



**ECONOMIC
DEVELOPMENT
CORPORATION**

MEMORANDUM

To: Mayor Donna Dodgen
Seguin City Council

CC: Steve Parker, City Manager
Samuel Aguirre, City Attorney

From: Josh Schneuker, Director of Economic Development

Date: March 7, 2023

Subject: Seguin Comprehensive Economic Development Strategic Plan

Background Information

On November 2, 2022, the Seguin Economic Development Corporation released a Request for Proposals (RFP) seeking the proposals from qualified professionals who are knowledgeable in research and development, public outreach, comprehensive planning, and data analysis to develop a Comprehensive Economic Development Strategy (CEDS) to focus the SEDC's economic development priorities. The Comprehensive Economic Development Strategy will help Seguin attract and retain businesses that will create primary jobs by focusing efforts that leverage the community's assets and strengths. A Comprehensive Economic Development Strategy will help with a unified vision and strategic approach to achieving a robust, resilient economy over the next three years and beyond. The Strategy will be designed to provide the Seguin Economic Development Corporation, the City of Seguin and other business, education, nonprofit, and public sector leaders with a cohesive action plan that ensures everyone is working in-step toward a shared vision and goals. The Scope of Work requested for the Project was as follows:

1. Summary Background

A background summary of the City of Seguin's current conditions, including but not limited to economy, demographics, population, workforce development and conditions, transportation access, natural, built, and human resources, environment, and geography. The background summary should answer the question, "What have we done?", and present a clear understanding of the local economic situation, supported by current, relevant data. The information should be presented in the CEDS in a clear and concise manner and be easily understood by the general public. Data featured in the summary background section should be presented in a way that allows for clear and relevant connections to the SWOT analysis and strategic direction.

2. SWOT Analysis

The SWOT analysis of the Seguin economy should answer the question, "Where are we now?" by using the relevant data and background information to help identify the critical internal and external factors that speak to the Seguin's unique assets and competitive positioning. The SWOT is a strategic planning tool will be used by the SEDC to ensure that there is a clear objective informed by a comprehensive understanding of Seguin's capabilities and capacity. The SWOT analysis should identify Seguin's

competitive advantages—those indigenous assets that make our region special or competitive in the national and global economies—juxtaposed against those internal or external factors that can keep our region from realizing its potential. Determining and analyzing what Seguin already possesses that could be leveraged better to build the capacity for growth, including competitive cultural, economic, technological, intellectual and physical assets, will be critical to developing the strategic direction and implementation plan to promote regional economic vitality. In addition, the SWOT analysis should consider economic resiliency. Specifically, what factors and/or elements are in place (or need to be put in place) to ensure the long-term success, viability, and durability of the Seguin economy.

3. Strategic Direction and Action Plan

The strategic direction and corresponding action plan contained within the CEDS will be the heart and soul of the plan. They should answer the questions “Where do we want to go?” and “How are we going to get there?” by leveraging the analysis undertaken in the SWOT. The strategic direction and associated action plan should logically flow from the critical internal and external factors that speak to Seguin’s assets and limitations and its role in capacity building. The strategic direction should evolve from a clearly defined vision with prioritized goals and measurable objectives. The action plan should also focus on those regionally-driven strategic priorities that will be undertaken to bring the prosperity aspirations of the region’s stakeholders to fruition.

4. Evaluation Framework/Performance Measures

The evaluation framework will serve as a mechanism to gauge progress on the successful implementation of the overall CEDS while providing information for the CEDS Annual Performance Report. These regular updates keep the strategic direction and action plan outlined in the CEDS current and the plan as a whole relevant. The SEDC will use the evaluation framework to gauge the ongoing planning process. The evaluation framework should answer the questions “How are we doing?” and “What can we do better?” The evaluation framework, with its associated measures and timelines, should cascade from the strategic direction and action plan, which, in turn, flow from the SWOT analysis. Performance measures should be identified to evaluate the progress of activities in achieving the vision, goals and objectives. The performance measures will ultimately be selected upon what is important to Seguin, what conditions Seguin needs to reverse or create, and what local and regional assets can be leveraged. In effect, the measures should reinforce the relevant data and background information collected, SWOT analysis undertaken, and strategic direction and action plan developed to help identify the critical internal and external factors that speak to the local and regional assets, limitations, and overall ability to build capacity.

5. Economic Resilience

The CEDS must also incorporate the concept of economic resilience (i.e., the ability to avoid, withstand, and recover from economic shifts, natural disasters, the impacts of climate change, etc.), with an anticipation that economic resiliency will be interwoven throughout the CEDS.

Evaluation of Proposals and Interviews of Finalist Consultants

A bid opening for the Comprehensive Economic Development Strategic Plan (CEDS) Proposals was conducted on December 20, 2022, a. The SEDC received 7 proposals for this project. SEDC Staff scored the proposals based on the following criteria:

- Experience and Qualifications
- Strength of the Proposed Project Team
- Quality of the proposed approach to the scope of work
- Ability to successfully complete the project; and

- Response Characteristics

The top four scoring proposals were selected to move onto the interview stage. The top 4 scoring proposals were submitted by:

- TIP Strategies
- Ernst & Young (EY)
- Coraggio Group; and
- Thomas P. Miller & Associates

Interviews of the finalist consultants took place on January 23rd and 24th. The interview committee was comprised of Josh Schneuker, Lindsay Dennis, Steve Parker, Mayor Donna Dodgen, SEDC Board President Carlos Moreno, and SEDC Board Member Elaine Bennett. The interview process involved a presentation from the consultant, followed by questions and conversation related to their proposal for the CEDS.

Interview Committee and Staff Recommendation

At the conclusion of the interview process, it was a unanimous decision amongst the interview committee to recommend Ernst & Young serve as the consultant for the Seguin CEDS Project. During the initial evaluation process, EY had one of the highest scoring proposals amongst the consultants. EY also stood out amongst the competition during the interview process. It is the opinion of the Interview Committee and Staff that EY can deliver a CEDS that will go above and beyond the rest. Factors that lead to the recommendation of EY include:

- **Experience of the team assigned to the project:** EY's project team incorporates professionals who are well seasoned in working with communities on projects of this nature. They also are able to leverage EY professionals that specialize in workforce development and site selection, bringing their expertise to the creation of the Seguin CEDS.
- **Experience with other communities in the State of Texas:** EY has assisted several other communities across the State with the development of their CEDS. This includes Pflugerville, Georgetown, Amarillo, and Fort Worth.
- **Project Approach:** EY's approach to building our CEDS incorporates several elements including:
 - A review of existing information (i.e. reports, budgets, City Plans, data, etc.)
 - Advisory Committee Development and Stakeholder input (i.e. City Leaders, ED Staff, Businesses, Educators, and the community as a whole)
 - Economic and Demographic Analysis
 - Peer Benchmarking
 - SWOT Analysis
 - Targeted Industry Analysis
 - Cluster Analysis
 - Development of CEDS Evaluation Framework and Performance Metrics

EY anticipates that they can complete the CEDS by October 31, 2023.

Cost and Funding of Services

Per EY's proposal, costs for services are \$165,000. Three items (Community Survey, Peer Benchmarking, and Annual Performance Review) within EY's proposal were identified as optional add-ons, at an additional cost of \$15,000, bringing the potential total cost for the Project to \$180,000.

Staff was able to negotiate with EY, and they have agreed to include two of the three optional add-ons (Community Survey and Peer Benchmarking) in the original scope of work, which costs \$165,000.

Funding for the CEDS will be allocated as follows:

- \$150,000 from the SEDC's Professional Services Account
- \$15,000 from the City of Seguin Economic Development Utility Fund Budget, Professional Services Account.

The SEDC has been able to bring SH 130, a key stakeholder for this Project, to contribute financially to this project. SH 130 has committed to a financial contribution of \$50,000 for the CEDS. The financial contribution will be collected from SH 130 following initiation of the project and will go back towards the SEDC's Budget. This will bring the SEDC's total financial contribution to \$100,000 upon receipt of SH 130's contribution.

Interview Committee and SEDC Board Recommendation

The Interview Committee and the SEDC Board of Directors recommend approval of the Resolution approving a Statement of Work and Master Services Agreement between the Seguin Economic Development Corporation and Ernst & Young LLP for the development of a Comprehensive Economic Development Strategy. The SEDC Board of Directors approved the item at their Board Meeting on March 2, 2023. Since the cost associated with this Project is in excess of \$50,000, approval from the Seguin City Council is also required.