

Bexar County Judge Nelson W. Wolff
State of County
North San Antonio Chamber of Commerce
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Can we be the next innovative tech city?

Times are good. Bexar county employment growth from 2010 to 2014 was 9.95% for a total 793,781 people working now. 3.4% unemployment. Last year our population grew by 34,000 of which half moved here. First quarter of this year: retail, office, and industrial all saw occupancy growth.

Our strong economy has enabled us to meet the needs of a growing population while keeping the county's fiscal house in order. We lowered the county's property tax rate in the current fiscal year, something we have been able to steadily do over the past 14 years I have served.

I'm also happy to announce that all three major ratings services have given Bexar County a triple-a rating based on our strong diversified economy, sound financial policies and consistent leadership.

Our economy is strong because over the years we have expanded and diversified to include a thriving biomedical industry, finance industry, manufacturing, tourism, military, cyber security, and oil and gas companies related to the eagle ford shale. We should be proud of those accomplishments.

Proud but not satisfied.

All elements of our economy are affected by the rapid innovation technology brings. The explosive growth of computing power, storage, networking, sensors and software applications is rapidly changing the economy. The dynamics of the job market is changing before our eyes.

Successful 21st century cities will be judged by their willingness and ability to enter into this new economy that is defined by these innovative and often disruptive technologies.

But we are slipping behind other cities in our efforts to embrace this new emerging tech industry. We need to pick up our pace or we will be eclipsed.

We only need to look up I-35 to see we are not keeping pace with the emerging tech economy. Austin has embraced Uber, Lyft, and Google Fiber. Numerous tech companies call Austin home. They have developed municipal broadband for use by public institutions for more than 20 years.

But there is hope and a new rumbling in town. On Tuesday, I attended Lew Moorman's Tech Bloc kickoff event and with over 900 tech industry leaders. Lew Moorman's speech at Tech Bloc's rally emphasized the importance of Uber and Lyft, improving livability, new economic development policies, and marketing of the city's strength in emerging technology. There was electricity in the room and an excitement I have not seen before. New leadership is

stepping up to push our city forward. If we will step up and support them we could *become a thriving innovative tech city*.

We have some building blocks giving us a strong foundation:

- 24th and 25th Airforce Cyber Command,
- NSA,
- Rackspace,
- Geekdom,
- Bio-medical firms,
- Advanced manufacturing companies, and
- Several small tech firms.

Over the last few months I have been meeting with leaders in the tech industry including Rackspace Chairman Graham Weston, President Taylor Rhodes and Former President Lew Moorman. Here with us today — at what I like to call the innovator table are some of the key people involved in moving us forward in the tech world:

- Lorenzo Gomez, Director of the 80/20 Foundation and Co-founder of Geekdom
- Shaun Williams, Founder of the SA-Tecosystem
- John Dickson, Principal with the Denim Group and Chair of the San Antonio Chamber's Cyber Security Committee
- Leticia Ozuna, Cyber Security Expert
- Ken Villano, a former Rackspace executive who is the County's new Chief Innovation Officer
- Henry Carr, General Manager Uber Bexar County

- Erin Barber and Roxanne Molina with WP Engine
- Hugh Miller, City of San Antonio's Chief Technology Officer
- Marina Gavito, a Racker and Co-founder of Tech Bloc

Over a series of meetings we have identified seven pathways toward an innovative tech city:

1. University Research and Tech Education
2. Venture Capital and Support for Start-up Tech Companies
3. Livability
4. Skilled Training
5. New Incentive Programs for Tech Companies
6. Target Private Sector Cyber Firms to Locate in San Antonio
7. Build on Technological Strengths of our Health Care Industry

Three major sectors have to play a role to accomplish the aforementioned:

1. Local Government
2. The Private Sector
3. Academia

1. Local Government

Embrace new disruptive technologies

The county did that with Bibliotech when we opened the nation's first all-digital public library. It was a challenge to the old way of doing business and led to a tense relationship with the San Antonio public library. My opponent criticized me for starting Bibliotech and said he would stop Bibliotech's development.

You know what? Elections do count. We are building two more Bibliotechs, one opening this summer on the west side at SAHA's San Juan Gardens and a third branch opening in 2016 in another SAHA community in the eastside promise zone. We are bringing technology and e-books and teaching people how to use them.

I have quarterly meetings with the Mayors of the other 26 cities in San Antonio. With a combined population of 184,000 citizens and a budget of \$184 million, they are key players in moving our community forward. Windcrest was instrumental in creating a headquarters for Rackspace. The County and Suburban Cities have embraced Uber and Lyft. This is not just about another ride opportunity. It is a marque, saying we are embracing the new economy.

Our mantra to the tech industry should be: start here and scale up here, or start there and scale up here.

We should focus on growing local tech companies and recruiting out of city companies that provide complex, high-skilled employment opportunities. It's about the quality of jobs, not just the quantity. Technologically complex jobs are in smaller numbers, but are higher paying and employ talented individuals. Talent breeds more talent.

In this next budget year I will recommend creating a million-dollar 381 grant fund to attract and grow such companies. We will also consider reallocating tax abatements to these new industries.

We need to actively recruit tech companies as we did with WP engine, a Wordpress website hosting company that is headquartered in Austin, has chosen to expand to San Antonio over Houston, Dallas, and Phoenix.

Look forward to working with USAA's Wayne Peacock who is charted be the chair of EDF to implement new strategies.

Continue to Create a Livable Environment

- Continue to use incentives for inner city development.
 - housing and retail along the museum reach of the river and the pearl and Broadway corridor continues to grow
 - More housing is coming up on the mission reach at Big Tex, Blue Star, Cevallos, Probandt and soon at the Lone Star Brewery.
 - Soon the city council will vote on the Weston urban proposal to build a new high-rise downtown for frost bank. It will be a tremendous step forward for the inner city. We are supporting this project by offering tax incentives and by investing in san Pedro creek which runs right by the proposed tower.
- Continue to invest in amenities that support inner city economic development.
 - The county has committed \$125 million to improve san Pedro creek from north of downtown south two miles to the confluence with the Alazan/Apache creeks.
 - This project will connect the downtown and the Mission Reach with the Westside creek linear trails.

- The plans include an amphitheater, areas for al fresco dining, nature areas and installations that tell our cultural history.
- We will finish the first major portion of it in 2018 in time for the 300th anniversary of san Antonio and Bexar county
- We are investing over \$100 million dollars to upgrade the Bexar county arena, coliseum and expo halls. Work is under way on the arena. Go Spurs go.
- Need to support Gordon Hartman's efforts to attract major league soccer
- Need triple a baseball franchise and new ball park downtown
- Continue to support our cultural institutions.
 - The county invested \$100 million in the Tobin center. A great investment paying dividends already. In just 238 days of operation, the Tobin has hosted 418 events with 173,638 guests, including more than 30,000 children.
 - That is basically 800 people twice a day, every day.
 - The County contributed to the do-seum, the new San Antonio children's museum that will inspire children at a very young age.
 - We have also invested in the Witte, the Briscoe, and the Alameda.
 - In late June I will travel with a local delegation to Bonn, Germany, to support the San Antonio Missions inscription as a world heritage site. The County has been working on this for nine years. If we get it, we will be the first site in Texas. Such a designation would give us an economic impact of more than \$100 million a

year. Tourists will come here for the cultural and historical experiences we offer.

- Step up our pace in supporting music venues and events.
 - Two years ago I closed this speech by introducing you to the sounds of girl in a coma — I think I saw a few heads bobbing to the music!
 - Maverick music festival just completed its third annual event at La Villita with a record crowd.
 - Need to continue to grow small festivals like Maverick, Conjunto, Jazz Alive.
 - We need 50 small venues, like Paper Tiger, which just opened in the old White Rabbit on north St. Mary's street.
- We need to take the steps to use our municipal fiber.
 - Former councilperson Leticia Ozuna led the effort to use CPS' fiber to connect public universities, public schools, community colleges, county and numerous other public institutions. The city of Austin has been doing this for 20 years. Just this week I met with Wayne Wedemeyer who runs the program in Austin. It has 11 institutional partners and has saved one partner \$54 million in access cost. We are willing to join the City and step up and financially contribute to such a system.
 - Yesterday talked with the City's information technology officer Hugh Miller, who is working to close the gaps in CPS' fiber lines and by this fall expects to move forward on expanding use of this municipal fiber.

- Municipal fiber could be used to provide high speed broadband access to citizens throughout community.
- In connection with municipal fiber, Hugh is also working closely with Google high speed fiber and the county looks forward to supporting that effort.

Build on Technological Strengths of our Health Care Industry

Invested \$900 million in Bexar County Hospital District. Much of it going to advanced technology. The latest technology for digital patient tracking and electronic medical record and state of the art diagnostic equipment.

- Over 6000 employees will play a key role in emerging technology.
- Hospital Top 100 Wired Hospitals in the country.
- State of art tier 3 data center.
- Teaching hospital for UTHSC.
- Helps support research programs.

2. Academia

A&M, UTSA, UT Health Science Center, Incarnate Word, St. Mary's, Trinity and Our Lady of the Lake need to continue to enhance their technology research and course offerings.

- Mauli Agrawal, UTSA's vice president for research – is taking the lead.
- the Open Cloud Institute, with start-up funding from the 80/20 Foundation, is developing degree programs in cloud computing and big data
- UTSA's cyber security program was ranked the best in the nation last year

- they offer many other tech-related degrees and are creating a degree in data analytics

Workforce and Skilled Training:

- Mayor Taylor and I chaired a workforce summit in January 2015.
- We must broaden the skilled training partnerships with the Alamo College District and high schools, and build on the success of the Alamo Academies.
- Extraordinary opportunity under HB5 that allows schools to change the pipeline of education – stop teaching to the test and teach to the job.
 - HB 5 promotes career pathways for high schoolers, whether it is a 4-year or 2-year degree, or an apprenticeship or certificate.
 - We should urge all of our school districts to make sure they are fully implementing this bill and encourage more students to take advantage dual credit programs, where they simultaneously earn an associate’s degree, certification or both.
 - Commissioner Tommy Calvert is working with superintendents to develop cyber security curriculum so that more students can graduate high school with certifications and security clearance.
 - This week I visited Southwest High School’s students and teacher Arthur Celestin. Students receive security clearances and tech certifications before graduation. Larry Hurtado, CEO of Digital Defense joined us. His company helped fund the courses.
- Through BiblioTech we collaborate with school districts and are in 58 school libraries. We will be adding more tech courses in our libraries.

We are also working with the Open Cloud Academy to eventually provide pre-requisite courses at all three BiblioTech branches.

3. Private Sector

The San Antonio Chamber will take the lead in fostering skill development programs in our college district and high schools.

- HEB is funding \$1.5 million to implement a program with the goal of placing 20,000 people in quality, applied learning experiences with local employers by 2020.
 - The program also will support externships for educators to get out of the classroom to learn the latest about industries for which they are preparing students.
 - This marrying of the private sector with education is exactly how we will ensure we are educating our students for the new economy.

Cyber Security Industry Development

- John Dickson is heading up the Chamber's cyber security industry council, bringing together the CEOs of cyber security companies,
 - this group is focusing on several initiatives to promote and grow the local cyber security industry, including:
 - Creating prospects for relocation or expansion of cyber security companies.
 - Identifying gaps and solutions for workforce training challenges.

CPS is taking the lead in the new technology of green energy. Just this week I attended Doyle Beneby's announcement of the Innovation Center to be built at the historic Mission Road power plant. Private sector companies have joined to fund the project with a commitment of \$15 million.

Companies need to expand and develop internships and apprenticeships

- Toyota is doing this with the Alamo Academies by offering paid internships for high school juniors before their senior year, and the students work an apprenticeship three days a week and attend school at the Alamo Colleges for two.
- Rackspace created the Open Cloud Academy to offer self-paced and instructor-led programs in Linux systems administration, network security and software development.

I visited with Shaun Williams of SA Teco-system and David Monroe of e-watch. He was one of the pioneers back in early San Antonio at Data Point

- First computer terminal, first desktop computer. Lost it all because we didn't keep innovating.
- huge collection of science and tech archives and David and Shaun will be putting a plan together to create a San Antonio Science and Technology museum

Increase the availability of venture capital funds and expand on the work that Geekdom is doing to house startups

- For example, Janie Gonzalez received a \$500 investment to create Webhead. She now has over 89 people working for her.

- The private sector needs to develop a program to reach retiring military personnel skilled in cyber security to stay here and join private firms or become entrepreneurs.
- We must keep the over 200 Rackers who leave Rackspace each year to look for new opportunities.

Seven pathways toward an Innovative Tech City:

1. university research and tech education
2. venture capital and support for start-up tech companies
3. livability
4. skilled training
5. new incentive programs for tech companies
6. target private sector cyber firms to locate in SA
7. build on technological strengths of our health care industry

Local government, academia, and the private sector must come together to chart out the seven pathways to change. We must create a collaborative community with the common goal of making San Antonio and greater Bexar County the next big tech community.