



Office of Mayor Julián Castro
City of San Antonio
P.O. Box 83966
San Antonio, TX 78283-3966
(210) 207-7107

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To: David Agnew, Deputy Director of Intergovernmental Affairs, The White House
From: Office of Mayor Julián Castro
Re: Report on 2009 San Antonio Job Summit

The following report is a compilation of information from the 2009 San Antonio Job Summit. The report includes recommendations for local follow-up actions, and potential implications for meaningful federal policy change. A report containing summaries of each roundtable discussion is included.

Overview of 2009 San Antonio Job Summit

On December 16, 2009, Mayor Julian Castro convened the 2009 San Antonio Job Summit, a half-day forum bringing together key stakeholders in the community. More than 100 leaders from the business and public sectors joined to provide answers to questions posed by President Obama's Forum on Jobs and Economic Development. The stakeholders represented the following economic sectors: manufacturing, aviation, technology, cyber security, government, insurance, utilities, communication, non-profit, education, small and micro-business, hospitality, labor, and local Chambers of Commerce.

After presentations by Mayor Castro and a local economist on the state of the national, regional, and local economies, attendees were divided into 12 roundtable discussions. The conversations were facilitated by a select group of volunteers representing the most recent graduating class of Leadership San Antonio, a leadership development program sponsored by local Chambers of Commerce.

Part I - What parts of your local economy are not working or thriving?

- Access to Capital and Financing: National banks have curbed and restricted lending through various means, including diminished to terminated lines of credit, renegotiated loan terms, and higher interest rates.
- Impact on Small and Medium-sized Businesses: Most participants agreed that the lack of access to capital is stifling investment by local businesses and hurting job creation. The small business sector has been particularly hard hit in the current

downturn, and many small businesses are seeking riskier financing and high interest loans.

What business sectors are being hit the hardest?

- Retail
- Housing
- Construction
- Creative Arts
- Hospitality and Restaurants
- Tourism and Leisure Sectors

What are people struggling with the most?

- Finding employment/transitioning to new careers: As businesses continue to downsize, employees are finding it difficult to obtain employment elsewhere quickly, because employees lack the skill sets and training required for new careers. Business owners indicated an employment pool lacking the requisite skill set and training for jobs in the healthcare and technology sectors.
- Lack of credit: The lack of available credit and decreased credit limits has effectively fostered a “cash-only” marketplace. A decline in discretionary spending is adversely affecting charitable giving to non-profits, school fundraising activities, and extra-curricular youth programs.

Recommendations for Part I:

Local Follow-up:

The Mayor’s Office will:

- Meet with local leaders to discuss how they might address some of these barriers.
- Work to ensure that financial institutions embrace lending practices and policies that are supportive of small businesses, and that target certain priority sectors.
- Coordinate with local micro-lenders and small businesses to address identified barriers.
- Work to achieve better coordination with local educational institutions, particularly community colleges, to design training programs that equip residents for new jobs.

Federal Policy Implications:

- The federal government should enact policies that encourage the resumption of lending nationwide.
- Large multi-state banks fail to properly and adequately weigh and respond to local business needs and interests
- Federal policies need to provide increased funding for community colleges and targeted training programs (e.g. for green jobs).
- Increased federal investment in transportation infrastructure projects will jump-start key industries.

Part II - What are the opportunities for growth in your community?

- Information Technology and Cyber-security
- Health care, Medical Services, Medical technology
- Weatherization and Green Jobs: San Antonio's municipally-owned utility, City Public Service (CPS) Energy, recently announced that it will invest \$850 million as part of a comprehensive citywide weatherization, energy efficiency and conservation program - the Save for Tomorrow Energy Plan (STEP). STEP will help spur the creation new green markets and green jobs, and participants agreed that the City of San Antonio must expand and develop new green jobs training programs to align with this significant investment.
- Military sector: Attendees agreed that the City of San Antonio should adopt policies that leverage the current expansion at Fort Sam Houston. The Pentagon plans to convert Fort Sam Houston into one of the world's largest centers for medical training, education and treatment. This expansion will include approximately 12,500 new positions, including roughly 4,000 new students and 8,500 military and civilian personnel. The potential economic impact from this expansion is projected at nearly \$8.3 billion, and the expansion will be a significant source of new jobs.

What businesses and sectors seem poised to rebound?

- Financial Services and Insurance: Several tables discussed the potential growth of "call centers" in the financial and insurance service sectors. One group noted that financial services would be particularly positive for international business partnerships in Mexico and Latin America.
- Residential homebuilding and construction is also expected to rebound, given that this sector has performed better in San Antonio than in the nation overall. The construction industry has slowed, but has not been as negatively impacted as other parts of the country.
- Green Industries and Technologies

What do you see as the "jobs of the future"?

- Green jobs: Jobs in weatherization and retrofitting, energy conservation, and renewable energy technologies.
- Information Technology
- Military and Cyber-security: In May 2009, the Air Force Space Command announced its plans to locate the 24th Air Force cyber command center at San Antonio's Lackland Air Force Base. The cyber-command will be charged with securing the military's communications and data systems, and will bring 400 high-skilled jobs to San Antonio. In addition, the new cyber-command will also generate additional jobs among more than 80 private defense companies that specialize in computer network security, cryptology and data analysis.
- Transportation: Potential investments in mass transit could stimulate job creation.
- Aerospace and Rail: Some participants argued that the City needed to do more to leverage its strengths and core assets, including the Port of San Antonio located at the former Kelly Air Force Base. The Port of San Antonio is a 1,900 acre aerospace and

industrial complex, and international logistics platform located in the heart of the NAFTA Corridor between Mexico and Canada.

Recommendations for Part II:

Local Follow-up:

The Mayor's Office will:

- Work with the Green Jobs Leadership Council to develop policies that leverage city and county investment in weatherization to expand green jobs.
- Work to ensure that the growing San Antonio medical community and military medical sector take advantage of potential synergies.
- Examine potential city investment in mass transit and transportation infrastructure to stimulate job growth.

Federal Policy Implications

- Federal policies should increase investment in weatherization and energy retrofitting to stimulate creation of green jobs
- Federal policies should increase investment in mass transit and transportation to stimulate job creation in construction and engineering sectors.

Part III - What are the obstacles to job creation in your community?

- Lack of Access to Capital and Financing
- Health Care Costs: Several tables expressed concerns about the impact of rising health care costs on small businesses.
- Lack of a Skilled Workforce: Several tables highlighted the lack of a skilled workforce capable of filling jobs in emerging technology sectors.
- Transportation and Mobility Issues: Additional mass transit solutions are necessary to ensure that workers are able to have reliable and affordable options for commuting to work.
- Affordable Housing: Affordable housing continues to be a problem for many workers.

What could make local businesses more likely to start hiring?

- Small Business Incentives: Among the areas that attendees discussed that would improve the ability for businesses to start hiring were a focused small business expansion program inclusive of incentives for growth and investment. This approach includes additional funding for training programs for both the employee and the employer.
- Health Care Incentives: Additional support is recommended to help support business expenses related to healthcare and benefits. New initiatives should be considered that include tax credits for small business expansion similar to business relocation programs for large companies.
- Incentives for Green Businesses

- Expanding lending and credit: As previously stated, access to capital and reformed lending strategies would provide large and small businesses with the necessary resources to invest and grow their companies.
- Investment in Transportation/Infrastructure Projects: Some participants mentioned that federal investment in larger-scale transportation and infrastructure projects would help spur job creation in construction and engineering sectors.
- Quality of Life Issues: Several groups identified specific policy recommendations that would make San Antonio more attractive to businesses and a skilled workforce, including investment in arts and cultural amenities and parks and recreation.

Recommendations for Part III

Local Follow-up:

The Mayor's Office will:

- Work with the Mayor's Green Jobs Leadership Council to develop policies aimed at creating new green markets for renewable energy and energy efficiency, and expand the number of green jobs in San Antonio.
- Work with financial institutions and micro-lenders to promote better access to credit for small and medium-sized businesses.
- Work to promote new investments in transit and infill to spark housing market within the central city.
- Work to develop more coordinated training programs for emerging job sectors, including green jobs.

Federal Policy Implications

- Federal small business tax credits and incentive programs could stimulate new hiring.
- Federal health care reform legislation could help small businesses by lowering operating costs.
- Federal government should enact policies that encourage the resumption of lending nationwide.
- Large multi-state banks fail to properly and adequately weigh and respond to local business needs and interests.
- Federal policies need to provide increased funding for community colleges and targeted training programs (e.g. for green jobs).
- Increased federal investment in large-scale transportation infrastructure projects will help spark job creation in construction and engineering sector nationwide.
- Increased federal investment in weatherization and energy retrofitting, and other green industries and sectors, will help stimulate creation of green jobs nationwide.