

SPECIAL MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
MONDAY, OCTOBER 6, 1975.

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The meeting was called to order at 8:00 A. M., by the presiding officer, Mayor Lila Cockrell, with the following members present: PYNDUS, BILLA, CISNEROS, BLACK, HARTMAN, ROHDE, TENIENTE, NIELSEN, COCKRELL; Absent: NONE.

75-60 Mayor Lila Cockrell announced that the purpose of this meeting was to listen to the proposals of persons who had submitted bids on the 4.25 acre Arciniega property on August 12, 1975. She called on Mr. Cipriano Guerra, Director of Planning and Community Development, to review the project and to state the criteria that the bidders were told that the Council would base its award on. She also asked for a review of the relative importance of the price offered for the land.

Mr. Guerra stated that the bid document had been carefully reviewed in the beginning by the City Council, the Committee and by the bidders themselves. In the pre-bid conference the bidders were advised that the bid document allowed the Council to select whomever they wanted to develop the property. The resolution passed by the Council had spelled out "attractiveness, intensity of development, and bid price." It also noted that there would be other considerations.

In answer to Mayor Cockrell's question, City Attorney James Parker said that the Council has the option to dispose of the property on the basis as set out in the bid documents and is not limited to consideration of the price only.

Mayor Cockrell then advised each of the bidders that they would be allotted one half hour to make an oral explanation of their proposals. The following persons then made their presentations:

1. Mr. Bernard Lipshutz representing the Arciniega Joint Venture composed of himself, Seymour Dreyfuss, Phillip Carrington and others.
2. Mr. and Mrs. Jose Pepe Lucero d/b/a Plaza Nacional
3. Dr. Leon Tolle, Lay President of St. John's Lutheran Church.

Each of the bidders was questioned by members of the Council as to their financing arrangements, experience, and so forth.

After the presentations, the following conversation took place:

MAYOR COCKRELL: Informally, may I just see a show of hands of those who would like to make a decision today or who is prepared to make a decision today. It appears to be a majority of the Council. We will then proceed with the actual final discussion and decision. Is there a motion or.....I think Mr. Hartman was recognized.

MR. GLEN HARTMAN: Well, before I make this motion, Madam Mayor, I'd like to ask, procedurally, is it in order that we move for a particular one of the three or.....

MAYOR COCKRELL: We're now open for any motion.

MR. HARTMAN: In that case, Madam Mayor, I would like to make a motion. I would like to say that I think I feel somewhat like a diamond cutter who has looked at the stone, potentially a very precious stone, and has made all the measurements, and he's about to pick up the mallet and realizes just one stroke can either result in a very precious diamond or a very sad looking collection of very hard coal. I would hope to carry this simile a bit further, that we would be able to by taking this action today and hoping to hit the right facet of what we're looking for in this very precious property, that we would still be able to from the portions of that stone that are not used in the diamond itself that there would be the options to work out with the remaining bidders, other locations that would serve their purpose. I would very strongly urge that this and, in fact, that is an extremely strong urging that I would like to press.

I think looking at the matter from all aspects from standpoint of the financial, from the standpoint of ability to perform, looking at the matter also in terms of and from the financial standpoint I have no real difficulty with any of the three. I think, however, and I will emphasize that picking between these three is an extremely difficult choice. But looking further at the aesthetics, the matter of blending with the area, the fact that this is right next to La Villita, the very beginning of San Antonio's culture, San Antonio itself, looking at it from the point of intensity of development, I would feel that perhaps we would want to be careful that we do not look at over intensity. I think that we have to look at a very delicate balance. Looking at all of these factors and having come to this conclusion after, I think, having looked at it as thoroughly as I have, any problem I would move for the adoption, Madam Mayor, of the Plaza Nacional.

MAYOR COCKRELL: All right, is there a second to that motion?

DR. D. FORD NIELSEN: Second.

MAYOR COCKRELL: All right, it has been moved and seconded that the Council instruct the Manager to proceed with the necessary contracts, or whatever for the awarding of the bid to the Plaza Nacional Project. Is there a discussion on the motion?

MR. PHIL PYNDUS: Yes, please.

MAYOR COCKRELL: Mr. Pyndus.

MR. PYNDUS: In trying to weigh very carefully the three proposals, it's such a fine thing for this City to have three projects of this nature to consider, and I hope the Lord, that we can salvage more than just one with our decision this morning. I'm hoping that we can find attractive locations for some of these other projects that will not receive the bid this morning. However, in reviewing the almost desperate need for industry in San Antonio we have found through various committee work that tourism is one of our second largest industries and the fact that tourism needs to be enhanced with regards to the needs for convention facilities, convention rooms, and utilizing that thought in my mind, I had primarily projected the need, the greater need, for tourist facilities rather than for the retirement home.

So, going from that area and making the selection between two hotels I looked first of all for the revival of the downtown area. All of us know that this is a national problem. The provision for the permanent downtown residents that the Arciniega Joint Venture had rated the highest to me to bring people downtown to live, to enhance the downtown area had high priority with me. I looked at the bidders and the performance and the experience. We have had some fine presentations from Mr. Lucero and the fact that he has admitted that he has not had experience in the hotel business but that he was going to commit himself to this project, I feel that the experience factor is the great one with regards to performance. The financial backing that people experience in that business that are listed in the Joint Venture swayed me for this particular criteria.

I've looked at the evaluation of the proposals put forward by our City staff and the City staff has rated the Arciniega Joint Venture the highest. To me at this moment I would like to offer a substitute motion and recommend the Arciniega Joint Venture. I would actually personally prefer to weigh all of the information that we received this morning two more days but as the Council has indicated they want a decision now and from my agonizing over it and trying to take an impartial but a view that would serve all the citizens, the one that would take the least risk, I would go with the Arciniega Joint Venture and ask for a second.

MAYOR COCKRELL: All right, there's been a motion to offer a substitute motion which would approve the Arciniega Joint Venture in lieu of the Plaza Nacional. Is there a second?

MR. BOB BILLA: I would second the motion. I would like to say this, if I may, Madam Mayor. I've tried to review these things and I've always been one to move with haste once we've gotten all the information, but I thought this particular judgment was of such magnitude that it could wait until Thursday to further digest and review the presentations. Another thing that troubles me, I noticed that this Council is very charitable in many instances with public funds and here we've acquired some public land, a church has made a presentation which I think has much merit and certainly would be a good use for the land. I don't feel enough consideration was given to their presentation or the merits of it. We have the questions of moral and spiritual values before us and, of course, the church did use much moral persuasion in quoting scriptures and so forth, probably didn't get around to the point of what does it profit a man if he gains the whole world but suffers the loss of his soul. I think it would have had some merit here. I think that we are trying to continue to flavor of what downtown represents to all the citizens, and I think that just not enough consideration was given to it, and I'd like for the church to know that I seriously considered everything in their presentation and thought that it had much value but apparently that's not the wish of this Council.

MAYOR COCKRELL: Now, you're seconding the motion to approve the Arciniega Joint Venture?

MR. BILLA: It may sound ridiculous, but.....(inaudible).....

MAYOR COCKRELL: I'm sorry, I thought I had gotten lost.

MR. BILLA: Well I intended to lose you because I feel lost.

MR. PYNDUS: May I add one word.

MAYOR COCKRELL: Yes, Mr. Pyndus.

MR. PYNDUS: I thought, you know, the physical structure of the Lucero property is just very, very attractive and the statement that was made by the Joint Venture is the fact that there is an offset. You have the hotel offset by La Villita and this unique approach that will accentuate the La Villita property might enhance the downtown area and turn that property more toward the river rather than an enlargement in the other direction it might be best to have this contrast that the Joint Venture suggests. Thank you.

MAYOR COCKRELL: All right. Reverend Black.

REVEREND CLAUDE BLACK: I would like to just speak against the substitute motion primarily because I think that we must use these proposals within the context of all of the proposals that we have confronting our City. We're talking about a hotel on the near east. We're talking about the possibility of another hotel in the Crockett Street area. Therefore, we must view what is built here with a distinctiveness in relationship to what we are thinking about in terms of other areas and, therefore, as I looked at the proposals in terms of job opportunities, in terms of our emphasis upon our visitors to our City, the tourists business, as I looked at the moral issues that they proposed as well. All of the moral issues are not wrapped up in one of these proposals. There is a moral issue in terms of job opportunities. There is a moral issue in terms of the availability of the project to all citizens. There is a moral issue in terms of the way in which it might generate other resources in terms of the HemisFair and all of this. So, with this in mind I certainly feel that the Plaza Nacional represented the kind of proposal, the kind of concept that would lend itself well to the overriding other activities.

Now, I am also, as a minister, not convinced that to carry out a ministry for those persons who are in a retired center or those persons who need health care in a nursing home necessarily have to be adjacent to that congregation. In some instances I'm not too sure that one cannot carry out equally as effective ministry in the use of other lands. So, therefore, I think that we're not voting really the ministry out. We're simply saying this land lends itself better to this kind of project and, therefore, I would speak against the substitute motion in that light.

MAYOR COCKRELL: Mr. Rohde.

MR. AL ROHDE: Thank you, Madam Mayor. I want to speak against the substitute motion because it does not bring in the attractiveness, we're here redoing the Alamo Plaza in a very aesthetic looking thing, and I think that this entire area with HemisFair Plaza has to be a showcase to our tourist business and to our citizens, and I think it brings the positive changes that the Centro 21 Task Force is asking that all citizens do in the central city that it will enhance its economic, cultural, physical and aesthetic assets, and I will vote against the substitute motion.

MAYOR COCKRELL: Mr. Teniente.

MAYOR PRO-TEM RICHARD TENIENTE: Madam Mayor, the comments made by Councilman Billa in that he felt not enough consideration was given to the proposals may be true. As a matter of fact, I know that two out of the three will have that feeling when we vote and make our decision. I really feel that we have had a chance to look at all the materials. The only difference is that today they were presented orally, but we have had some of these presented to us and we have had time to review them. The other thing that Councilman Pyndus commented on was the fact of lack of experience. A good example of this is that

Sam Barshop and La Quinta which he started without any experience and look at what's he done now. I don't think that this ought to hold anyone back on any kind of a project ambition really takes a lot. I'm against the motion, the substitute motion.

MAYOR COCKRELL: All right, any other comments? I'm going to just stated that I, too, am going to vote against the substitute motion. I do recognize the capability of the persons who are presenting the Arciniega Joint Venture. I think they do have a great deal of experience, and it is hard to weigh these factors. I think we have three really outstanding proposals, and I think it's been extremely difficult to weigh them. However, I think that as I have reviewed the three proposals and trying to be objective in evaluating the strong and perhaps weak points of each one I do note with a great deal of interest the wide range of endorsement that the Plaza Nacional has received. It has received endorsements from many significant groups who are vitally concerned with that particular area, and I do think that this is quite significant. I do think in terms of the architecture and the blending that it is undoubtedly the most outstanding of the projects. I had some concern on the issue of the perhaps lack of experience in this particular venture, however, I think that the developers do offer a business experience and that with the advice that they have available to them that they will be able to overcome perhaps a lack of specific background in that one category and I do feel that they have indicated their financial capability. Are there any other statements? Mr. Pyndus.

MR. PYNDUS: Yes, madam. I would like to speak for the substitute motion inasmuch as the intensity of the area of the rooms that will be placed with the Arciniega Joint Venture is obvious with 240 beds. I think that the brochure that was passed, the type of architecture they have used in other areas is a proven fact. I think that the contrast between, I really think it will enhance the La Villita district. I think that if we're talking about the economic impact that this impact is doubled because of our joint project, and I think that the consideration that the staff has given in the evaluation, the rating that they've given us as a direction and I would like for each of you to consider those points.

MAYOR COCKRELL: All right, the Clerk will call the roll.

DR. NIELSEN: I want to reaffirm again, re-emphasize the fact that all three of these are extremely good proposals and that we do have, I hope, any way possible a commitment individually and collectively to work in the future with both St. John's and whoever else apparently may not prevail today, the kind of need that we've seen evidenced in terms of senior residents, in terms of downtown housing. I don't think anybody has said anything against downtown housing or the elderly or for anyone for that matter. It's just that the highest and best use of the land is clearly in my opinion as we said Thursday in terms of a hotel like sort of arrangement and with that in mind, I think that we will make the best choice this morning.

MAYOR COCKRELL: The Clerk will call the roll. This is voting on the substitute motion which would recommend the Arciniega Joint Venture.

AYES: Billa, Pyndus.

NAYS: Cisneros, Black, Hartman, Rohde, Teniente, Cockrell, Nielsen.

ABSENT: None.

CLERK: The motion fails.

MAYOR COCKRELL: The motion is now on the main question which is to approve the Plaza Nacional proposal.

AYES: Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell.

NAYS: Pyndus, Billa.

ABSENT: None.

CLERK: The motion carries.

MAYOR COCKRELL: All right, the decisions having been made we so instruct the City Manager to see it carried out.

CITY MANAGER: Okay, now, we need about 15 or 20 minutes to draw up the Ordinance with what you've instructed us to do, or we can draw it up and pass it Thursday. Now, you can recess for 15 minutes and we'll go out and draw it up and come right back.....

MAYOR COCKRELL: All right, yes, Mr. Pyndus.

MR. PYNDUS: Mayor Cockrell, I was wondering with regard to the Ordinance what sort of option the City would have if the bidder could not carry out its mission? Do we have any measure placed in the Ordinance that would give us.....

CITY ATTORNEY PARKER: That would be part of the bid document. What you actually would be passing is an Ordinance authorizing the City Manager to enter into a contract agreement which has those provisions in it.

MR. PYNDUS: I see, but the City will be protected in case of default. All right, thank you.

MAYOR COCKRELL: All right, the Council will recess for 15 minutes for the final ordinance to be drawn up.

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75-60 The meeting recessed at 11:15 A. M. and reconvened at 11:45 A. M.

The Clerk read the following Ordinance:

AN ORDINANCE 45,803

ACCEPTING THE PROPOSAL OF MARTHA
BUCHANAN LUCERO AND JOSE PEPE
LUCERO D/B/A PLAZA NACIONAL GROUP
FOR PURCHASE OF THE ARCINIEGA
PROPERTY.

* * * *

WHEREAS, the City Council of the City of San Antonio has determined it to be in the best interests of the City to dispose of certain property known and designated as the Arciniega tract located in the La Villita Historical District; and

WHEREAS, notice of intent to sell said property was duly made in accordance with the provisions of Article 542k-12, V.A.C.S.; and

WHEREAS, bids were duly received and opened on the 12th day of August, 1975, wherein proposals were made by Martha Buchanan Lucero and Jose Pepe Lucero d/b/a Plaza Nacional Group, by St. John's Evangelical Lutheran Church of San Antonio, Texas; and by Arciniega Joint Venture; and

WHEREAS, the type and nature of the development and improvements to be constructed on said property are considered to be of the utmost concern to the City in view of the fact the property is located within the La Villita Historical District; and

WHEREAS, it is deemed to be in the best interests of the City of San Antonio for such development and improvements to be compatible with and related to the restoration, redevelopment and operation of the La Villita Historic District; and

WHEREAS, the bid and proposal of Martha Buchanan Lucero and Jose Pepe Lucero d/b/a Plaza Nacional Group for the development and improvements to said property are found to be more attractive, provide for a proper intensity of development, will enhance the La Villita Historical District, provide for the attraction of new visitors, aid and support the HemisFair and Convention Facilities, provide for possibility of some permanent downtown residents, add to the uniqueness presently available in the vicinity, and contribute to the tax revenues of the City by its construction and operation; and in addition to this the bid price is deemed reasonable when consideration is given to all other factors pertaining to the redevelopment, restoration and use of said property and the stimulation of a like nature which it will give to the adjacent areas; NOW, THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:-

SECTION 1. The bid proposal of Martha Buchanan Lucero and Jose Pepe Lucero d/b/a Plaza Nacional Group for the sale by the City of the tracts of land designated as the "Arciniega Tracts" and more particularly described in the bid advertisement and disposition documents upon which the proposal and bid of August 12, 1975, was based is hereby accepted by the City of San Antonio.

SECTION 2. The acceptance as set out in Section 1 is made on the basis of the base bid with the option of the redeveloper to acquire the tract designated as unrecorded Lot 31, N.C.B. 155, in the City of San Antonio, Bexar County, Texas, with said base bid being in the amount of Three Hundred Seventy-Three Thousand Nine Hundred Twenty Five and 25/100 (\$373,925.25) Dollars and option bid of an additional Twenty-Eight Thousand Seventy Nine and 94/100 (\$28,079.94) Dollars.

SECTION 3. The City Manager is authorized to execute the contract for sale and redevelopment of said parcel as per documents contained in the bid advertisement.

MAYOR COCKRELL: All right, you have heard the reading of the Ordinance. In particular, I would like to call attention to all of the whereas' which I think do set out and state some of the points made and considered by the City Council in determining that this was, in fact, the proper bid to accept. Yes, Mr. Hartman.

MR. HARTMAN: I'd like to move for the passage of the Ordinance.

MR. CISNEROS: I second the motion.

MAYOR COCKRELL: It's been moved and seconded. Yes, Mr. Teniente.

MAYOR PRO-TEM TENIENTE: I'd like to, Mrs. Cockrell, offer a recommendation that we change the wording in one of the areas here where it says in the reading, "offer a uniqueness not presently available in the vicinity", to perhaps to say "add to the uniqueness presently available in the vicinity" because there are areas in there that are unique, and I don't believe.....

MAYOR COCKRELL: I think that's a very good point, Mr. Teniente, So that editorial change will be made. It will "add to the uniqueness presently available in the vicinity". All right, are there any other comments?

MR. BILLA: Which one?

MAYOR PRO-TEM TENIENTE: It's in the last whereas.

MAYOR COCKRELL: Are there any other comments? With that editorial change we have the motion and a second. Any further discussion. Call the roll.

On roll call, the motion, carrying with it the adoption of the Ordinance was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Black, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: None.

MAYOR COCKRELL: The motion is carried, and I congratulate the Council on having made a decision, and I know that possibly there might be a response from the successful bidder.

MRS. MARTHA BUCHANAN LUCERO: Mayor Cockrell and Council, Pepe and I thank you very much. We have looked forward to this day since last January when Pepe came before this Council and asked that the property be made available for bidding. We will do what we said we would do. We will do it as fast as we can. We want to invite all of you to see what we've already started at La Villita in the old Joy Kist House that you own. We rent it. That's our offices. We look at Arciniega Property out our front door every day, and we want you to come and see what we've done so far in restoration. We'll be on the move this afternoon. Thank you very much.

MAYOR COCKRELL: I'd like to also recognize the presence of Mr. John Monfrey. John is serving as the Chairman of the Tourism part of Centro 21. John, would you like to make any comments?

MR. JOHN MONFREY: Madam Mayor, Honorable Council, let me say that I first of all want to congratulate you on your decision and the fact that you made a decision - I know that it was not an easy one. Let me also add some comments as Chairman of this Committee on Centro 21, I have as a job description the hotel and room facilities in the downtown area. I think in this particular area we're

concerned with the extension of La Villita. We're not as concerned with hotel rooms. I think that very shortly the citizens of San Antonio will realize that in downtown San Antonio we will have hotel rooms to take care of the conventions and add to the tourism, but I think you've made a wise decision and you're each to be congratulated. Thank you.

MAYOR COCKRELL: Thank you, and we're so pleased to have you with us. Yes, Mr. Rohde.

MR. ROHDE: Martha, I understand you have a new plaque on your wall now dedicating that plaza, is that right?

MRS. LUCERO: That's right.

MR. ROHDE: Guess whose name is spelled wrong? I don't want you to change it, City Manager, that wants to be unique - it is unique it's R-H-O-D-E.

MR. HARTMAN: Well, you know these Germans, I mean there's always a problem with their names.

MAYOR COCKRELL: Well, I know we all congratulate you on a most attractive proposal. Mr. Pyndus.

MR. PYNDUS: Pepe and Martha, as you know I voted against your proposal and that doesn't keep me from wishing you Godspeed and good luck and much success and I'll be right behind you.

MR. BILLA: I'd like to add to those words, Martha, that I'll be pulling for you, too.

MRS. LUCERO: Thank you.

CITY MANAGER GRANATA: Yes, just one word. I'm sorry the other bidders are gone, but I want the Council to know that we will continue to work with the church and the other prospective bidders. If there's any other land available, if it should come about, the staff has been instructed to see if there's any alternative way to whether or not we can come up with some other means.

MR. HARTMAN: I'd like to really underscore the importance of that. I think it's extremely important.

CITY MANAGER GRANATA: That's correct. We will be in touch with them, but I hoped to say it before they left, but they're gone. Thank you.

MAYOR COCKRELL: Thank you. We are adjourned.

There being no further business to come before the Council, the meeting adjourned at 12:15 P. M.

A P P R O V E D

Lila Cockrell
M A Y O R

ATTEST: *[Signature]*
C i t y C l e r k