

**Bexar County Judge Nelson W. Wolff**

**State of County**

**Greater Chamber**

**October 27, 2015**

I think we all realize we are in a rapidly changing economy.

The explosive growth of computing power, storage, networking, and software applications are rapidly changing the economy. Everyone in this room is impacted by technology innovations: private companies, non-profit organizations and government.

Innovation is coming from thousands of technologists with entrepreneurial tech firms. They tinker until they have a better machine or software. It's an exponential process, with parallel breakthroughs, a living organism following its own urges perpetuating and expanding itself.

Successful 21st century cities will be judged by their willingness and ability to foster and grow the environment for innovation.

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. Remember when we started picking off California companies with medium-skilled back room jobs because it was less expensive to do business here?

We bragged about the Texas miracle in job creation from 2009 to 2015. But according to Carlton Schwab, CEO of the Texas Economic Development Council, about 40% of those Texas jobs were related to the oil and gas industry and we know where that is today.

Today California is eating our lunch with their highly skilled work force. Between August 2014 and August 2015, California gained 432,000 jobs to Texas' 196,700.

Closer to home we only need to look up I-35 to Austin to see we are not keeping pace with the emerging tech economy.

**If we are going to be a great 21<sup>st</sup> century city then we need to support talent development through high skilled training.**

Companies will grow or relocate to cities that have a talented workforce.

The Chamber, under the leadership of Henry Cisneros, is on the cutting edge. The SA Works committee led by Chairperson Kate Rogers is implementing a program with the goal of placing 20,000 people in quality, applied learning experiences with local employers by 2020.

SA Works is also working with employers to create internships, fellowships and apprenticeships. Toyota offers paid internships for high school students where they work three days a week and attend school two days.

The county has 123 paid and unpaid internships. We need to do more. Mayor Taylor and I will be meeting with other public entities and encouraging them to expand their internship and certificate scholarship programs.

SA Works also has conducted workshops with math and science teachers and school counselors.

Last week Commissioner Tommy Calvert and I met with representatives from all the school districts where staff director of SA Works, Priscilla Camacho, laid out a plan for the districts to implement courses in the fundamentals of computer science that would prepare them for cyber security jobs. The curriculum is being developed at Sam Houston High School.

We will propose to the Commissioners Court funding for 30 scholarships to help high school students obtain a tech certification such as A+, Network+, and Security+.

In a parallel effort to the Chamber's work, San Antonio Talent for Economic Competitiveness (SA-TEC) is under way. Mayor Taylor and I chaired a workforce summit in January of this year that led to the creation of the industry driven SA-TEC board under the leadership of Peter John Holt. The goal is to change the pipeline of education by focusing on healthcare and biosciences, information technology, and advanced manufacturing.

- a. SA-TEC is partnering with the Alamo College District and the school districts to expand and scale up the curriculum the industries need for their workforce.

- b. School districts should encourage more students to take advantage of dual credit programs, where they simultaneously earn an associate's degree or industry recognized certificates.
- c. SA-TEC is also working with private companies to scale up their job training programs. For example, Rackspace created the Open Cloud Academy to offer self-paced and instructor-led programs in Linux systems administration, network security and software development.
- d. The County is contributing \$100,000 for the salary of a director for SA-TEC who will report to the board and college district.

Every business, big or small, needs to become involved with creating a talented workforce through SA Works and SA-TEC. Just last night I talked to Harvey Najim who told me he is working on a program with Alamo Colleges and UTSA that will establish several STEM degree scholarships.

- 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.
- Led by Mauli Agrawal, UTSA's vice president for research, UTSA has established the Open Cloud Institute and is developing degree programs in cloud computing and big data

- UTSA's cyber security program was ranked the best in the nation last year
- UTSA offers many other tech-related degrees and is creating a degree in data analytics

**As we create a talented work force, we simultaneously need to create the jobs that they are trained for.**

We need to start by setting the right atmosphere and embrace disruptive technology. Cities are judged by their willingness to embrace technology even if it causes controversy.

Instead of dragging Uber and Lyft back into the 20<sup>th</sup> century, the cab industry needs to be brought into 21<sup>st</sup>.

Yes, the representatives of some of the tech companies can be abrasive and hurt your feelings as Uber representatives did. But if you are in the public sector and can't deal with people who hurt your feelings then get another job.

The mayors of the other 26 cities in Bexar are in the game. We meet every quarter. Windcrest was instrumental in creating a headquarters for Rackspace. The county and suburban cities have embraced Uber and they stayed here and served their cities until Mayor Taylor and City Manager Sheryl Sculley worked out an arrangement with them to also serve San Antonio.

The county deployed disruptive technology when we opened BiblioTech, 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.

We opened another BiblioTech this summer on the West Side at SAHA's San Juan Gardens and a third branch will open in 2016 in the Eastside Promise Zone. We just entered into a partnership with the three military libraries. Across the County we are bringing technology, e-books, e book readers and teaching people how to use them. In the first 2 years we have seen 260,000 on-site patrons and circulated almost 200,000 e-books.

Glad to see Google bring faster and better internet service to our city. Do you think AT&T and Time Warner would have finally upgraded their network without the intervention of Google?

States, cities and local governments should cooperate, they should also compete with each other to drive down costs and provide better innovative services.

Commissioner Kevin Wolff is working to develop a 5-year strategic plan to make Bexar County the public sector leader in innovative information technology.

We have also invested some \$900 million in the Bexar County Hospital District, much of it going to advanced technology, such as the latest technology for digital patient tracking, electronic medical records and state of the art diagnostic equipment.

We have a state-of-art Tier 3 data center. Our hospital district was ranked among the top 100 wired hospitals in the country.

The Texas Research Park, UTHSC, Texas Biomedical, and start-up venture funds, such as targeted technologies, are building a strong biomedical economy.

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

The Chamber is doing this with cyber security San Antonio led by John Dickson, principal with the Denim Group.

This effort is led at the chamber by Will Garrett. He already has three companies in his sights that he is working on and is developing a top notch hunting list of other companies. He's working to bring more contractors with the 24<sup>th</sup> and 25<sup>th</sup> Air Force Cyber Command and NSA to San Antonio.

The county is contributing \$50,000 annually to this effort.

Tech Bloc is also working hard to bring and grow companies here. We are working with Lew Moorman, co-founder of Tech Bloc and Lorenzo Gomez, co-founder of Geekdom.

On November 3 we will launch a competition for a \$50,000 economic development grant that the county is providing to the winning company for innovation.

In our budget this year we provided \$1 million in funding to tech companies that will come to San Antonio or a local company that will size up here. Bexar County Economic Development Department is working with industry leaders to identify incentives that fit the needs of a tech company, aiming to incentivize talent instead of capital investment.

The Economic Development Foundation needs to dust itself off and play a more aggressive role in soliciting companies that will bring complex, high-skilled employment opportunities.

- It's not just about capital investment and number of jobs but rather the quality of the job a company may bring.
- Top talent begets more talent. They spend more and high skill tech jobs spin off 7 other new jobs — that is substantially more than any other industry including manufacturing, which is about 2 to 1.

It is going to take creative leadership to gin up EDF and I believe we have that in our new chairman Wayne Peacock. The county invests \$500,000 a year in the organization and we are encouraged by the ideas for a new direction.

**To be able to attract and retain a talented workforce and companies that provide those jobs, we have to create an exciting urban environment.**

- a. The housing first strategy has worked. We need to continue to use incentives for inner city development. Some 5,000 units have either been built or are under construction in the past five years.

- The Pearl, the Broadway corridor, the southern reach of the river, and recently new housing developments east, west and south of downtown have sprung up.

The county has committed \$125 million to improve San Pedro Creek from downtown to the confluence with the Alazan/Apache Creeks.

It's going to be different than the River Walk and the Mission Reach of the river. It will tell a story of our culture and history.

- 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 300<sup>th</sup> anniversary of San Antonio and Bexar County

We already have a major project announced on the creek; the Weston Urban high-rise for Frost Bank is underway.

The County has completed the \$100 million dollar renovation of the Bexar County arena with a large portion going to upgraded technology, a state-of-the-art sound system, score board, Wi-Fi, and over 600 TVs.

We need a downtown triple-A baseball park. It could possibly be the home of UTSA's baseball program. The city will be taking the lead as the Missions are their tenant. And the County is supportive of that effort.

We also are working with the city to bring Major League Soccer to San Antonio. Mayor Taylor and I believe it is not in the public's best interest for us to invest public dollars unless there is a clear pathway to MLS.

The county invested \$108 million in the Tobin Center. In its first year they staged 453 performances with 245,000 people attending. They ranked 3<sup>rd</sup> in the world among theaters with 2,000 seats or less.

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.

Shaun Williams of SA Techosystem and David Monroe of e-Watch are working to create a San Antonio Science and Technology Museum

On July 5, I was in Bonn, Germany, with Mayor Taylor when the San Antonio Missions were inscribed as a World Heritage Site. The County has been working on this for nine years. We are the first site in Texas.

Two weeks ago the County voted to commit \$4.5 million to stabilize the historic Hot Wells ruins which includes landscaping and creating an interpretive center and a county park. Roosevelt, Valentino and many other celebrities visited the late 19<sup>th</sup> century resort.

Two years ago I made a speech emphasizing the importance of music venues in attracting young, talented people to San Antonio.

Maverick Music Festival just completed its third annual event at La Villita with another record crowd.

And the Saint Mary's strip is coming alive with some 26 restaurants, bars, and live music venues.

**In closing I hope you will work with us on the 3 major endeavors that will position our city as a great 21<sup>st</sup> century city: embrace talent development, create innovative jobs, and establish an urban lifestyle.**