

ANNUAL 2017 REPORT



San Antonio Economic Development Foundation

BUILDING.
CHANGING.
GROWING.

MISSION STATEMENT





LEAD

THE DEVELOPMENT AND
DIVERSIFICATION OF THE

SAN ANTONIO

REGIONAL ECONOMY

THROUGH THE LOCATION AND EXPANSION
OF QUALITY EMPLOYERS

AND JOB PRODUCING
INVESTMENTS.



LETTER
FROM OUR
CHAIRMAN



INVESTORS, PARTNERS, AND COMMUNITY LEADERS

For 300 years, San Antonio has been a city with its eye on the future and its heart in the celebrated past. It is this balance that allows us as a community to protect what makes us great while preparing for progress. In 2017, San Antonio focused on smart growth with both long and short-term benefits that will make us competitive in an ever-changing economic environment. As the global, national, and regional economic landscapes evolved, so did SAEDF.

2017 was a year of building, changing, and growing for SAEDF. With our exceptional partners from the business community and public sector, we worked significant economic development projects. But above and beyond the hard numbers and results outlined in this report, was the positive organizational change, both in personnel and process, that positioned SAEDF to build a robust economic development ecosystem and deliver greater impact on the community for years to come.

The scope and scale of San Antonio's economic development projects has increased exponentially, and is projected to grow. Our unified and industry-led approach to workforce through SA Works continued to drive progress in that most critical of areas for our community. This year also kicked off work on the intensive, but imperative, brand initiative that will finally give San Antonio a compelling and consistent story to tell the world.

“ THE REGION IS
POISED TO BECOME
A THRIVING GLOBAL
ECONOMY IF WE RISE
TO THE OPPORTUNITY
TOGETHER. ”

We at SAEDF are proud to share the results of our developmental year. I'd be remiss if I didn't take this opportunity to thank Wayne Peacock for his leadership and contribution to the community during his tenure as chairman of SAEDF. His vision and ability to affect positive progress have been transformational to SAEDF and San Antonio. I'd also like to thank the SAEDF team for their energy and commitment to a different direction. Better data, top talent, and more efficient operations are key to continued progress, and I am grateful for their continued engagement.

San Antonio is at a pivotal point in history. The region is poised to become a thriving global economy if we rise to the opportunity together. I'd like to close by recognizing our CEO, Jenna Saucedo-Herrera, for leading SAEDF into a new era. San Antonio has every right to have high expectations for our future as a community under Jenna's leadership. There is a lot of hard work and investment necessary to take San Antonio to the next level, and SAEDF is committed to that work.

David P. McGee
Chairman, SAEDF

COMMUNITY INDICATORS

GROSS DOMESTIC PRODUCT BY MSA

108,879,000

WORKFORCE BY MSA

1,093,136

UNEMPLOYMENT RATE BY CITY

3.7%

MEDIAN HOUSEHOLD INCOME BY MSA

\$46,744

2017: YEAR IN REVIEW

ECONOMIC SNAPSHOT

It's difficult, if not impossible, to have a discussion about the economy that doesn't include jobs. Workforce and education are increasingly at the forefront of these conversations as industry leaders work to overcome talent shortages and determine the skills necessary to fill jobs now and in the future. San Antonio is not immune to this challenge, but shows promise with projected growth and continued collaboration among the public, private, and education sectors.

U.S. jobs grew by 1.4% last year, with Texas now the third-fastest growing state at 2.5%. **San Antonio jobs grew by 3%** with healthcare and hospitality leading that growth. While San Antonio still lags behind western U.S. peer cities like Phoenix, AZ and Denver, CO, in job growth, our outlook is positive and we are positioned to see steady growth next year.

The 2017 national unemployment rate was low at 4.1%, and Texas, at 3.8%, saw its lowest rate since the 1970s. While the state's outlook remains at a positive, expected tightening of labor markets could slow growth in 2018. With that tightening could come workforce challenges, unless otherwise stimulated by increases in non-traditional sectors such as cybersecurity and information technology, and productivity changes to the current workforce.

**SAN ANTONIO
JOBS GREW BY**

3%

Workforce training and talent attraction remain top priorities for businesses and are expected to gain even more attention in 2018. Nationally, the skills required for "middle skills" jobs are evolving. More advanced skills are required while the skilled labor market supply is shrinking. This has forced millions of Americans to seek traditional education, upskilling/training, or to drop out of the labor force completely. These challenges are amplified at state and local levels, affecting communities broadly. The effects of a waning middle-skill workforce can be felt across the San Antonio region, and a collaborative approach to regional workforce development will continue to be critical to economic success for 2018 and beyond.



Elected officials and community leaders celebrate EY's growth in San Antonio in November 2017. (L to R back row: Jenna Saucedo-Herrera, SAEDF; Councilman Manny Pelaez, City of San Antonio; Mayor Ron Nirenberg, City of San Antonio; Judge Nelson Wolff, Bexar County; Jeff Rummel, EY; front row: City Manager Sheryl Sculley, City of San Antonio; Representative Diana Arevalo, State of Texas; Councilwoman Rebecca Viagran, City of San Antonio; Lisa Friel, EY)

2017 ACTIVITY

Like the economy itself, economic development is changing. High profile projects increasingly play out in the media rather than behind closed doors. While this environment can create higher stakes and pressure, we believe it can serve as a positive driving force for us to collectively face our challenges and improve the community's assets. The scale of the 2017 projects highlighted some of these challenges, but ultimately proved that together, the private and public sectors can work with one voice to strengthen our talent pool and pipeline, improve connectivity, and promote San Antonio as the remarkable community it is.

OPERATIONAL HIGHLIGHTS

Last year, SAEDF completed 17 projects that are projected to bring more than 5,200 jobs to San Antonio and inject over \$355M in capital investment. In addition to the dollars these companies will invest, there is tremendous equity attached to the brands that chose to locate to or grow in San Antonio. Hulu, TJX, EY, and USAA, to name a few, are national and global powerhouse brands that send a strong message to other organizations around the world.



17 PROJECTS



5,210 JOBS

The ribbon is cut marking Hulu's official opening in San Antonio. (L to R Duane Wilson, North San Antonio Chamber of Commerce; City Manager Sheryl Sculley, City of San Antonio; Representative Diana Arevalo, State of Texas; Judge Nelson Wolff, Bexar County; Councilman Manny Pelaez, City of San Antonio; Linda Cardenas, Hulu; Karen Van Kirk, Hulu; Ben Smith, Hulu; Jenna Saucedo-Herrera, SAEDF; David McGee, SAEDF.)



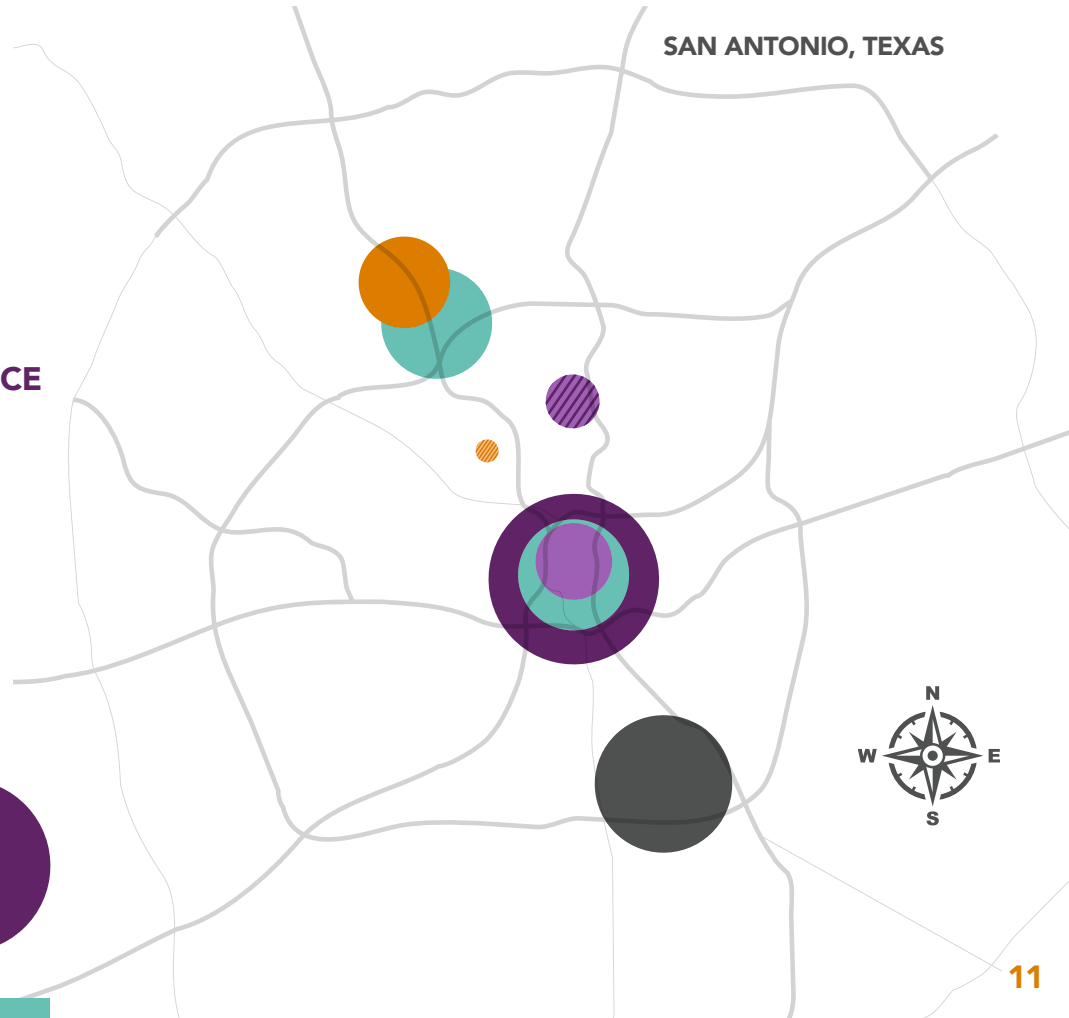
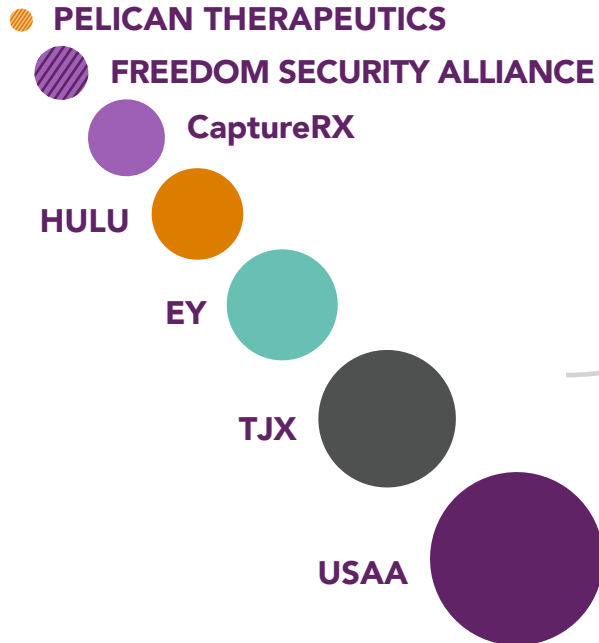
MORE THAN \$355 MILLION IN CAPITAL INVESTMENT



PROJECT HIGHLIGHTS

HULU	500 jobs , \$13M in capital investment
TJX	1,000 jobs , \$150M in capital investment
EY	600 jobs , \$26M in capital investment
PELICAN THERAPEUTICS	22 jobs , \$1.2M in capital investment
FREEDOM SECURITY ALLIANCE	120 jobs , \$8.4M in capital investment
CaptureRX	300 jobs , \$10.5M in capital investment
USAA	1,500 jobs , \$70M in capital investment

QUANTIFIED JOBS BY LOCATION



WORKFORCE



SAEDF's workforce and talent development team, SA Works, aligns industry and education to grow a skilled talent pipeline by connecting talent, educators, and employers. In addition to supporting SAEDF projects and San Antonio's strategic workforce development in 2017, SA Works hosted three successful workforce development programs that brought students, educators and industry together for tangible benefits to San Antonio's talent pipeline.

COLLABORATION

Facilitated first-ever industry and education collaborative efforts to innovate on behalf of large projects.

EXPERIENTIAL LEARNING

More than 3,800 experiential learning touch points. \$1.1M in economic impact generated by paid high school internships.

GAP STRATEGY

Conducted extensive target industry learning initiative to build an industry-led skills gap strategy.

SKILLS SHORTAGES

Partnered with manufacturing sector and TX FAME (Federation for Advanced Manufacturing Education) to address skills shortages.

SA BRAND MOVEMENT

SAEDF mobilized stakeholders to drive the branding effort forward in a three-phase approach. The collaborative effort will not yield a logo, a website, or a catch phrase, it is designed to give the **fundamental and strategic framework** necessary for multiple entities to **consistently tell the San Antonio story** and attract talent and businesses. The strategic phase was completed and success metrics were defined in 2017, clearing the path forward to creative development and execution in 2018.

ADMINISTRATIVE HIGHLIGHTS

In an ongoing effort to continuously progress, SAEDF took significant steps to improve the organization in 2017. Through a collaborative process with the public and private sectors, strategic decisions were made to ensure a balanced, informed approach to economic development in San Antonio.

HEADQUARTERS RELOCATION

After more than forty years at the Commerce St. location, SAEDF moved its headquarters to the Weston Centre in September of 2017. While leaving the original office space was bittersweet, the energy and opportunity in the “Tech Corridor” aligns with SAEDF’s direction and focus for the future.

INVESTOR GROWTH INITIATIVE

SAEDF prioritized increased collaboration with the private sector to further align our community’s economic development strategy with industry needs. The Investor Growth Initiative (IGI), led by the SAEDF Investment Committee, increased private sector engagement, bringing more industry leaders and perspectives to the table and strengthening the economic development ecosystem.

CUSTOMER PERSPECTIVE PROJECT

SAEDF convened a group of economic development partners to objectively evaluate San Antonio’s economic development processes and policies. Through the lens of our “San Antonio customers” and in collaboration with our economic development partners, improvement recommendations are forthcoming in early 2018.

BY THE NUMBERS

In 2017, SAEDF recalibrated focus and prioritized the organization's continued improvement and defined ambitious goals to achieve by 2020. This shift resulted in focus placed on valuable recruitment and retention of target sectors and high wage jobs, representing our community's future growth opportunities. By 2020, projected industry growth, and related capital investment from that growth, is expected to have an economic impact of \$45B.

BY 2020

\$45 BILLION
IMPACT

2017 PERFORMANCE

MARKET RESULTS

FOREIGN DIRECT INVESTMENT

\$34.9M

LOCAL CAPITAL INVESTMENT

\$355M

ESTIMATED NEW PAYROLL

\$137.2M

2,647 ESTIMATED NUMBER
OF NEW HIGH WAGE
JOBS 51% OF TOTAL

NUMBER OF NEW JOBS:

5,210 TOTAL

53% LOCATIONS

47% EXPANSIONS

BRAND

AWARENESS AND FAVORABILITY OF SAN ANTONIO

63%

AWARENESS

Among Decision Makers and Site Selectors

53%

FAVORABILITY

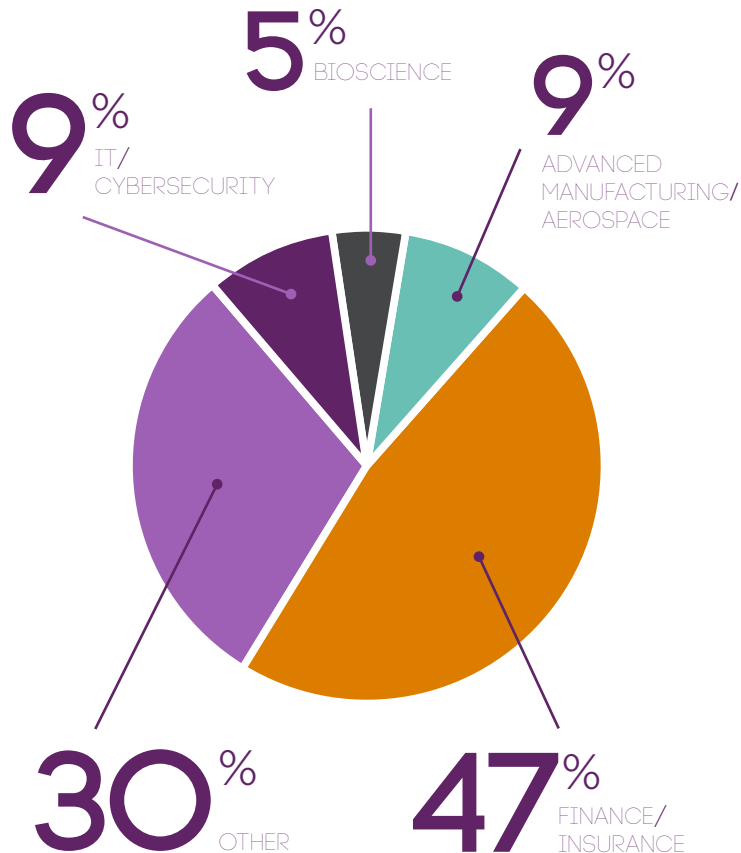
WORKFORCE

EXPERIENTIAL LEARNING
OPPORTUNITIES

3,894

JOB DIVERSITY

BY PROJECTS WON



 **ADVANCED MANUFACTURING/AEROSPACE**
3 PROJECTS **455** JOBS **\$49K** AVG WAGE/YR

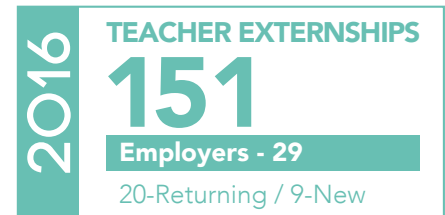
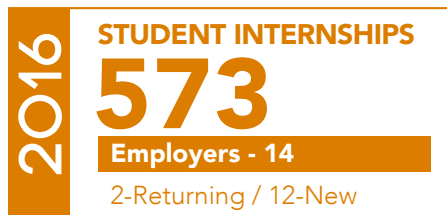
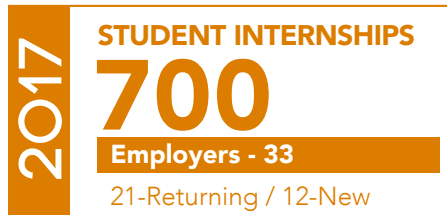
 **BIOSCIENCE**
3 PROJECTS **272** JOBS **\$158K** AVG WAGE/YR

 **IT/CYBERSECURITY**
4 PROJECTS **459** JOBS **\$56K** AVG WAGE/YR

 **FINANCE/INSURANCE**
3 PROJECTS **2,450** JOBS **\$48K** AVG WAGE/YR

 **OTHER**
4 PROJECTS **1,574** JOBS **\$31K** AVG WAGE/YR

EXPERIENTIAL LEARNING



2017 ESTIMATED ECONOMIC
IMPACT OF INTERNSHIP WAGES

\$1,102,500

2018 & BEYOND

2018 PRIORITIES

- ▶ **Continued Improvement**
- ▶ **Regional Economic Development**
- ▶ **International Business Development**

PLANNED INITIATIVES (HIGHLIGHTS)

- ▶ **San Antonio brand creative** hits the market in Q1 2018.
- ▶ **Strategic positioning of San Antonio** at key events like the NCAA Men's Final Four, the Valero Texas Open, and several important target industry conferences.
- ▶ **Monthly jobs report** to help industry, educators, and government make decisions regarding workforce and talent.
- ▶ **Formalize an integrated international business operation** to deliver on Foreign Direct Investment and Trade and Export metrics.
- ▶ **Build on our collaborative** large-scale projects to further improve our assessment and delivery of San Antonio as a desirable place to live work and play.
- ▶ **Realize recommendations** from Customer Perspective Project.
- ▶ **Deliver SA Connect 2.0**, a robust online GIS tool.



THANK YOU

As we look ahead to a bright 2018, I'd like to take a moment and thank the many people and organizations that make our work possible, but more importantly, fulfilling.

First, thank you to the SAEDF team for their tireless pursuit of excellence and for their passion in all things that benefit San Antonio.

I'd also like to thank our 2017 leadership team, including our executive committee and active committee and council chairs.

Finally, with continued support from SAEDF investors, we are able to focus on our priorities and goals to propel San Antonio to an economically healthy and prosperous future. Thank you for your continued engagement and commitment to our community.

Jenna Saucedo-Herrera

2017 SAEDF EXECUTIVE COMMITTEE

WAYNE PEACOCK SAEDF Chair, President, USAA Property & Casualty Company

DAVID MCGEE SAEDF Vice Chair, President & CEO, Amegy Bank

CINDY L. JORGENSEN SAEDF Secretary/Treasurer (Jan. – June), Chief Financial Officer, SWBC

LISA FRIEL SAEDF Secretary/Treasurer (June – Dec.), Office Managing Partner, EY

CRAIG BOYAN President, H-E-B

PAULA GOLD-WILLIAMS President & CEO, CPS Energy

SHERYL SCULLEY City Manager, City of San Antonio

DAVID MARQUEZ Executive Director of Economic Development, Bexar County

DAVID CROUCH VP Administration & Production Control Division, TMMTX

ALEJANDRO GALINDO VP & President IMM Business Unit, Medtronic

BERTO GUERRA JR. Chairman & CEO, Avanzar Interior Technologies

JIM LAFFOON President & CEO, Security Service Federal Credit Union

WILLIAM RABA Vice Chairman & President, Raba Kistner Inc.

GARY HOYACK Immediate Past Chair, North Chamber

RENÉE FLORES Immediate Past Chair, Greater San Antonio Chamber

REBECCA CEDILLO Immediate Past Chair, San Antonio Hispanic Chamber

2017 COMMITTEE/COUNCIL CHAIRS

SAM DAWSON Investment Committee Chair, President & CEO, Pape-Dawson Engineering

LISA FRIEL Finance Committee Chair, Office Managing Partner, EY

EMILY WHITE-KEATING Marketing Committee Chair, VP Marketing, James Avery

DAVID CROUCH SA Works Advisory Council Co-Chair, VP Administration & Product Control Division, TMMTX

KATE ROGERS SA Works Advisory Council Co-Chair, EVP, The Holdsworth Center



2017 Executive Committee Members (L to R Gary Hoyack, North San Antonio Chamber Immediate Past Chair; David Marquez, Bexar County; William Raba, Raba Kistner; Rebecca Cedillo, SA Hispanic Chamber Immediate Past Chair; Jenna Saucedo-Herrera, SAEDF; Jim Laffoon, SSFCU; Renée Flores, SA Chamber Immediate Past Chair; Wayne Peacock, USAA; Cindy Jorgensen, SWBC; David Crouch, Toyota; David McGee, Amegy Bank; David Jungman, CPS Energy (attending on behalf of Paula Gold-Williams). Not pictured: Craig Boyan, HEB; Paula Gold-Williams, CPS Energy; Sheryl Sculley, City of San Antonio; Alejandro Galindo, Medtronic; Berto Guerra, Avanzar Interior Technologies.)



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