

**State of Texas
County of Bexar
City of San Antonio**



**FINAL
Meeting Minutes
City Council B Session**

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, June 15, 2016

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the "B" Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call with the following Councilmembers present:

PRESENT: 11 - Mayor Taylor, Treviño, Warrick, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier, and Gallagher

1. A Briefing and possible action regarding three annexation study areas to include Interstate Highway 10 West, US Highway 281 North, and Interstate Highway 10 East. [Peter Zaroni, Deputy City Manager; Bridgett White, Interim Director, Planning and Community Development]

Peter Zaroni presented an update on the Annexation Program. He highlighted Annexation Benefits that include promoting economic growth, protecting future development, and protecting military installations. He stated that the City Council had adopted an updated Annexation Policy in 2013 and that the City Council prioritized the Top Five Areas for Annexation in June 2014. He noted that resources were added to support the Annexation Program as part of the Fiscal Year (FY) 2015 Budget. He stated that in December 2014; the City Council directed staff to initiate Annexation to the Five Priority Areas. He mentioned that Phase I included: 1) IH-10 West; 2) 281 North; and 3) IH-10 East. He indicated that Phase II would include: 4) US 90-1604 and 5) Hwy 151. He stated that public input on

Phase I began in Spring/Summer 2015 and that the City Council requested that additional scenarios be considered. He noted that Annexation for Phase I was delayed to Mid-2016 to coincide with the Comprehensive Plan.

Mr. Zanoni provided an overview of the Area Details and Existing Property Values for each of the Five Priority Areas. He spoke of the Annexation within the SA Tomorrow Comprehensive Plan Development noting that three meetings were held with members from 5 of the 9 Technical Working Groups. He reported findings of the SA Tomorrow Work Groups with regard to three areas:

IH-10 West:

- Major opportunity for more Tax Revenue
- Help to control and manage growth
- Would protect aquifer, greenways, and military installations
- Traffic and connectivity requirements for the areas of concern

281 North:

- Major opportunity for more Tax Revenue
- Would protect aquifer and greenways
- Traffic and connectivity requirements for the areas of concern
- Citizen opposition a major concern

IH-10 East:

- Would provide underserved area with urban amenities
- Supported by current residents
- Cost to city for services a major concern

Mr. Zanoni spoke of the City Manager Annexation Technical Work Group and stated that their charge was to review and provide input on City Staff's Assumptions for three annexation areas within the 20-Year Financial Annexation Impact Study. He reported on the Capital Infrastructure Cost and Projected 20-Year Debt Capacity from Property Tax. He outlined the Annexation Technical Work Group Resources and presented the Work Group Recommendations to the Financial Model: 1) Exclude CPS and SAWS Incremental Revenue on new development; 2) Revise Sales Tax Methodology; 3) Include revenues for Telecommunication Charges; 4) Run alternative scenarios that generate a range of outcomes; and 5) Include discounted cash flows. He noted the Annexation Technical Work Group Concluded that development growth assumptions were reasonable and that the Financial Model, as amended was robust. He added that Financial Results over the 20-year period were positive for IH-10 West and US 281 North but negative for IH-10 East.

Mr. Zaroni highlighted the Annexation Work Group Analysis Range of 20-Year Net Operating Balance and the work completed over the past nine months. He reported the updated staff recommendations: 1) IH-10 West - Commercial and Residential Annexation effective in December 2019; 2) US 281 North - Commercial Annexation effective in 2016 and Residential Annexation in 2034; and 3) IH-10 East - No annexation and further develop options to address the area. He outlined the Fiscal Analysis of the Alternate Annexation Options and next steps to include Council authorization of the Annexation Work Plan. He introduced Mr. Steve Patmon who served on the Annexation Technical Work Group and two Plan Element Working Groups.

Mr. Patmon thanked the City Council for the opportunity to speak and stated that Annexation played a significant role in the City's Growth and Development. He noted that Annexation maximizes the City's return on infrastructure and business incentives, as well as protects and expands the tax base.

Mayor Taylor thanked everyone for the presentation and for all of the work done thus far. She stated that she was pleased with the community based discussions occurring regarding costs and benefits of growth. She noted that her vision was that San Antonio be globally competitive where everyone has the opportunity to prosper.

Councilmember Viagran asked if the Capital Infrastructure Costs presented included staffing. Mr. Zaroni confirmed that they did not include staffing. Councilmember Viagran spoke of the importance of maintaining local control on Annexation and protecting military installations. She stated that she was supportive of moving forward conservatively and taking public input into account regarding Annexation.

Councilmember Saldaña stated that there were two reasons to annex: 1) To control growth or development; and 2) To expand the City's Tax Base. He asked of the two step process to annex US 281 North. Mr. Zaroni stated that Commercial Annexation would be effective in 2016 but Residential Annexation would not occur until 2034. Councilmember Saldaña expressed concern that Residential Annexation would not occur until 2034 noting that it was unfair that residents in the area would not pay property taxes until that time. He recommended moving forward with full Annexation for US 281 North. He asked of the future annexation of the area outside of the Medina Training Annex at Lackland Air Force Base. Mr. Zaroni replied that they had performed initial analysis on the area and it had a negative 20-year net ending balance. He noted that they would continue their analysis and provide a recommendation to the City Council. Councilmember Saldaña asked of Annexation Legislation. Mr. Jeff Coyle stated that there were bills filed in the last Legislative Session that came very close to passing. He noted that there had been Interim Charges given to Committees in the House and the Senate to study the issue. He added that

staff had testified at a Senate Hearing that they did not believe that Municipal Authority to annex should be taken away.

Councilmember Warrick asked of the next steps on IH-10 East Annexation. Mr. Zaroni stated that they would work with the four cities and put together options for the City Council in November or December.

Councilmember Krier stated that he was in support of the staff recommendation for US 281 North and spoke of the need to protect military installations. He asked when they would look at other areas for Annexation if the current plan was approved. Mrs. Sculley replied that it would be sooner than later. Councilmember Krier asked of the City's Long-Term Financial Integrity. Mrs. Sculley stated that they wanted to ensure that there was an appropriate revenue stream to support the quality of services provided to residents. She noted that San Antonio represented 80% of the population within Bexar County. Councilmember Krier stated that it was important for the Legislature to continue to allow Local Control over Annexation.

Councilmember Gallagher thanked everyone for their work but noted concerns moving forward on annexation using a two-phased approach. He stated that it was a serious issue that could limit the city's capabilities in the future. He noted that all citizens should have the right to vote; not only the affected neighborhoods.

Councilmember Lopez stated that there should be a concise plan on how to move forward with Annexation now and in the future. He asked how the Residential Annexation for US 281 North would occur in 2034. Mr. Zaroni stated that there would have to be a Council Vote in December 2033 to activate the Voluntary Annexation. He noted that if the City Council agreed to the Non-Annexation Agreement, it would be between the City and the Property Owners and would note that the Property Owners voluntarily agree to be annexed in 2034. Councilmember Lopez spoke of the high growth area at Hwy 151 and stated that they could have a discussion with the community regarding a potential agreement to include acceptable service levels.

Councilmember Gonzales stated that she could not support Annexation and asked of the area proposed for Annexation at IH-10 West. Mr. Zaroni replied that there were still some agricultural areas that had not been built out. He stated that there were 4,000 homes and was expected to double 20 years from now. Councilmember Gonzales asked of added lane miles within neighborhoods. Mr. Zaroni confirmed that with development, there would be more roads and sidewalks needed. Councilmember Gonzales expressed concern that adding lane miles would require drainage and sidewalks and spoke of the great need for same in District 5. She asked of the response times for the Fire Department. Deputy Chief

Carl Wedige stated that their standard response time was an 8-minute travel time which equated to a 12-minute response time.

Councilmember Nirenberg thanked everyone for their work and stated that his concerns with Annexation were related to the Recharge Zone. Mr. Zanoni stated that they recommended that a more stringent impervious cover limit remain for the properties that are annexed in the IH-10 West Area. Councilmember Nirenberg stated that there were many reasons to support Annexation with regard to managed growth.

Councilmember Treviño asked of the effects to the Center City. Mr. Steve Patmon stated that Economic Centers had been identified through SA Tomorrow and one of those centers was the Downtown Area. He noted that the tax revenue obtained could be used to improve the amenities and San Antonio as a whole. Councilmember Treviño asked staff to be mindful of the infrastructure maintenance for the US Hwy 281 Area through 2034.

Councilmember Medina thanked everyone for their work and asked if the SA Tomorrow Plan took Military Mission Expansion into account. General Juan Ayala stated that he was not aware of any plans for Mission Expansion. Councilmember Medina asked of the Emergency Service Districts (ESDs) and their impact to the City of San Antonio. Chief Hood replied that there was a gap between the City of San Antonio Fire Department and other Fire Departments; however, they would like to bring their level of response capabilities to match the City of San Antonio's. He spoke of the training and equipment that would be required.

Mayor Taylor stated that she was supportive of the modified plan presented by staff and thanked everyone for the presentation.

2. A Briefing and update on the City's rideshare agreements with Transportation Network Companies. [Erik Walsh, Deputy City Manager; William McManus, Chief of Police]

Erik Walsh stated that the Rideshare Agreements with Transportation Network Company (TNC) had been successful thus far and introduced Steve Baum of the San Antonio Police Department (SAPD).

Mr. Baum stated that the TNC Operating Model for San Antonio provided riders and drivers with choices and required TNCs to conduct an annual Third Party Criminal History and Driver History Records. He noted that there was no cost for the 10-Print History Background Check. He mentioned that City Inspectors performed "Secret Shopper Rides"

and that the City required a \$1.00 Trip Origination Fee at the Airport. He highlighted the Background Check Process and reported that 155 TNC Drivers had been approved. He provided examples of the Driver Profiles for Uber, Lyft, and Get Me and presented maps for pick-ups and drop-offs.

Mr. Baum spoke of the Rideshare Roundtables that were held to solicit feedback from the community. He noted that participants felt that choice was important and were divided on the best method for background checks. He indicated that an electronic survey reported the Age Range and Top 10 Zip Codes for those participating in the survey. He added that 83.6% of the respondents had used a Rideshare Company with 82.4% rating their experience as good, very good, or outstanding. He added that important factors for using Rideshare include Affordability, Ease of Use, and Safety.

Tom Jones provided statistics on the use of TNCs at the Airport noting that it had steadily increased over the past six months. He stated that although they had a designated pick-up and staging area, there was additional congestion on terminal curbs. He noted that they would work on refining the processes as the use of TNCs continues to increase.

Mr. Baum stated that the operating agreement with Uber expires on July 13th; with Lyft on September 3rd; and with Get Me on October 14th. He recommended that they align all of the contracts to expire in October concurrently.

Mayor Taylor thanked everyone for the presentation as well as Councilmember Treviño for his efforts. She stated that she hoped to come up with a way to continue TNC Operations in an expeditious manner.

Councilmember Treviño stated that the program had been successful thus far and was a model that could be utilized by other communities. He spoke of the importance of choice for riders and thanked everyone for their work.

Councilmember Viagran stated that she was supportive of aligning the agreements to expire in October but would like to discuss future recommendations at a B Session prior to October. She requested that staff work with the TNCs to improve their applications for riders to more easily identify if a driver has passed a background check. She recognized everyone that participated in the Rideshare Roundtables noting that their feedback was very important.

Councilmember Gallagher commended Councilmembers Treviño and Viagran for their leadership on the issue. He spoke of the importance of riders being able to identify background checks and commended "Get Me" on their app. He suggested an event to host

background checks for TNC Drivers at a park or community center in the future.

Councilmember Nirenberg asked if there was data regarding the amount of rides dropped due to the fingerprint requirement. Mr. Baum replied that they did not have that data. Councilmember Nirenberg asked if the City was recovering the cost on the Fingerprint Operation through the program. Mr. Baum replied that they were. Councilmember Nirenberg requested statistics on the impact of drunk driving rates since the program was implemented. Mr. Baum replied that they would provide that information when they presented at the next B Session in September. Councilmember Nirenberg stated that he would like to see the removal of the permit cap or other ways to allow TNCs to be more competitive in the industry.

Councilmember Lopez stated that he would like to continue discussions regarding leveling the entire Industry. He asked why drivers would not take advantage of a free FBI Background Check. Mr. Baum stated that there are approximately 200 Full-Time Drivers and but many are Part-Time Drivers and they may have various reasons for not performing the Background Check. Councilmember Lopez requested information regarding the number of Full-Time versus Part-Time Drivers for all TNCs.

Mayor Taylor thanked everyone for the presentation.

EXECUTIVE SESSION

Mayor Taylor recessed the meeting into Executive Session at 5:05 pm to discuss the following:

- A. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).
- B. Deliberate the purchase, exchange, lease or value of real property and discuss related legal issues pursuant to Texas Government Code Sections 551.072 (real property) and 551.071 (consultation with attorney).
- C. Discuss legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Mayor Taylor reconvened the meeting at 5:20 pm and announced that no action was taken in Executive Session. She addressed the Ceremonial Items.

CEREMONIALS

Mayor Taylor presented the Alamo Summer Camp Tuition Scholarship Essay Contest Winners. She noted that six students were chosen to receive a full camp tuition to one session of the 2016 Alamo Summer Camp, and have their essay published in the official Alamo Newsletter. She added that the Alamo Summer Campers will have a great time making friends while learning what it was like to live in 1830's to 1840's Texas.

Mayor Taylor excused herself from the meeting and Mayor Pro Tem Gonzales presided.

Mayor Pro Tem Gonzales recognized Alamo Fireworks who presented a sizeable donation to SAReads, a local nonprofit dedicated to significantly increasing literacy and educational attainment in Bexar County. It was noted that SAReads operates one of the largest book banks in South Texas and will kick off its Summer Book Drive with its partners including the San Antonio Public Library, YMCA, Firstmark Credit Union, and The Twig Book Shop.

Mayor Pro Tem Gonzales presented a Citation to the Trinity University Tigers for winning the NCAA Division III Baseball Championship Title. It was noted that Trinity claimed the victory by sweeping Keystone (PA) College 14-6 and 10-7 in the best-of-three series at Fox Cities Stadium. The Tigers completed the season with a 44-7 record, setting a school mark in victories.

CITIZENS TO BE HEARD

Mayor Pro Tem Gonzales called upon the citizens registered to speak.

James Myart expressed concern with the excessive force used by San Antonio Police Officers. He stated that he continued to have medical issues as a result of their treatment and would like to resolve the matter as soon as possible.

Mark Perez addressed the City Council and noted concerns with businesses operating without the proper permits. He stated that facilities were unregulated and asked why various City Staff had not responded to his concerns.

Allen Rindfuss asked the City Council to delay the vote on the acquisition of property known as the Classen-Steubing Ranch that would be considered the following day. He

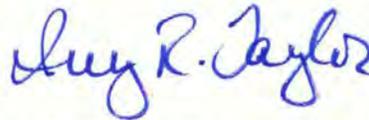
stated that the issue had not been vetted by stakeholders and expressed concern with the cost to the city.

Faris Hodge, Jr. submitted written testimony regarding the strike by Fast Food Workers and asked of the progress they have made. He wrote that the tax credit for Wind Power should be extended. He submitted a newspaper article regarding the UT Task Force pondering the future of the Jefferson Davis Statue. He requested that the Social Security Office remain in the Downtown Area.

ADJOURNMENT

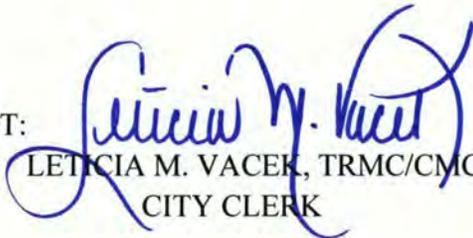
There being no further discussion, Mayor Pro Tem Gonzales adjourned the meeting at 6:11 pm.

APPROVED



IVY R. TAYLOR
MAYOR

ATTEST:



LETICIA M. VACEK, TRMC/CMC/MMC
CITY CLERK

Handwritten signature in blue ink, possibly reading "John Smith".