largest concentration of military medicine in the DoD. Innovative bioscience companies, including KCI (now part of 3M) and BioBridge Global, along with related support organizations, such as BioMedSA and VelocityTX, drive entrepreneurial activity.</p>

Note(s): For more information on the strategic industry clusters, see Appendix A.

## 1.1. Business Development

Retain and expand San Antonio's existing employer base and attract domestic and international business operations within the strategic industry clusters.

### CHALLENGE

Without concerted business development initiatives, the City of San Antonio will suffer from more stories like AT&T leaving the City for opportunities elsewhere. Meanwhile, San Antonio can continue to grow without taking a more aggressive stance toward innovation and industry, but only by happenstance. If San Antonio wants to step up its competitive edge against national and international peers, it must take a more dynamic approach toward business development from helping midsize local companies grow to attracting the high-profile businesses that drive increased investments and bring in well-paying jobs.

### EDD RESPONSE

EDD should play a core function in retaining and expanding businesses within each strategic industry cluster. The Global Engagement Office within EDD should leverage its international affairs expertise and Metro Priority Plan to support international business operations and foreign direct investment opportunities. EDD should play a supporting role in business attraction efforts working closely with greater:SATX.

**1.1.1. Business retention and expansion.** Expand the City's business retention and expansion (BRE) efforts related to the five strategic industry clusters (mobility, IT security and infrastructure, sustainable energy, corporate services, and bioscience anchors and catalysts), with greater:SATX servicing major employers and EDD enhancing the competitiveness of midsize companies that are eager to grow.

- Host a joint implementation workshop between EDD and greater:SATX to collaboratively define tasks for each organization and the best way to consistently share information to avoid any business visit duplications or confusion among local businesses.
- Assign an EDD industry team member to each strategic industry cluster to engage with companies and cultivate deep relationships (see 4.3.1).
- Prioritize BRE outreach with firms within the five strategic industry clusters.
- Record information in a customer relationship management (CRM) instrument to better monitor business issues and track top business concerns, some of which may include assistance with permitting, workforce training, and infrastructure challenges. The CRM should be a shared tool, accessible by EDD and greater:SATX staff.

### WHAT ARE SOME OTHER STEPS FOR SUCCESSFUL BUSINESS RETENTION AND EXPANSION?

**Tax Base Consideration** | Ensure that BRE encompasses regular engagement with the City's top taxpaying entities—whether or not they are among the largest employers in the City based on headcount—to maintain ongoing relationships with the top sources of local government revenue.

**Executive Leadership** | Work with greater:SATX to expand BRE efforts to include strengthening relationships with executive leadership (concentrating on C-suite officers, human resource directors, and global real estate directors) of San Antonio's largest employers whose HQs are located elsewhere in the US or internationally.

**Metrics** | Set a goal of conducting at least 500 onsite or virtual business visits each year focusing primarily on large and midsize employers. The 500 visits should be a joint effort between greater:SATX and EDD industry staff, with additional support from other economic development partners, including the San Antonio Chamber of Commerce, the San Antonio Hispanic Chamber, and others.

- Build a geographic information system (GIS) component into the CRM to easily map business locations.
- Include internationally owned firms in BRE efforts to identify opportunities to expand international trade, supplier, and investment links tied to the global trade of San Antonio's existing employer base.
- Tell success stories that result from the expansion of BRE efforts—new job creation, increased capital investment, or opening of new facilities for existing business—with direct connection to information or resources provided by EDD and greater:SATX.

**1.1.2. Business attraction.** Assist greater:SATX in targeting domestic and international firms within the strategic industry clusters for business attraction because of each cluster's strong support for significant new investment and employment growth in San Antonio.

- Collaborate with firms in San Antonio's strategic industry clusters and economic development allies to develop marketing materials on the strengths of San Antonio's strategic industry clusters geared toward site selection decision-makers.
- Host regular meetings between EDD and greater:SATX to review the prospect pipeline and determine necessary items for each organization to complete for successful business attraction.
- Standardize a post-decision data capturing process about important site selection factors and how the City compared to competitor cities for all wins and losses.

**1.1.3. Business intelligence.** Bolster competitiveness by enhancing EDD research capabilities on business intelligence (see 4.3.3).

- Expand EDD team to include two research analysts dedicated to data collection and analysis to, in part, understand the economic conditions that drive business retention and expansion in the City.
- Use the new research capacity in EDD to conduct economic impact analyses on business expansion projects, development projects, and other big projects associated with EDD.
- Monitor media reports and other information sources to compile industry and company trends within the five strategic industry clusters.
- Assign specific EDD staff to develop international expertise centered on San Antonio's strategic industry clusters. Use resources, such as [fDi Markets](#) and special reports prepared by [The Economist Intelligence Unit](#), to build a deeper understanding of potential target markets.

**1.1.4. Marketing.** Expand marketing efforts to increase San Antonio's presence at the national and international level.

- Conduct a marketing audit to understand the image that economic development partners (such as greater:SATX, Visit San Antonio, and others) are projecting about San Antonio. Use the audit results to maintain up-to-date and consistent marketing themes aimed at business development, talent retention, and talent attraction.
- Leverage greater:SATX's Harris Poll to adapt marketing efforts to address any potential challenges or opportunities to better tell San Antonio's story.
- Update the EDD website's industry content with recent developments within each strategic industry cluster.
- Expand EDD marketing and communication efforts through the creation of a monthly newsletter aimed at internal audiences (other City departments), external audiences within San Antonio (partner

organizations and companies), as well as outside audiences of significant business decision-makers (including national site selectors, developers, brokers, and company executives).

- Market the City's competitive positioning along I-35 as an asset—leveraging additional population and business growth from the north on I-35 along with tourism and talent attraction from the south of I-35.
- Promote greater:SATX's [site selection and real estate tool](#) to help site selectors, existing local employers, and employers considering San Antonio for business relocation make data-driven decisions about sites.

**1.1.5. Foreign direct investment.** Position the City of San Antonio as a rising international city to increase FDI and export activities, building off the Metro Priority Plan (see 1.3.2).

- Map entities involved in international affairs and internationally owned firms located in the City to highlight their strengths and promote the international presence in San Antonio.
- Partner with regional and state allies (e.g., greater:SATX, the Texas Economic Development & Tourism office, and the Texas Economic Development Corporation) to pursue international business development opportunities.
- Concentrate FDI strategies on both companies and individual investors and high-net-worth individuals from foreign countries. Prioritize these efforts in Latin America, the Caribbean, Europe, Asia, and other global regions with existing business ties to San Antonio (see Figure 13. Origins of Foreign Direct Investments into San Antonio, page 18).
- Participate in international trade missions and global conferences/events. Use these visits to make targeted outreach to specific companies based in the hosting city that have the potential to expand or invest in San Antonio.

## 1.2. Small Business

Support small businesses by providing more effective and efficient assistance to sustain and grow the base of local firms.

### CHALLENGE

Bexar County's share of private sector employment by small businesses (firms with fewer than 500 employees) is much lower than what is expected from the national level. Across the US, the share of jobs provided by small businesses is 48 percent—Bexar County's small business employment numbers are 10 percentage points lower. The City of San Antonio already devotes resources to support local mom-and-pop shops, but more can be done to streamline services for small businesses.

### EDD RESPONSE

EDD should play a core function in providing more effective and efficient small business support. With over 10 individuals on the small business team, EDD has the capacity to manage central components of the Small Business Economic Development Advocacy Program and the buy local program and convene other business development organizations in sustaining and growing San Antonio's small businesses.

**1.2.1. Small Business Economic Development Advocacy Program (SBEDA).** Conduct a detailed review of SBEDA's impact in serving small, minority, and women-owned business enterprises (S/M/WBEs) operating in San Antonio.

- Use the ongoing Disparity Study for SBEDA as a necessary first step to determine whether S/M/WBEs in San Antonio have equal access to contracting opportunities.
- Implement recommendations from the Disparity Study to enhance other factors related to entrepreneurial success, including access to business capital, bonding, networks, suppliers, and other resources.
- Encourage City-affiliated agencies and other major public sector anchors to undergo a review of their programs for S/M/WBEs to evaluate their effectiveness at building capacity in the S/M/WBEs business community.
- Explore opportunities to host multilingual SBEDA vendor orientation sessions at meetings or events in which S/M/WBEs will already be present—outside of typical office hours and commercial areas.
- Evaluate the advantages of transitioning the transactional components of SBEDA from EDD to the Finance Department's [Purchasing Division](#). Because firms interested in performing on City contracts must be registered in the San Antonio Electronic Procurement System, the City's Central Vendor Registry already housed in the Finance Department, there may be other opportunities to streamline SBEDA processes for S/M/WBEs.

**1.2.2. Business development organizations.** Reposition the abilities of San Antonio's small business development organizations (BDOs)—including SAGE, Southside First, and Prosper West, among others—to produce outcomes that better serve the needs of local businesses.

- Create an ecosystem of BDOs that allows warm referrals to ensure small business owners' needs are met. Ensure that follow-ups between referrals are recorded to maximize impact.
- Reframe the metrics for small business support from outputs to outcomes. Consider publishing annual reports with narrative components detailing both successes and shortcomings.

#### WHAT ARE SOME EXAMPLES OF SMALL BUSINESS SUPPORT OUTCOMES?

**Maintaining Business Operations** | Some example metrics include improved cash flow, consolidated existing debt with better borrowing terms, sustained number of full-time employees, and number of returning businesses for support.

**Expanding Business Operations** | Some example metrics include capital investment in new equipment or products, increased revenues, a net increase of full-time employees, additional square feet for business operations, and percentage increase in firms eligible for SBEDA.

**1.2.3. Financing.** Continue to support flexible and affordable financing options for small businesses in San Antonio.

- Bring together groups of funders to collaboratively enhance access to flexible debt and equity capital.
- Increase the number of local small businesses using the [Capacity Building & Bonding Assistance Program](#) and share success stories that come from the resource.
- Continue to explore opportunities to leverage City financing tools to support access to capital for small businesses, such as expanding incentives to support existing employers with quality jobs and expanding permit fee waivers.

**1.2.4. Buy local.** Support the City's Compra Localmente SA program to reconnect residents to their local economies through façade improvement programs, redevelopment opportunities in support of walkable communities, and more.

### 1.3. Entrepreneurship

Facilitate innovation-centric entrepreneurship, defined as operations that are capital intensive, growth and export oriented, technology dependent, and intellectual property driven.

#### CHALLENGE

A thriving entrepreneurial ecosystem indicates a strong base of support systems, innovative entrepreneurs, creative workers, higher education assets, and collaboration spaces. Even with existing pieces of a thriving entrepreneurial ecosystem, the City of San Antonio is not fulfilling its potential to be a hub for entrepreneurial activity, attracting entrepreneurs or high-growth companies.

#### EDD RESPONSE

EDD should play a supporting role in facilitating innovative entrepreneurship by elevating the work of existing entrepreneurial support organizations, like Launch SA, Geekdom, and TechBloc. EDD can do this by strengthening connections between the existing pieces of a thriving entrepreneurial ecosystem and cultivating a stronger entrepreneurial climate with City resources.

#### 1.3.1. **Capital.** Expand access to capital for high-growth startups in San Antonio.

- Continue supporting the success of Alamo Angels.
- Engage the City's family wealth management/investment offices to explore the potential of investing in local high-growth startups.
- Uplift local startup efforts to attract venture capital to the City.

#### 1.3.2. **Entrepreneurial support organizations.** Elevate the work of existing entrepreneurial support organizations to reinforce the support structure for local entrepreneurs, including networking events and structured mentorship opportunities.

- Leverage Tech Port Center + Arena as a location for connecting innovative entrepreneurs.
- Amplify the work of existing San Antonio assets that support innovation and entrepreneurship, including, but not limited to, Launch SA, gener8tor, EPlcenter, Geekdom, and TechBloc.
- Work with established small businesses that primarily serve the local market and help them become traded sector (export-oriented) companies with the capacity to sell their products and services outside the San Antonio metro area, including to international markets. Partners would include BDOs, UTSA Small Business Development Center (SBDC) International Trade Center, the San Antonio Chamber of Commerce, the San Antonio Hispanic Chamber of Commerce, and other relevant organizations that help San Antonio-based small businesses gain access to external markets through technical assistance, education, networking, and advocacy efforts (see 1.1.5).

#### 1.3.3. **Reverse pitch competition.** Host a reverse pitch competition, in partnership with the [Office of Innovation](#) and the [Office of Sustainability](#), where the City of San Antonio pitches a challenge to address pressing community issues, such as the adoption of emerging technologies sourced from the Smart Cities Technology Roadmap and Smart San Antonio (SmartSA), or climate change building on the *SA Climate Ready: A Pathway For Climate Action & Adaptation* plan.

#### 1.3.4. **Youth entrepreneurship.** Encourage entrepreneurial curriculum within the local school districts and youth entrepreneurial programs to help San Antonio's young residents cultivate an entrepreneurial spirit and build a community culture of innovation.

**1.3.5. R&D and commercialization.** Embrace increased investments to support research and development, building on UTSA’s Carnegie R1 research university status, as a necessary component to drive innovative commercialization of products and services.

- Promote UTSA’s image as a Carnegie R1 research institution when working with prospects.
- Leverage VelocityTX and BioMedSA to accelerate innovation within the bioscience anchors and catalysts strategic industry cluster.
- Work with BioMedSA, UTHealth San Antonio, and other bioscience partners to advance the development of integrated clinical trials citywide across all major healthcare organizations.
- Partner with SwRI, when possible given privacy concerns, to support the organization’s ongoing research and innovation in science, technology, engineering, and mathematics.



## CASE STUDY

### Department of Small and Local Business Development

#### Location

#### Website

#### The Basics

Washington, DC

[dslbd.dc.gov](https://dslbd.dc.gov)

Department of Small and Local Business Development (DSLBD) develops and retains district-based businesses by connecting them to funding opportunities, helping business owners navigate government systems and comply with requirements, and promoting economic development within the district’s commercial corridors. The Office of the City Administrator (OCA) publishes the Performance Accountability Plans and Reports for DSLBD.

#### Description

Every year, the OCA publishes Performance Accountability Plans and Reports for 11 subdivisions. Each plan details annual strategic objectives and lists the key performance indicators (KPIs) used to measure progress for a given department. The reports present the same information and also list the major accomplishments for a given year and provide explanations for unmet KPIs. DSLBD has six strategic objectives and over 50 KPIs to evaluate the department’s efforts. One of the relevant objectives related to small business support reads, “Leverage business development through coordinated technical and financial assistance, strategic partnerships and stakeholder engagement.”<sup>11</sup>

To support this strategic objective, DSLBD enumerates nine measures to evaluate how the district uses resources to attract, retain, and assist businesses for procurement. For example, “Percent increase of qualified CBE DC PTAC clients,” and “Number of returning citizen businesses and entrepreneurs supported through technical assistance and training”<sup>12</sup> demonstrate a shift away from measuring outputs to measuring outcomes.

#### Key Takeaways

Hold your organization accountable and create trust with your community by publishing annual reports that detail both successes and shortcomings. Remember to center community over quantitative performance in determining success of your organization’s strategic objectives.

<sup>11</sup> [Department of Small and Local Business Development FY2018](#). Page 1.

<sup>12</sup> [Department of Small and Local Business Development FY2021](#). Page 4.

## Goal 2. Placemaking and Real Estate

*Accelerate place-based real estate development projects that create quality spaces for new jobs and investment in San Antonio's regional centers and neighborhood economic nodes.*

The placemaking and real estate goal emphasizes maximizing the benefits of growth and development for all San Antonio residents. Through place-based development, the City can explicitly target investments in areas that community leaders identified as having the greatest need for and the greatest potential from targeted economic development efforts. During the stakeholder engagement process, community leaders identified the Eastside, the Southside, and the Westside community areas as the top three nodes with the greatest need for targeted economic development. These efforts must not only bring in new investment in the form of real estate development projects, but they must also provide greater economic opportunities for each area's existing residents. Place-based development should also consider areas of San Antonio with the greatest economic potential as additional opportunities to enhance San Antonio's quality of place. Meanwhile, the City has tremendous cultural assets and amenities that can be bolstered to continue making San Antonio a competitive place to attract business and talent. From continued investments in downtown to supporting strong connectivity infrastructure throughout the City, San Antonio can ensure that its residents can continue making the most of its strong quality of life.

### 2.1. Place-Based Development

Drive place-based initiatives to stimulate business development, placemaking, redevelopment, and revitalization in regional centers, community areas, and corridors identified as having the greatest need and greatest economic potential for targeted efforts, using the San Antonio Economic Development Corporation (SAEDC) as a hub for funding.<sup>13</sup>

#### CHALLENGE

San Antonio has a long history of creating quality places, including recent major mixed-use projects, such as Brooks and the Pearl. What is missing currently is an organizational model to drive public-private partnership (P3) development projects in strategic sites across the City. Cities with high-performing economic development efforts achieve success by aligning the interests of their public and private sector partners to encourage collaboration. P3s are an important part of every goal in this framework, but P3s are especially critical for placemaking and real estate. The P3 approach to real estate development is a proven formula that combines thoughtful public investments in existing and new infrastructure with private sector driven development projects. Cities around the US use the P3 model to create quality places and high-profile districts that attract new jobs and investment.

#### EDD RESPONSE

EDD (including a repurposed SAEDC) should bring together government and business to share development costs, risks, and financial benefits of real estate development and redevelopment projects. A more ambitious P3 approach in San Antonio could accelerate urban redevelopment and mixed-use districts in regional centers, community areas, corridors, and major industrial sites.

<sup>13</sup> Items within 2.1.1, 2.1.2., and 2.1.3. do not touch on all of the potential placemaking opportunities within the City of San Antonio.

**2.1.1. Regional centers.** Target a diverse array of real estate development in San Antonio's major regional centers to support business development.

- Facilitate a coordinated approach to major industrial site development to create 2,500 acres of development-ready employment sites over the next five years, with a particular focus on potential mega-sites, in the Port San Antonio, Brooks, and Texas A&M San Antonio areas. This should include a goal of developing a total of 25 million square feet of new industrial space over the next five years.
- Evaluate existing and future barriers to large-scale industrial development and work with major landowners, utility providers, and the area real estate community to reduce the anti-development effects of these barriers.
- Work with landowners, brokers, and developers to prioritize and encourage upgrading existing commercial office space and developing new Class A commercial office space (including coworking space) in downtown. Set a goal of developing a total of 5 million square feet of new Class A commercial office space over the next five years, including at least 1 million square feet of net new space in the greater downtown area.
- Set a goal of developing at least 500,000 square feet of wet lab, office, and manufacturing space for the bioscience anchors and catalysts strategic industry cluster. This would include a mix of office space and flex/industrial space, and would be developed in the Medical Center area, the VelocityTX area east of downtown, and other emerging bioscience hubs across the City.
- Continue to incentivize high-density residential development in downtown and in neighborhoods adjacent to downtown, including the Pearl, the near Eastside, Southtown (including the former Lone Star Brewery site), and the near Westside around the UTSA downtown campus and Cattleman Square. Set a goal of adding 5,000 net new residential units (including specific goals for market rate and affordable units) over the next five years in the greater downtown area.<sup>14</sup> Create incentives to facilitate office-to-residential conversions for aging office buildings challenged with high vacancy levels. Set a goal of 1,000 net new units of student housing to support UTSA's growth in downtown.<sup>15</sup>

**2.1.2. Community areas.** Center culturally rooted placemaking within specific community areas identified as having the greatest need for targeted economic development (see 2.2.2).

- Market retail and entertainment opportunities to support mixed-use centers surrounding the AT&T Center and the Alamodome to leverage the high number of people traveling to the event venues and provide better access to a variety of services reachable on foot.
- Leverage the Planning Department's ongoing work gathering community input to develop the [Westside Community Area Plan](#) and the [South Community Area Plan](#) to pursue specific redevelopment and revitalization opportunities in both areas.
- Work with the area real estate community and hospitality industry to fill market gaps around Port San Antonio and Tech Port Center + Arena with the development of hotels and other supporting businesses in close proximity to the port.
- Work with area healthcare organizations to identify underserved areas of San Antonio (such as the Military Drive corridor in the Southside area) from a healthcare services standpoint. Based on a review

<sup>14</sup> According to 2020 Census data, the 12 Census Tracts that roughly correspond to the greater downtown area contained about 20,600 housing units. City of San Antonio data from April 2022 show that there were roughly 6,500 multifamily housing units in the pipeline (including planned and under construction) in the greater downtown area, with just over 25 percent of those units designated as affordable units.

<sup>15</sup> UTSA's 10-year master plan (adopted in 2019) calls for up to 3,200 housing beds located downtown to provide student housing for the growth of UTSA's downtown campus as part of the university's larger ambition to grow enrollment from less than 35,000 to 45,000 students by 2029.

of the gaps in healthcare facilities, work with healthcare providers and the area real estate community to develop new medical facilities.

**2.1.3. Corridors.** Invest in redevelopment along aging commercial corridors to help re-envision low-density commercial zones as more dense, walkable, livable, mixed-use areas with the potential to attract new private sector investment that aligns with market opportunities.

- Pursue ambitious rezoning initiatives along key commercial corridors to rezone properties from existing general commercial toward mixed-use zoning to allow for redevelopment of single-story automobile-centric suburban development into vertical mixed-use projects with ground-floor space for bars/restaurants, office space, and other functions along with upper-floor residential units at different price points. Key commercial corridors with potential for mixed-use zoning include Bandera Road, Fredericksburg Road between downtown and the Medical Center (including the Deco District), Culebra Road, Perrin Beitel and Nacogdoches Road, and Military Drive, among other corridors.
- Continue working with the Texas Department of Transportation to conduct studies on corridors to plan for future transportation improvements that enhance safety, environmental sustainability, and set the stage for urban redevelopment projects that increase density and provide more spaces for investment and job growth.
- Conduct a comprehensive plan for redevelopment and revitalization of strategic properties located at key intersections along commercial corridors, including City-owned properties and privately held properties with the potential to be acquired by the SAEDC.
- Develop a framework to prioritize corridor investments based on a defined list of criteria, such as rising property values, alignment with City bond and other major infrastructure projects, income levels, and displacement prevention for existing residents and business.

#### WHAT ARE OTHER EXAMPLES OF CRITERIA TO PRIORITIZE INVESTMENTS?

**Project Connect** | In 2020, the City of Austin passed a tax rate election for the Project Connect transit plan that included \$300 million for transit-supportive anti-displacement housing strategies as part of the overall \$7.1 billion plan for the creation of a high-capacity light rail, commuter rail, and bus rapid transit network. For areas within 1 mile of Project Connect stations, the Project Connect Anti-Displacement Map and Dashboard illustrate the severity of displacement risks based on residential market appreciation, demographic changes, and presence of vulnerable populations. The specific demographic characteristics analyzed to determine the presence of vulnerable populations include communities of color, low-income households, heads of households without a bachelor's degree or higher, families with children in poverty, and renters. This type of anti-displacement approach should simultaneously occur with small-scale "organic" development along San Antonio's commercial corridors where existing populations—including renters, homeowners, and even small businesses—are at risk of being priced out.

**2.1.4. Land banking.** Launch a land banking project to identify and facilitate investment and job growth, with an emphasis on using publicly owned land prime for redevelopment or infill opportunities.

- Create a publicly accessible database of all publicly owned properties using resources from the [Finance Department](#) as a starting point.
- Include basic information, such as acreage, current zoning, and proximity to transportation options.

### 2.1.5. **Innovative financing.** Expand the use of innovative financing options to attract investments.

- Pilot a commercial community land trusts (CLT) program—a CLT is a tool typically used to preserve affordability in residential areas through community-held properties—as a model for preserving access to affordable commercial spaces for small businesses in San Antonio’s culturally and historically significant areas.
- Explore innovative landownership models (e.g., revenue bonding, public land leasing) to support shared ownership and maintain affordability.
- Explore community-based financing mechanisms that provide ownership opportunities for local community members.
- Pursue large-scale public-private partnership (P3) development offerings to gauge demand and test ideas from area developers for potential redevelopment of specific sites.
- Use the request for expression of interest (RFEI) process to engage area developers in opportunities for redevelopment of specific sites.

## 2.2. Culture and Amenities

Support San Antonio's strong quality-of-life assets to enhance the City's competitiveness as a destination for business and talent.

### CHALLENGE

Site selectors and real estate brokers think of San Antonio as first growing and second as possessing a strong quality of life (see Figure 27, page 29). With the City's unique cultural heritage, art scene, outdoor amenities, and tourism attractions, it is no surprise that community leaders touted these strengths during the stakeholder engagement process. To maintain these competitive advantages, the City must sustain its investments in and marketing of these assets.

### EDD RESPONSE

EDD should play a supporting role in implementing the strategies and actions related to bolstering San Antonio's quality-of-life assets. This can be accomplished by working closely with City departments and other partners to ensure economic and workforce considerations are included in San Antonio's many arts, cultural, and tourism initiatives.

### 2.2.1. **Community heritage.** Continue to prioritize historic preservation and community heritage within San Antonio to maintain the City's long cultural history alongside critical new development.

- Maintain and market financing opportunities to support historic preservation and rehabilitation, including the Office of Historic Preservation's tax exemption tools.
- Continue to promote the [San Antonio Legacy Business program](#) as a tool to provide promotional and educational support to local businesses that have contributed to San Antonio's history, culture, and authentic identity for more than 20 years.
- Partner with relevant City departments, landowners, and the real estate community to encourage responsible new development and redevelopment within existing historic areas to ensure that new and existing residents and businesses have opportunities to participate in revitalization efforts.

- Create a standard community benefits agreement (CBA) that can be used as a scalable template for all redevelopment projects to clearly establish community expectations upfront while eliminating uncertainty for developers, leading to a more equitable, effective, and efficient process of negotiating development projects for all parties involved. For complex, large-scale redevelopment projects, start with the standard CBA and incorporate additional factors to better address specific community needs and development challenges based on extensive engagement with community groups, business owners, and property owners in the immediate area and in adjacent neighborhoods to create a customized CBA.

**2.2.2. Arts and culture.** Leverage the City’s strong arts and culture ecosystem to reinforce San Antonio’s strong quality of place.

- Highlight public art installations in marketing materials.
- Support cultural assets, such as the Witte Museum, the San Antonio Museum of Art, the McNay Art Museum, the Briscoe Western Art Museum, the DoSeum, UTSA’s Institute of Texan Cultures, the American Indians in Texas at the Spanish Colonial Missions, and others, in their efforts to extend their cultural reach.
- Support the [Department of Arts & Culture’s Film Commission](#) to continue providing opportunities to elevate San Antonio’s brand on the national and international stages.
- Link arts and culture assets, small business development, and neighborhood revitalization through strategic investments in place-based development and marketing of San Antonio’s unique historic and cultural areas, such as the vibrant Mexican American culture (businesses, artists, and residents) on the Westside and African American culture on the Eastside. San Diego’s Barrio Logan and Denver’s Arts District offer models to evaluate for preserving the distinctive identity of culturally rich areas while also providing greater opportunities for business investment and real estate development (see 2.1.2).

**2.2.3. Outdoor amenities.** Continue investments in the infrastructure needed to stimulate public outdoor amenities and enhance walkability, including complete streets with sidewalks, pedestrian crossings, pedestrian lighting, and green spaces with landscaping and shading devices.

- Continue working with the Parks and Recreation Department, Public Works Department, World Heritage Office, San Antonio River Authority, Bexar County, and other internal and external partners to connect green spaces, trails, bike paths, and similar amenities that link public spaces with strategic sites along commercial corridors and mixed-use districts.
- Support the completion of public improvements along San Pedro Creek to extend and enhance the growing urban waterfront trail and public space networks in and around downtown. Evaluate options

### HOW DO OTHER CITIES USE COMMUNITY BENEFIT AGREEMENTS?

**Invest Atlanta** | When the Atlanta Falcons announced plans for a new stadium to be built on Atlanta’s predominantly African American Westside—an area where 50 percent of the population lives in poverty—residents viewed the development with cautious optimism. This was in part because past efforts to revitalize the area had not succeeded. A new, more collaborative approach to revitalization began in 2013, led by Invest Atlanta (the city’s community and economic development entity), and resulted in the creation of a Community Benefits Plan with recommendations from local residents on specific initiatives that were critical to neighborhood revitalization. Instead of a more traditional approach that emphasized the benefits of new construction, investment, and job creation associated with the redevelopment, the plan provided a framework to guide the administration of a new Community Improvement Fund and Neighborhood Prosperity Fund benefitting 14 areas, ranging from workforce development and entrepreneurship to youth programs and urban agriculture.

for commercial development on properties adjacent to San Pedro Creek that take advantage of waterfront views and scenery while contributing new commercial activity to the local economy.

- Collaborate with Visit San Antonio, San Antonio River Authority, and other partners to enhance public awareness of San Antonio's world-class urban waterways and greenbelts along the San Antonio River, San Pedro Creek, and other waterways that serve as recreational amenities and natural assets for the entire region.
- Incorporate more shade trees and other green landscaping along major arterial roads and minor arterial roads to lessen the "urban heat island" effects of typical commercial big-box retail shopping centers and industrial zones with large surface parking lots. Concentrate tree planting and green-scaping efforts in areas that have historically not benefited from commercial investment, such as the Eastside, Southside, and Westside inside Loop I-410.

**2.2.4. Tourism.** Leverage San Antonio's strong tourism assets, in partnership with Visit San Antonio, as another economic development driver.

- Work with City leaders, Visit San Antonio, greater:SATX, and other partners to engage community and business leaders from peer cities across South Texas and northern Mexico to convene a South Texas economic summit that promotes the entire region centered on San Antonio.
- Encourage industry associations within each strategic industry cluster to consider San Antonio as a destination for conferences. Target conference attendees for relocation or business expansion.
- Work with Visit San Antonio, the Convention and Sports Facilities, the Alamodome, the Spurs basketball team, and other partners to develop collaborative strategies for leveraging high-profile sports events (such as the Final Four and the Alamo Bowl) that attract large out-of-market audiences for targeting specific spectators. Use geofencing location-based advertising to target audiences with messages about San Antonio's business opportunities and amenities.
- Expand the global visibility of large existing cultural events/festivals—such as Fiesta San Antonio, Luminaria, and the Martin Luther King Jr. March—that draw in thousands of visitors from outside the region.
- Prioritize development of new boutique hotels in the City's urban core to energize downtown with additional tourism draws. Encourage redevelopment of roadside motels within the World Heritage area.
- Evaluate the advantages of external management for major cultural tourism assets, including Market Square and La Villita to drive a higher level of events, visitors, and related business activity.

## 2.3. Infrastructure

Drive proactive infrastructure investments to improve connectivity, enhance existing developments, and stimulate new projects.

### CHALLENGE

The development, maintenance, and expansion of transportation networks and other crucial infrastructure components (electric and natural gas utilities, water/wastewater, and broadband) is essential for long-term economic vitality. Well-functioning infrastructure is critical for all cities but is especially important for a high-growth community like San Antonio. The City of San Antonio must proactively invest in the San Antonio International Airport, transportation corridors, and utilities to allow for continued growth. Citywide investments will be required to upgrade existing infrastructure in older areas, along with new infrastructure to guide future development in planned growth areas.

**EDD RESPONSE**

EDD should play a supporting role in implementing the strategies and actions related to driving proactive infrastructure investments. EDD can do this by working closely with other City departments, including Aviation, Planning, Public Works, Transportation, and others.

**2.3.1. Airport.** Support the [Aviation Department](#)'s continued work to expand the San Antonio International Airport (SAT) and highlight related procurement opportunities.

- Promote the Air Service Development Fund as the tool to attract more domestic and international nonstops, with emphasis on Latin America, Europe, and other global business destinations.
- Explore the potential of contributing a portion of the Economic Development Incentive Fund to the Air Service Development Fund for greater results in attracting new nonstop destinations to SAT.
- Make a concerted push for encouraging leisure and business travelers located in the rapidly growing region between the SAT and the AUS (especially Comal, Guadalupe, and Hays Counties) along the I-35 and SH-130 corridors to choose SAT.
- Support the airport in its efforts to increase the amount of air cargo to/from SAT.
- Continue working with San Antonio-based small businesses to operate restaurants and other shops at SAT to showcase the City's culinary strengths on a global scale.
- Support airport-led and industry-led efforts to research, test, and commercialize mobility innovations—including vertical take-off and landing, urban air mobility, and advanced air mobility—that can offer new technologies that enhance passenger and cargo access to/from SAT.

**2.3.2. Transportation.** Prioritize investments in the multimodal transportation opportunities identified in the *SA Tomorrow Multimodal Transportation Plan* to maximize connectivity and capability and support San Antonio's growing economy.

- Advocate for continued project prioritization to align with place-based development opportunities along aging commercial corridors.
- Support the implementation of the [Vision Zero](#) action plan to achieve zero fatalities or serious injuries on San Antonio roadways.

**2.3.3. Utilities.** Prioritize investments for reliable utility structures, including electricity, water, and wastewater in growing commercial centers, such as the I-35/410 area.

- Work with CPS Energy, Bexar County, and other internal and external partners to set aside land for substations and other critical infrastructure to guide future growth in desired development and redevelopment areas.
- Encourage CPS Energy, VIA Metropolitan Transport, the San Antonio Water System, and other major utility providers to partner on a joint request for proposal that invites companies to propose solutions for electric vehicles, electric buses, and other innovative transportation technologies.
- Promote the Property Assessed Clean Energy (PACE) program as a tool that offers low-cost financing to make energy efficiency investments.

**2.3.4. Resilient systems.** Modernize existing infrastructure systems most vulnerable to changes in climate and weather patterns to withstand disruption and improve efficiency.

- Support the [Deconstruction & Circular Economy Program](#)'s work to incentivize buildings that require condemnation to preserve materials for salvage, recycling, and reuse of City-owned condemned structures.
- Identify condemned structures suitable for sustainable deconstruction in order to divert waste that would otherwise be sent to landfills, advance San Antonio's climate action and adaptation goals, and provide opportunities for employment in low-income neighborhoods.
- Identify and pursue pilot projects in potential EcoDistricts (referenced in the City's *SA Climate Ready: A Pathway For Climate Action & Adaptation* plan) that integrate energy, transportation, water, and other utilities in an efficient and sustainable manner. Potential test areas include Brooks, Port San Antonio, and the Medical Center.



## CASE STUDY

### Electric Depot Redevelopment Project: Build Baton Rouge

<b>Location</b>	Baton Rouge, Louisiana
<b>Website</b>	<a href="http://buildbatonrouge.org">buildbatonrouge.org</a>
<b>The Basics</b>	Build Baton Rouge (BBR) was created as The East Baton Rouge Redevelopment Authority by the 2007 Louisiana legislature and began operations in 2009. Build Baton Rouge has three strategic goals: develop and revitalize disinvested areas, drive economic impact through equitable investment, and advance partnerships to build community-wide capacity.
<b>Description</b>	The former 6.1-acre Entergy power plant, maintenance yard, and office site on the other side of the interstate highway from downtown Baton Rouge sat vacant on Government Street for many years. In 2013, Entergy Gulf States Louisiana donated the long-abandoned property to Build Baton Rouge. After analyzing the site and surrounding neighborhood in collaboration with urban planning and design firms, the redevelopment authority launched a development-offering process to pursue public-private partnership redevelopment options. In 2016, BBR launched the flexible offering as a RFEI in collaboration with Fregonese Associates—an urban planning firm based in Portland, Oregon. The RFEI included content and selection criteria that engaged local and national developers about potential redevelopment options of the site. After negotiating a successful offering with a consortium, construction began in 2018 on the Electric Depot entertainment district with a 33,000-square-foot entertainment venue inside the 100-year-old building with a large gathering area, bars/restaurants, and retail space. The site also includes new construction for urban residential units and outdoor green space for live entertainment, a beer garden, and games, including a giant-size Jenga game.
<b>Key Takeaways</b>	The RFEI process helps to gauge demand and test ideas for potential redevelopment of specific sites. The urban residential development includes a 100-unit mixed-income apartment complex, creating a recurring revenue source to support additional BBR redevelopment activities.

## Goal 3. Talent and Workforce

*Ensure San Antonio residents have accessible pathways to well-paying jobs and employers have access to a robust pipeline of talent.*

An available and skilled workforce is an essential component of a successful economic development strategy. Employers across the country are experiencing severe labor market challenges, and competition for qualified workers is fierce. With over \$200 million available to train San Antonio residents for in-demand jobs, the City of San Antonio is going above and beyond in its commitment to workforce development. A better-educated population and a dynamic economy are two closely related aspects of a resilient community, and San Antonio is taking a step in the right direction with Ready to Work. However, workforce development cannot be the only focus. With a robust network of higher education institutions, talent retention is equally important. Hundreds of students from across the country move to San Antonio to pursue higher education. Connecting that talent to local opportunities is pivotal to talent retention. Meanwhile, as more workers have access to flexible working arrangements and the ability to choose where they live and work, talent attraction is also a worthy effort. Within that context, maintaining San Antonio's relatively low cost of living is a workforce issue and can be addressed by expanding the City's stock of diverse and attainable housing options. For a holistic approach to uplifting San Antonio workers, wraparound supports, like broadband, childcare, physical and mental health, and transit, should also be addressed.

### 3.1. Workforce Development

Amplify education and training opportunities to strengthen the local talent development pipeline and shape talent solutions to current and future in-demand occupations and skills.

#### CHALLENGE

The City of San Antonio struggles with overcoming a long legacy of low wage work. Indicators, like educational attainment rates and median incomes, show the effects of this legacy, both of which put San Antonio in last place compared to peer benchmarks. Meanwhile, according to *Area Development* magazine's annual Consultants Survey, availability of skilled labor consistently ranks as a top site selection factor for businesses looking to relocate or expand. To change the City's reputation of being a low labor cost community and to meet the needs of employers, continued efforts to bolster local workforce development initiatives are critical.

#### EDD RESPONSE

Workforce development initiatives are not a core function of EDD. However, EDD should play a supporting role in uplifting the City's workforce to meet employer needs. Because of direct engagement with employers, EDD has unique insights to guide education and training programs to build a more resilient workforce in support of San Antonio's overall economic growth.

**3.1.1. Ready to Work.** Support Ready to Work, housed in the Workforce Development Office, by sharing insights learned during business retention and expansion visitations to align Ready to Work resources with employer demand.

**3.1.2. Training.** Increase awareness of opportunities to meet employer needs through work-based learning.

- Promote career and technical education (CTE) opportunities in local school districts to connect students to local opportunities aligned with the five strategic industry clusters.

- Market existing career exploration and training resources aligned with the five strategic industry clusters, including, but not limited to, Alamo Academies, CyberPatriot, Codeup Rackspace Cloud Academy, Texas Federation for Advanced Manufacturing Education (TX FAME), and cafécollege.
- Work with any companies receiving incentives from EDD to ensure they provide opportunities for paid internships and apprenticeships.

**3.1.3. Higher education.** Deepen collaboration and ties with the robust network of higher education institutions in San Antonio.

- Attend regular events with the leadership from the region's colleges and universities to discuss opportunities for greater engagement with and collaboration on economic development initiatives.
- Highlight regional university training programs directly linked to in-demand occupations in each strategic industry cluster.

**3.1.4. Underserved populations.** Tailor programs, resources, and outreach for underserved populations, including, but not limited to, Black, Indigenous, and people of color (BIPOC), opportunity youth, refugees, and formerly incarcerated individuals.

- Increase awareness of Corporate Partners for Racial Equity's \$13.8 million investment to support equitable education, economic opportunity, and safety and justice initiatives for San Antonio's underserved people.
- Leverage Workforce Solutions Alamo's programs and Texas Workforce Commission resources geared toward specific audiences, such as summer earn and learn programs and vocational rehabilitation services for individuals who are differently abled.

## 3.2. Talent Retention and Attraction

Grow and reinforce San Antonio's talent base through retention and attraction programs.

### CHALLENGE

Even with an influx of talent coming to study at San Antonio's robust network of higher education institutions or to work at the City's range of military operations, labor availability, more broadly, is seen as one of San Antonio's primary weaknesses according to site consultants and real estate brokers (see page 27).

### EDD RESPONSE

EDD should play a supporting role in retaining and attracting talent. Key economic development partners manage existing programs facilitating this work, and EDD can amplify those efforts to help grow and reinforce the local labor force.

**3.2.1. Young professionals.** Develop strong ties to the community by engaging local students and young professionals in talent retention programs, such as [Alamo Fellows](#) and the San Antonio Chamber of Commerce's [Leadership San Antonio](#) program.

**3.2.2. Military personnel.** Work with the [Military & Veteran Affairs Department](#) to connect military personnel and military families to local training and employment opportunities.

- Use JBSA's survey of separating or retiring military personnel, which captures information on occupational interests, skills, and community preferences, to highlight the incoming pool of talent for economic and workforce development efforts.
- Share professional development resources with separating or retiring military personnel, such as the DoD SkillBridge program that allows service members to gain civilian work experience.
- Cultivate strong relationships with military personnel from other military installations in Texas (such as Fort Hood, Fort Bliss, and other installations across the state) who may consider San Antonio's strong military presence an asset for relocation, remote work opportunities, or retirement.
- Maintain strong connections with trailing spouses of military and federal civilian workers stationed at JBSA who have the potential to stay in San Antonio for in-person or remote work.

**3.2.3. Remote and hybrid workers.** Retain remote and hybrid workers currently residing in San Antonio, ranging from tech workers at major companies, like USAA, to freelancers and entrepreneurs working from home.

**3.2.4. Targeted talent attraction.** Launch new marketing efforts and initiatives (e.g., networking and resources to better connect talent to each other, to events, and to unique amenities in the City) that promote San Antonio to several targeted audiences.

- Include marketing materials geared toward San Antonio natives who left the City and former students of local higher education institutions to reconnect former residents to employment opportunities in the City.
- Make special efforts to pursue talent to fill specific highly skilled and difficult-to-fill occupations, such as post-doctoral researchers at SwRI or cybersecurity specialists.
- Work with large employers and other partners to attract a larger share of foreign talent into San Antonio through the H-1B visa program, the North American Free Trade Agreement Professionals TN visa program (for professionals of Mexican or Canadian nationality), the EB-5 visa program, and other relevant work visa programs.
- Create materials that sell San Antonio's strong quality of life to attract remote and hybrid workers, in addition to creative workers.

#### WHAT GEOGRAPHIES SHOULD BE PRIORITIZED FOR REMOTE WORKER ATTRACTION?

**Austin** | Among the largest 100 MSAs, Austin is the number one MSA by share of full-time remote workers. Remote workers and hybrid workers currently residing in the Austin area, especially young professionals, could benefit from San Antonio's more attainable housing options.

**South and West Texas** | Remote workers currently residing in South Texas (Corpus Christi, Rio Grande Valley, Laredo, and smaller communities) and West Texas (El Paso, Midland-Odessa, San Angelo, Lubbock, Abilene, and smaller cities) may enjoy San Antonio's diverse mix of cultural and outdoor amenities.

**Mexico** | With San Antonio's existing strong ties to Mexico, potential remote workers currently residing in Monterrey and other smaller cities along the border and across northern Mexico, could appreciate San Antonio's Mexican American culture and welcoming environment.

### 3.3. Wraparound Support

Support investments in wraparound infrastructure in collaboration with related City departments and community-based organizations to eliminate barriers to participation in the local economy.

#### CHALLENGE

Workers cannot successfully participate in the local economy without access to a range of wraparound supports. Local workers need transportation options to get to their employment sites. They need broadband to access information and resources if working from home. Working parents, more specifically, need access to affordable high-quality childcare options. Meanwhile, successful employment is even harder if workers experience housing insecurity or trouble accessing healthcare. The City of San Antonio can continue to be a leader in building a resilient workforce by bolstering investments in these types of wraparound supports.

#### EDD RESPONSE

EDD should play a supporting role in maximizing the wraparound support needed for San Antonio residents to sustain successful participation in the local economy.

- 3.3.1. Housing.** Increase the City's diverse and attainable housing stock through preservation and new construction to ensure access to quality housing options across income levels. Use the *Strategic Housing Implementation Plan* as the guide for increasing affordable housing stock.
- 3.3.2. Transit.** Advocate for transit investments to connect residential and commercial areas that enhance the efficient movement of San Antonio's workforce for improved access to education, training, and employment centers.
- 3.3.3. Broadband.** Target broadband expansion in areas of San Antonio with weak service zones and pair expansion efforts with digital literacy programs, like improving access to broadband-ready devices.
- 3.3.4. Childcare.** Continue to educate the business community about the importance of childcare through the lens of a dual-generation workforce issue—ensuring the City's youngest members receive high-quality early childhood education and helping San Antonio's working parents.
  - Amplify the work of Pre-K 4 SA to create culturally concerned and productive citizens through high-quality early childhood education and to support early childhood educators and providers.
  - Partner with Workforce Solutions Alamo to leverage the organization's expertise in childcare support mechanisms.
  - Explore the establishment of a fund by private businesses to invest in childcare service networks to support their employees.
  - Ensure businesses know of the San Antonio Chamber of Commerce's Best Place for Working Parents resources.
- 3.3.5. Health.** Implement comprehensive health and well-being strategies to address the community's most difficult health-related challenges, including mental health, to reduce barriers to economic mobility, in partnership with the major healthcare anchors in the City.



## CASE STUDY

### Inclusive Incentives

<b>Location</b>	Indianapolis, Indiana
<b>Website</b>	<a href="http://www.indy.gov/activity/inclusive-incentives">www.indy.gov/activity/inclusive-incentives</a>
<b>The Basics</b>	Launched in partnership with Develop Indy in 2019, Indianapolis's inclusive incentives were developed to support the city's top development priority, inclusive growth.
<b>Description</b>	<p>Indianapolis's inclusive incentives program restructured the existing tax abatements to expand economic opportunity for businesses, the community, and workforce through the creation of dedicated spending accounts for wraparound services. Businesses that are awarded tax abatements must deposit 5 percent of the estimated tax savings into a dedicated spending account.</p> <p>Funds from these accounts may only be spent on transit, training, or childcare for the company's workforce but employers can select from multiple projects under each service. The inclusive incentive program also aimed to make access to abatements easier for small and medium-size businesses. The program places more weight on quality jobs (wage and benefits that meet the baseline criteria) and less weight on traditional measurements, like new and retained jobs. The program also streamlined administrative burdens of reporting requirements, developed public-owned land strategies to promote inclusive growth, and established a community impact network to support initiatives in underserved markets.</p>
<b>Key Takeaways</b>	<p>Investing in wraparound workforce services is mutually beneficial for employers, residents, and the community. Employers have access to a skilled and reliable workforce, residents and employees have expanded economic opportunities and full-spectrum job support, and the community's infrastructure assets are improved for all to use.</p> <p>Strategic partnerships are the foundation for inclusive economic development. Identify essential community institutions that have a legacy of trust and expertise for easier and quicker project implementation.</p>

## Goal 4. Capacity and Resources

*Align the City's economic development tools with strategic growth and coordinate with local organizations on shared goals and actions that benefit San Antonio as a whole.*

The capacity and resource strategies serve as the foundational support to successfully pursue goals 1, 2, and 3 of this framework. They outline the necessary realignment of economic development tools and organizational coordination needed to implement the *Economic Development Strategic Framework*. EDD is not the sole City department working to support the overall economic development of the City. Several City departments hold critical roles in growing and strengthening the local economy. For example, the Neighborhood & Housing Services Department uses the tax increment reinvestment zone (TIRZ) as a tool for economic development, and Pre-K 4 SA provides business assistance for local early childhood education centers. By strengthening collaboration, aligning resources, and minimizing duplication, this framework presents an opportunity to amplify the collective impact of the City's internal and external economic development partners. Once this opportunity is fully realized, San Antonio's economy will be better positioned for a resilient future.

### 4.1. Tools

Leverage the City's economic development tools across multiple departments to drive comprehensive and strategic investment and growth citywide.

#### CHALLENGE

The City of San Antonio's economic development tools are spread across many City departments, minimizing the impact of such resources. Some tools, like the City's incentive policies, cause confusion among businesses interested in moving or expanding their business operations in San Antonio. During the stakeholder engagement process, some community leaders shared that San Antonio has lost projects to surrounding areas that have more transparent incentive guidelines and more streamlined City processes.

#### EDD RESPONSE

EDD should play a core role in bringing together tools to focus efforts on strategic growth. The SAEDC, in particular, is a powerful tool that has not been adequately resourced. Other existing City incentives—including those directly associated with EDD, such as the Economic Development Incentive Fund (EDIF)—and other tools, such as TIRZ, can also be better aligned to achieve the goals in this framework.

**4.1.1. SAEDC.** Repurpose the SAEDC to serve as the real estate and place-based development hub and appropriate additional annual funding to the SAEDC to facilitate this work. The core mission of a repurposed SAEDC would be to lead the development of the next round of P3s across San Antonio, primarily targeting regional centers, neighborhood economic nodes, and corridors identified in the *SA Tomorrow* plans. The SAEDC's work should be closely aligned with the real estate community and other partners. In addition to the new concentration of the SAEDC on P3 projects and place-based development, retain a portion of the SAEDC's capacity to invest in strategic industry clusters, including the previous priorities of bioscience anchors and catalysts (specific to military medicine). As part of the repurposing, the SAEDC would require its own dedicated professional staff.

- Use the SAEDC as the primary tool to drive public-private partnership (P3) development projects that target strategic City-owned properties and other appropriate sites for market-driven redevelopment. The Pearl and Brooks are good examples of successful P3 development projects that should be used as models for future P3 projects.

- Align capital projects from the City's bond program, Infrastructure Management Program, and other major infrastructure investments from internal and external partners to set the stage for place-based development in specific areas.

## HOW DO OTHER TEXAS CITIES USE THEIR ECONOMIC DEVELOPMENT CORPORATIONS?

**Overview** | Since their creation through state policy in 1989, economic development corporations (EDCs) in Texas have been used as a tool for funding economic and community development activities. The Arlington EDC and the Austin EDC are discussed in subsequent paragraphs. Some additional examples include the Frisco EDC (more than \$27 million in annual funding), the Pasadena EDC (more than \$13 million in annual funding), and the Schertz EDC (more than \$5 million in annual funding).

**Arlington Economic Development Corporation** | The Arlington Economic Development Corporation (EDC) recently launched with an estimated \$17 million in annual funding through an additional quarter-cent City sales and use tax. The funds will focus on four areas: (1) targeting development and redevelopment in specific geographies; (2) stabilizing and growing small businesses owned and operated by women and people of color; (3) incentivizing companies with specific expansion and recruitment projects; and (4) catalyzing innovation to support startups, the health science sector, and Smart City initiatives. For the first focus area, the EDC will measure success by the number of parcels acquired by the City through land banking efforts, capital investment in specific geographies, capital investment through public private partnerships (P3s), and square feet of developed property.

**Austin Economic Development Corporation** | The Austin Economic Development Corporation (AEDC), a 501(c)(3) organization, operates as a real estate developer specializing in P3s to generate money for public resources without raising taxes. At the direction of the City under an annual contract, surplus revenue generated from development projects will be directed to other policy projects, like homelessness. One of AEDC's current projects includes facilitating the disposition of two parcels in Austin's African American Cultural Heritage District into mixed-used developments to support small businesses, cultural anchors, and affordable housing. With an estimated \$10 million in FY 2022 funding, the benefits of the EDC include operating at a faster pace than the City and attracting additional external funding through charitable donations and private investments.

**4.1.2. Incentives.** Target and align incentive tools (e.g., fee waivers, zoning policy changes, tax abatements) to encourage business growth within the five strategic industry clusters.

- Increase appropriations to the Economic Development Incentive Fund (EDIF) to, in part, fuel placemaking initiatives with the SAEDC and award funding to organizations involved in the reverse pitch competition.
- Reauthorize and simplify the City's tax abatement guidelines to encourage private sector investment in strategic areas that advance the goals and strategies of this framework and of the *SA Tomorrow* comprehensive plan. Make incentives available to all existing and new businesses that qualify, not only those within strategic industry clusters.
- Create a set of joint City and County incentive guidelines to align City and County incentives, especially for large-scale economic development projects (such as projects with at least \$100 million of capital investment and with 500 or more jobs paying above prevailing wage rates), to create a more transparent and standardized City/County incentive agreement.

**4.1.3. TIRZ.** Work with the Neighborhood & Housing Services Department (NHSD) to explore opportunities to amplify the benefits of tax increment reinvestment zones (TIRZs) for place-based development and redevelopment beyond housing projects.

- Consider adding to the existing number of TIRZs for specific community areas or corridors that are not currently covered.

- Contribute to NHSD’s process to update TIRZ policies to align with the strategies and goals in this framework.

**4.1.4. Bonds.** Begin to set up the next bond package in 2027 to elevate projects that impact economic development goals and strategies of this framework.

### HOW CAN INCENTIVES BE USED MORE EFFECTIVELY AND MORE RESPONSIBLY?

**Transparency** | Incentive policies should be standardized to start from the same minimum threshold base of clear criteria for every prospect. Information and policies, including the parameters about the maximum amount that can be paid out under incentive programs, should be easily accessible on the EDD website. Details about who is receiving incentives, how much funding is tied to each agreement, and the performance outcomes of that funding should be updated regularly.

**Due Diligence** | In-depth analysis can reduce risks and improve performance outcomes. Background research and return-on-investment (ROI) analyses can support officials in understanding the net benefits to the community to effectively deploy incentives. The ROI analysis can also help define the performance period for an incentive agreement. For accountability over the performance period, it is important to maintain engagement with incentive recipients on data collection.

**Performance Outcomes** | Once data has been collected and analyzed to measure performance against the conditions identified in an incentive agreement, the City may need to take necessary actions related to recovering funding for noncompliant projects. Alternatively, incentives can be used to reward companies that exceed public objectives. For example, incentives can be scalable so that the incentive rises progressively as the firm exceeds qualifying priorities from additional capital investment and net new jobs to higher wage levels and increased workforce development investments. Additionally, active incentive policies should reflect changing economic conditions. For instance, setting a livable wage baseline for incentivized projects cannot be a one-time calculation that ignores rising living costs.

## 4.2. Partnerships

Coordinate San Antonio’s economic development partners with defined roles and responsibilities to build a shared framework for ongoing collaboration.

### CHALLENGE

The City of San Antonio is home to many entities—whether it be internal City departments or external organizations—that are part of San Antonio’s overall economic development. With so many participants in the economic development ecosystem, it can lead to a duplication of work.

### EDD RESPONSE

EDD must collaborate across City government to ensure that incentive policies actually incentivize investment, not deter it by making things more complicated. Additionally, collaborative working relationships with external organizations, particularly with greater:SATX and Bexar County, are critical to successfully implement the action items.

**4.2.1. greater:SATX.** Commit to a strong working relationship between EDD and greater:SATX as the core participants in driving San Antonio’s economic development forward.

- Cohost biannual workshops with EDD team and the greater:SATX economic development team.
- Facilitate monthly meetings between EDD industry team and greater:SATX business retention and expansion team.

**4.2.2. Other external partners.** Bolster other external partnerships through active engagement and continued connections to City information.

- Attend the standing entrepreneurial support group meeting each month to facilitate connections to City tools and resources.
- Attend events hosted by community-based organizations (e.g., United Way of San Antonio and Bexar County) to strengthen relationships with nontraditional economic development partners, share common challenges, and identify collaborative solutions.
- Engage in regular collaboration meetings, shared communication across project teams, and other activities to ensure close working relationships between EDD, Bexar County's economic development team, and other important local and regional partners, such as the Alamo Area Council of Governments.
- Share data analysis completed by TIP and the Retail Coach with relevant partners.

**4.2.3. Interdepartmental collaboration.** Continue to advocate for internal City process enhancements that make interactions with local businesses more efficient and effective, such as working with [Development Services](#) to continually improve development review and permitting processes.

### WHAT OTHER ANALYSES FROM THIS WORK SHOULD BE SHARED WITH PARTNERS?

**Target Industry Analysis** | The [Target Industry Analysis](#) conducted by TIP can be useful for greater: SATX as it works to recruit businesses within each strategic industry cluster to San Antonio. It can also be helpful for the Workforce Development Office as it targets resources for San Antonio residents to access training for in-demand occupations.

**Retail Analysis** | The Retail Coach completed an in-depth [analysis](#) of consumer patterns within specific areas of San Antonio. Organizations working within the specific areas, including, but not limited to, Center City Development and Operations Department, Centro San Antonio, Prosper West, San Antonio for Growth on the Eastside, Southside First, and Port San Antonio, can use the data to target resources and programs for retail development.

## 4.3. EDD Staffing

Increase EDD staff capacity to take the City's economic development efforts to the next level of economic success.

### CHALLENGE

Effective implementation of the strategies and actions in this framework relies on defined roles and responsibilities. EDD is not solely responsible for every strategy or action in this framework. However, it acts as the core manager to create larger changes through targeted strategic initiatives and to track and report on progress made. To bring this framework to life and to accelerate progress, an increase in EDD staff capacity is necessary.

### EDD RESPONSE

EDD should continue to build on its team strengths and advocate to expand staff capacity to fulfill the strategies and actions in this framework.

**4.3.1. BRE.** Expand EDD industry team's duties to manage business retention and expansion (BRE) visits with existing midsize San Antonio companies that operate within the five strategic industry clusters.

- Assign at least one industry team member to each strategic industry cluster to reach out to a specific list of local firms and coordinate business issues that can be addressed with City resources, including permitting and development review, incentives, and other City-direct functions that impact local businesses.

- Encourage EDD staff to pursue professional development related to business retention and expansion, e.g., the Texas Economic Development Council’s Basic Economic Development Courses or the International Economic Development Council’s BRE courses.

**4.3.2. Placemaking.** Add two additional EDD staff to focus on placemaking initiatives—becoming in-department experts on local development and redevelopment opportunities, the major property owners and local real estate brokers, and the new functions of the repurposed SAEDC.

**4.3.3. Research.** Bolster the City’s business intelligence and economic indicators analysis by expanding EDD with at least two new research analysts.

- Invest in the data subscriptions and data analysis tools (e.g., Lightcast, CoStar, GIS software, Tableau) to support a stronger business intelligence function.
- Enhance EDD team’s ability to track economic performance metrics and growth targets related to the *Economic Development Strategic Framework*.



## CASE STUDY Prosper Portland

<b>Location</b>	Portland, Oregon
<b>Website</b>	<a href="https://prosperportland.us">prosperportland.us</a>
<b>The Basics</b>	Prosper Portland is the city’s economic and community development department. Prosper Portland prioritizes equitable development through partnerships that direct public support and resources for capital and workforce projects around Portland.
<b>Description</b>	The most notable collaboration between Prosper Portland and a community partner, GPI, is their Joint Proposal for Amazon’s 2017 HQ2 request. Greater Portland, Inc., the economic development agency for the Portland/Vancouver, Washington, area, submitted the proposal on behalf of the four jurisdictions in the region. Each locality (three cities and a bistate county) inventoried their infrastructure and development sites for the proposal. GPI compiled the regional economic data for the localities. Then, GPI assembled and submitted the proposal as a single document, which required Amazon to ensure a racially equitable process and offer living-wage jobs at every skill level. Prosper Portland and GPI have continued to collaborate on development projects that promote quality job growth. In 2019, the city, in partnership with GPI, launched Portland Means Progress. It is an initiative that connects businesses with local underrepresented students and young professionals of color and businesses owned by people of color for hiring and contracting needs. In 2020, employment in quality jobs grew by 28,000 in Portland.
<b>Key Takeaways</b>	Municipal and regional economic development efforts are more effective and efficient when the localities work toward a common goal and unified vision. When coordinating a regional development effort, designate a central entity to complete regional assessments, merge partner data and information, and assemble the final deliverable as a unified effort.

# PERFORMANCE METRICS

A successful economic development strategy must include a set of key performance indicators to gauge progress. The *Economic Development Strategic Framework* includes economic performance indicators to be measured citywide and against benchmarks.<sup>16</sup> Growth targets are also included to measure long-term outcomes. To measure progress in positioning the San Antonio economy toward economic inclusion and equity, performance indicators and growth targets should be disaggregated by race and ethnicity, age, and gender, where possible.<sup>17</sup>

FIGURE 31. ECONOMIC PERFORMANCE INDICATORS

## Demographic and Social Characteristics

SPECIFIC INDICATOR	DESCRIPTION	DATA SOURCE
<b>Population Growth</b>	Population estimates over time	US Census Bureau
<b>Age Groups</b>	Population by share of broad age groups (senior 65 and older, experienced working age 35–64, young adults 20–34, youth 0–19)	American Community Survey (ACS)
<b>Race and Ethnicity</b>	Population by share of race and ethnic groups (White, Latinx or Hispanic, Black or of African descent, Asian, All Other Races)	ACS
<b>School Enrollment</b>	Share of population under 15 by school enrollment status (not in school, enrolled in college or graduate school, enrolled in high school, enrolled in school grades 1–8, enrolled in kindergarten or preschool)	ACS
<b>Veterans</b>	Share of civilian population (18 and older) with veteran status	ACS
<b>People with Disabilities</b>	Share of civilian population with a disability	ACS
<b>Health Insurance</b>	Share of civilian population that had health insurance coverage at some point in the previous calendar year	ACS

## Economic Characteristics

SPECIFIC INDICATOR	DESCRIPTION	DATA SOURCE
<b>Household Income</b>	Median household income	ACS
<b>Poverty</b>	Share of population with poverty status based on the past 12 months of income	ACS
<b>Supplemental Assistance</b>	Share of households participating in the Supplemental Nutrition Assistance Program	ACS

## Workforce Characteristics

SPECIFIC INDICATOR	DESCRIPTION	DATA SOURCE
<b>Educational Attainment</b>	Population (25 and older) by educational attainment	ACS
<b>Labor Force</b>	Population (16 and older) by labor force status (not in labor force, unemployed, employed in armed forces, employed civilians)	ACS
<b>Commute Time</b>	Average commuting time in minutes for workers (16 and older)	ACS
<b>Work from Home</b>	Share of workers (16 and older) who worked from home	ACS
<b>Public Employment</b>	Public vs. private sector employment in industry clusters	Bureau of Labor Statistics (BLS)
<b>Cluster Employment</b>	Employment by industry clusters	BLS
<b>Occupational Employment</b>	Employment by occupational group	BLS
<b>Educational Attainment</b>	Population (25 and older) by educational attainment	ACS

<sup>16</sup> The [San Antonio Economic Development Analysis](#) includes a snapshot of the economic performance indicators outlined in Figure 31. Where applicable, the snapshot includes comparisons of San Antonio's performance to Bexar County, the state of Texas, and the US. For selected indicators, comparisons are made to peers, such as Austin, Charlotte, Dallas, Houston, Jacksonville, Phoenix, and San Diego.

<sup>17</sup> The City of San Antonio Diversity, Equity, Inclusion & Accessibility Department [Equity Atlas](#) can be a resource for this.

**Housing Characteristics**

SPECIFIC INDICATOR	DESCRIPTION	DATA SOURCE
<b>Occupancy</b>	Share of housing units by occupancy status and housing type	ACS
<b>Housing Stock</b>	Share of housing stock by type of structure and share of housing stock by age of structure	ACS
<b>Mobility</b>	Residence location one year ago for the current population that is at least one year old	ACS
<b>Housing Cost</b>	Median home value among owner-occupied units and median monthly rent	ACS
<b>Connectivity</b>	Share of households with access to a computer at home and share of households with access to broadband internet at home	ACS

Source(s): American Community Survey (ACS); US Census Bureau, Population Estimate Program; and US Bureau of Labor Statistics (BLS).

**FIGURE 32. GROWTH TARGETS**

CATEGORY	MEASURE
<b>Jobs</b>	New jobs created and retained.
<b>Wages</b>	Median wages of jobs created/retained and share of new jobs created that pay living wages.
<b>Businesses</b>	Retention and expansion of existing companies.
<b>Industrial Development</b>	Amount of new industrial space added to the City's industrial market.
<b>Investment</b>	Growth in capital investment disaggregated by specific regional centers, community areas, and corridors.

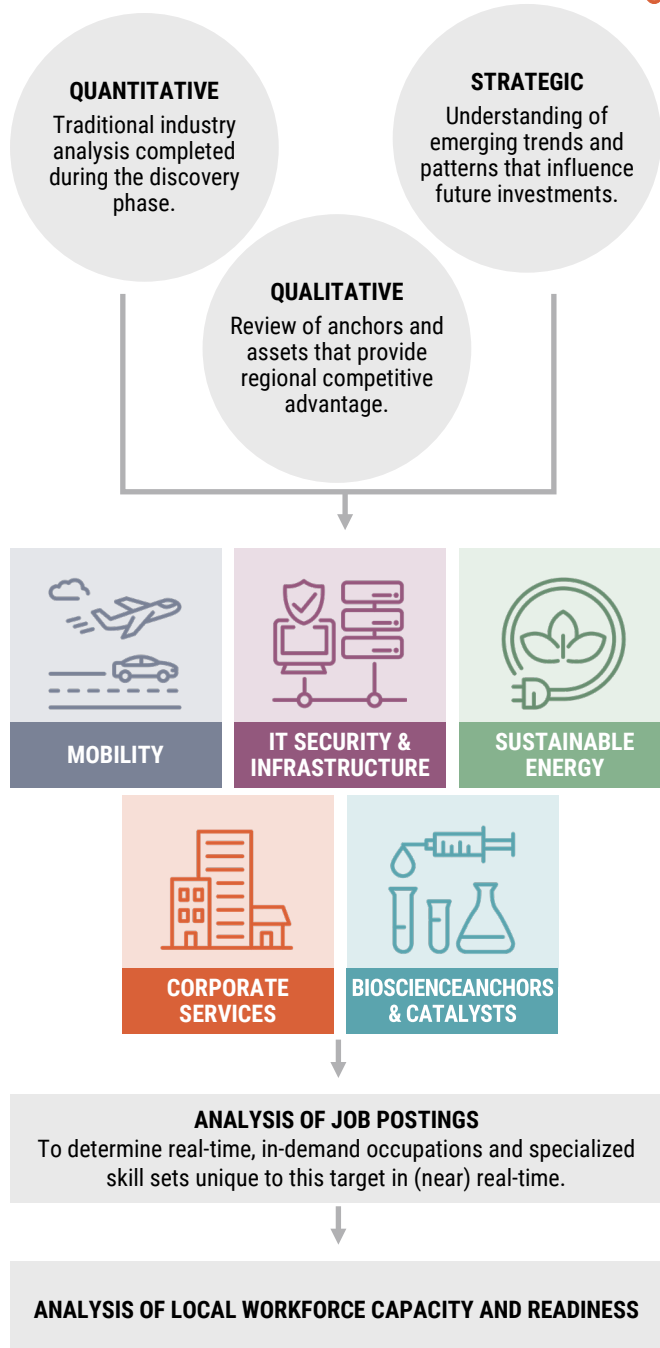
Source(s): TIP Strategies, Inc.



# APPENDICES

# Appendix A. Strategic Industry Clusters

## Framework



Source(s): TIP Strategies, Inc.

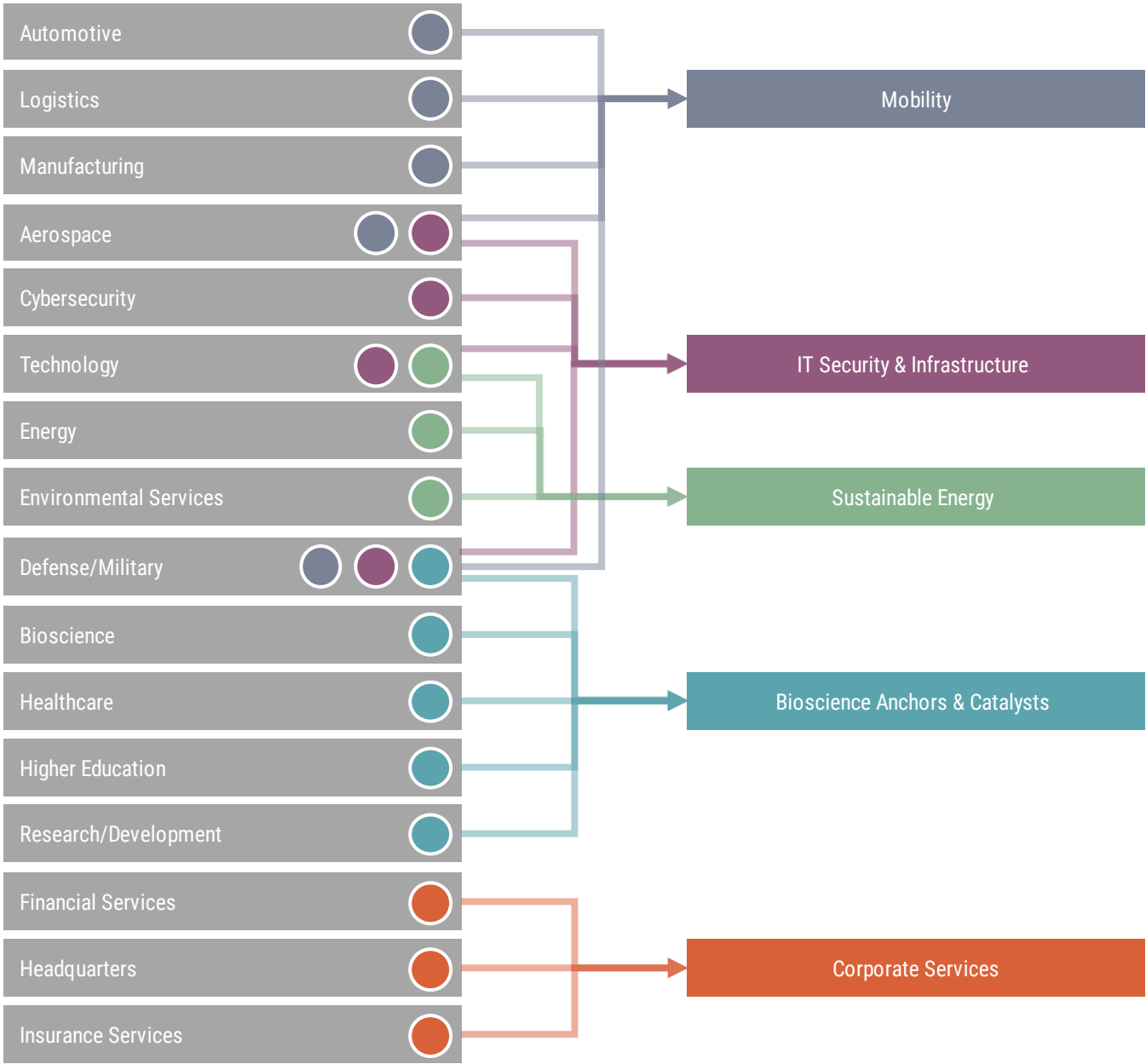
## Methodology

The accepted framework for target industry analysis has traditionally relied on historical patterns of industry growth and concentration. But such methods reveal little about local workforce capacity and general preparedness for prospective investors, especially in the modern era when technologies, skill sets, and industry definitions are fluid and rapidly evolving.

TIP's methodology is more responsive to today's workforce environment. TIP uses job postings to reframe an understanding of target industries from the employer's perspective rather than simply through the lens of historical government statistics. For more traditional activities, TIP defines targets by grouping US Department of Commerce Economic Development Administration (EDA) defined industry clusters and subclusters (a framework developed by the EDA in conjunction with the Institute for Strategy and Competitiveness at Harvard Business School). For less traditional targets that encompass emerging technologies and activities, TIP begins with a short list of aspirational or representative employers in the desired sector and/or a specific pool of local skills or assets. For each target, regardless of how it was defined, TIP then analyzes collective US job postings from the most recent 12-month period. This approach differs from an industry-occupation staffing matrix, which can be dated and somewhat opaque as to where hiring demands are tightest. Carefully selected samples of recent job postings allow the identification of a target's most sought-after occupations and specialized skills in (near) real-time. Using interactive "what if" tools, TIP then analyzes the local region's workforce readiness for targeted investments. This approach is devised to prompt strategic questions about the alignment of the region's talent pipeline with the current needs of employers.

Using an equity lens, TIP's analysis also documents patterns of occupational participation by race, ethnicity, gender, and age. Living wage thresholds are also considered for a mix of family household situations. This approach equips the local region with the information it needs to plan for an inclusive, target-ready workforce.

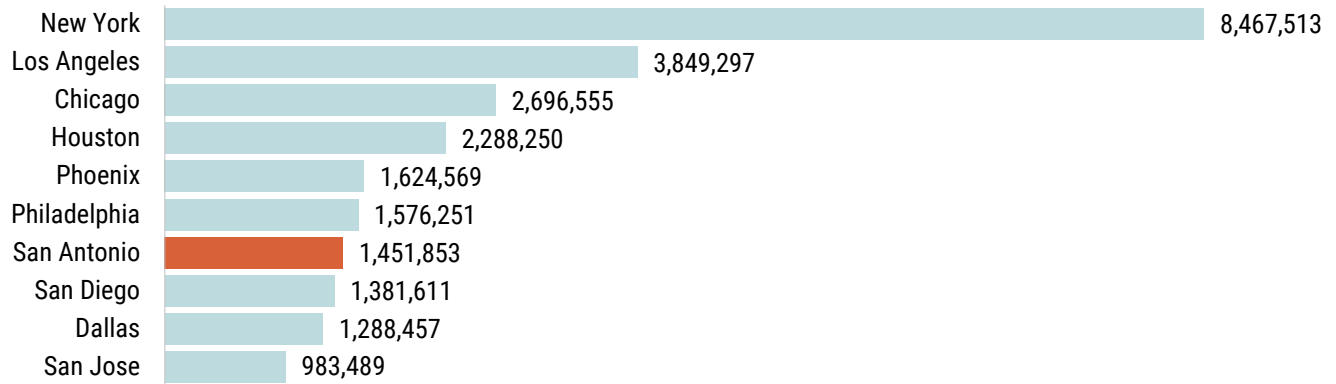
FIGURE 33. SAN ANTONIO STRATEGIC INDUSTRY CLUSTERS SIMPLIFICATION



Source(s): TIP Strategies, Inc.

## Appendix B. Additional Data

**FIGURE 34. THE 10 MOST POPULOUS US CITIES, 2021**

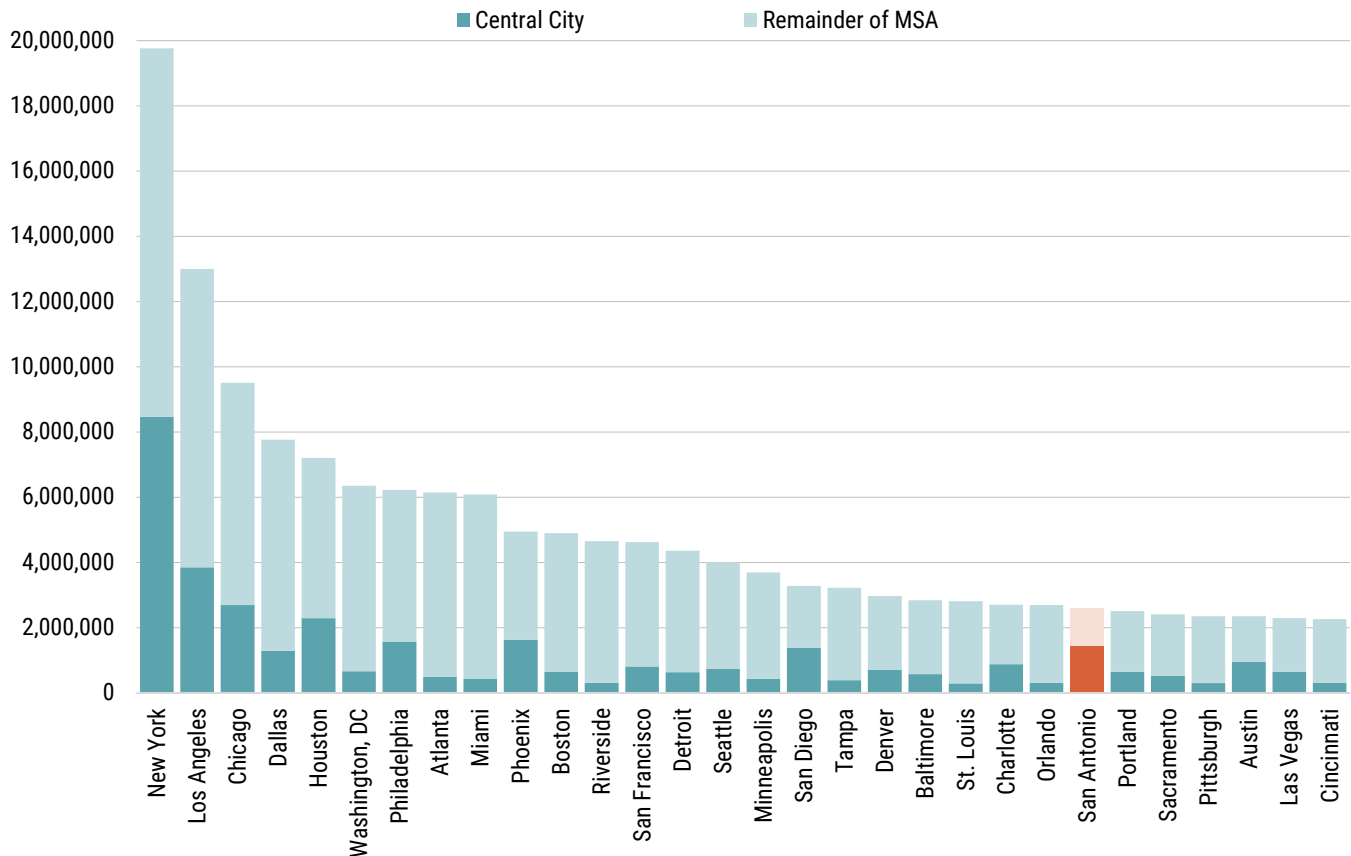


Source(s): US Census Bureau; TIP Strategies, Inc.

Note(s): Official midyear population estimates for metropolitan statistical areas and incorporated places as of July 1, 2021.

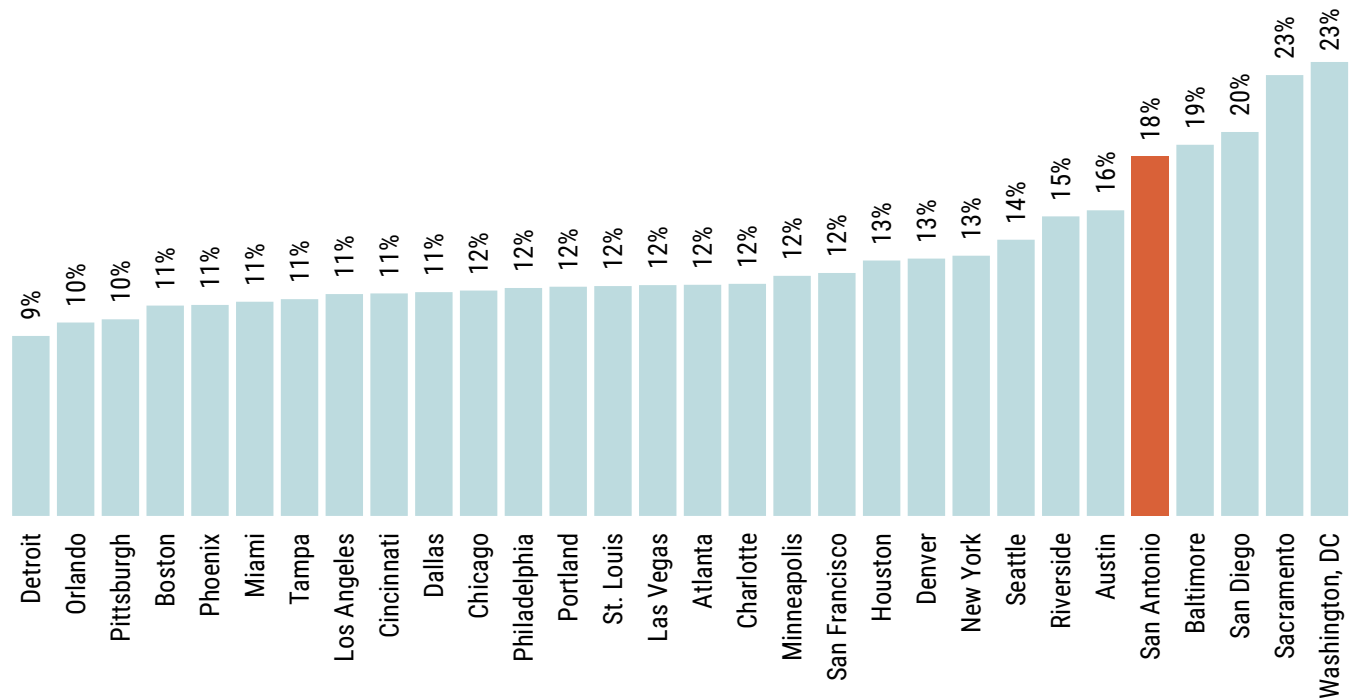
**FIGURE 35. THE 30 MOST POPULOUS MSAS AND THEIR CENTRAL CITIES, 2021**

SAN ANTONIO IS THE ONLY TOP 30 MSA IN THE US WITH MORE THAN ONE-HALF OF ITS POPULATION (56 PERCENT) IN THE CENTRAL CITY



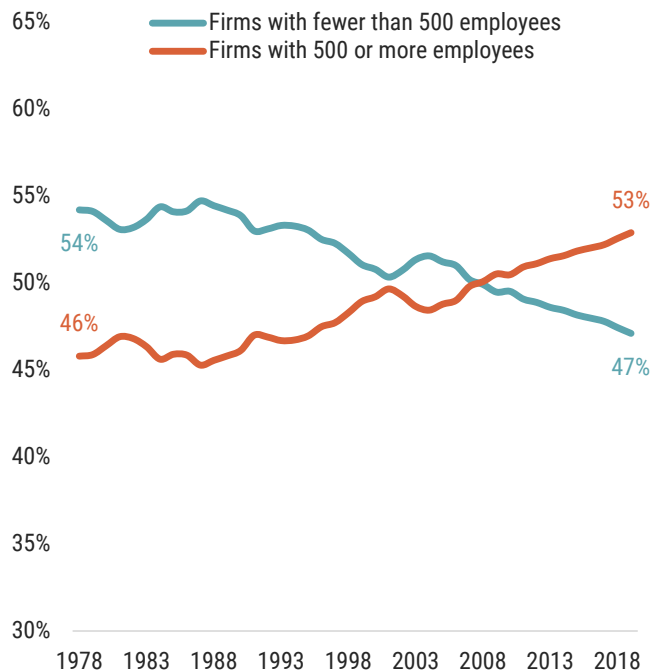
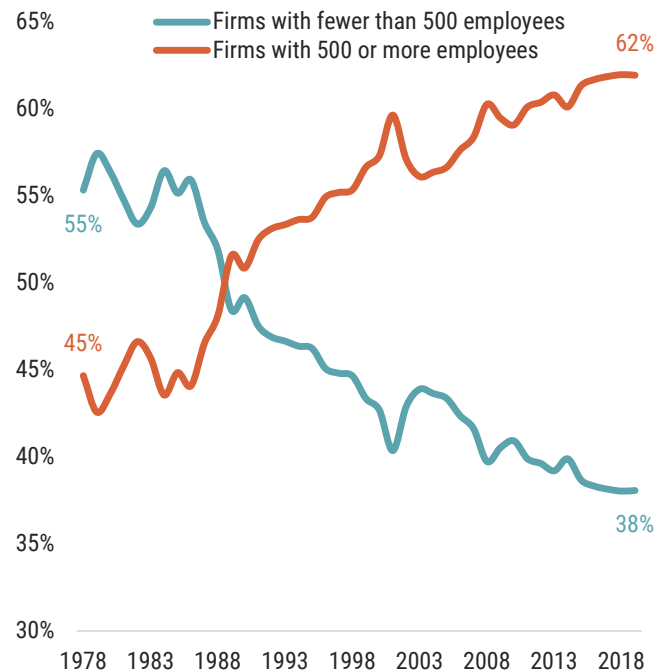
Source(s): US Census Bureau; TIP Strategies, Inc.

Note(s): Official mid-year population estimates for metropolitan statistical areas and incorporated places as of July 1, 2021

**FIGURE 36. GOVERNMENT SHARE OF TOTAL JOBS IN THE 30 MOST POPULOUS US MSAS, 2021**

Source(s): US Bureau of Labor Statistics; Emsi Burning Glass 2022.2—Quarterly Census of Employment and Wages (QCEW) Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.

Note(s): Public sector includes local and state government agencies, public healthcare facilities, all levels of public education, and federal civilian and military employment.

**FIGURE 37. THE MYTH OF SMALL BUSINESS EMPLOYMENT****SHARE OF US EMPLOYMENT****SHARE OF BEXAR COUNTY EMPLOYMENT**

Source(s): US Census Bureau, Business Dynamic Statistics; TIP Strategies, Inc.

Note(s): Data are released with an 18- to 20-month lag from the end of the most recent year (2019).