

**ECONOMIC AND COMMUNITY DEVELOPMENT
COUNCIL COMMITTEE MEETING MINUTES
TUESDAY, JUNE 3, 2014
10:00 AM
MEDIA BRIEFING ROOM, CITY HALL**

Members Present: Councilmember Ray Lopez, *Chair, District 6*
Councilmember Diego Bernal, *District 1*
Councilmember Ivy R. Taylor, *District 2*
Councilmember Rey A. Saldaña, *District 4*
Councilmember Joe Krier, *District 9*

Members Absent: None.

Staff Present: Leticia Vacek, *City Clerk*; Carlos Contreras, *Assistant City Manager*; Katinka Howell, *Assistant City Attorney*; Ray Rodriguez, *Assistant City Attorney*; Jed Maebius, *Mayor's Office*; Jeff Coyle, *Director, Intergovernmental Relations Department*; Rene Dominguez, *Director, Economic Development Department*; Lori Houston, *Director, Center City Development & Operations Department*; Melody Woosley, *Director, Department of Human Services*; Steve De La Haya, *Assistant Director, Convention & Visitors Bureau*; Tim O'Krongley, *Assistant Director, Aviation Department*; Brandon Smith, *Office of the City Clerk*; Denice Trevino, *Office of the City Clerk*

Also Present: John Kenny, *Executive Director, San Antonio Housing Trust*; Gene Bowman, *Alamo Academies*; Colin Nichols, *Alamo Colleges*; Federico Zaragoza, *Vice Chancellor, Economic & Workforce Development, Alamo Colleges*

Call to Order

Chairman Lopez called the meeting to order.

1. Approval of Minutes of the May 6, 2014 Economic and Community Development Council Committee Meeting

Councilmember Saldaña moved to approve the minutes of the May 6, 2014 Economic and Community Development Council Committee Meeting. Councilmember Taylor seconded the motion. Motion carried unanimously.

Briefing and Possible Action

2. Consideration of Applicants to the Airport Advisory Commission (1 slot) and the Convention and Visitors Commission (1 slot) [Leticia M. Vacek, City Clerk]

Leticia Vacek reported that there was one vacancy on the Convention and Visitors Commission (CVC). She noted that the San Antonio Hotel and Lodging Association nominated Mr. Paul Tang, General Manager of the Grand Hyatt Hotel, for appointment to the CVC.

Councilmember Saldaña moved to recommend and forward the appointment of Paul Tang to the CVC to the full City Council for consideration. Councilmember Taylor seconded the motion. Motion carried unanimously.

Mrs. Vacek reported that there was one vacancy on the Airport Advisory Commission (AAC) in the Community Category. She noted that several applicants were present. She provided statements to the Committee from the following applicants that were not present:

- Anthony B. Cantu
- Jonathan C. Fristoe
- Jack Leifer
- Stewart Wyland

Mrs. Vacek called on the applicants that were present to speak.

Roland DeLeon noted his varied experience in Aviation, most recently in the Air Life Industry.

Joseph Guinn stated that he could provide useful insight from a Transportation Provider's perspective.

Stephen Guzek stated that his background and skills in Civilian Airport Ground and Flight Operations, Neighborhood Overlays and their impact, and Profit and Loss Responsibilities would be utilized in his role as a member of the AAC.

Robert Hendricks stated that he would represent the community as a representative of the Harmony Hills Neighborhood. He noted that Harmony Hills bordered the Airport and contained 6,000 households.

Barbara Loomis stated that she has been an Airport Ambassador for 12 years and would provide insight from the perspective of the Airport and its passengers.

Peter Thiele noted that the Airport generated \$5.1 billion dollars for the City's Economic Development.

Chairman Lopez recessed the meeting into Executive Session at 10:25 a.m. pursuant to Section 551.074 of the Texas Government Code (Personnel Matters). He reconvened the meeting at 10:33 a.m. and announced that no action was taken in Executive Session.

Councilmember Krier moved to recommend and forward the appointment of Robert Hendricks to the AAC, in the Community Category, to the full City Council for consideration on June 19, 2014. Councilmember Bernal seconded the motion. Motion carried unanimously.

3. Briefing on the 307 Dwyer Public Private Partnership (P3) Initiative Located in Council District 1 [Lori Houston, Director, Center City Development & Operations Department]

Lori Houston stated that the City had initiated a Public Private Partnership (P3) for the Dwyer Building, formerly known as the Dwyer Avenue Center for Transitional Housing (Dwyer Center), to provide Transitional Housing. She noted that the Dwyer Building was a three-story building of approximately 48,239 square feet which was built in 1955 and renovated in 1992. She stated that the property was currently zoned "D" and located in the Central Business District. She reported that the services provided at the Dwyer Center were relocated to Haven for Hope in 2010 and since then, the building has been vacant. She noted that prior to its closure, the City Council created the Haven for Hope Fund to establish an endowment for campus operations. She stated that the City Council adopted P3 Guidelines in accordance with Chapter 2267 of the Texas Government Code on November 1, 2012.

Ms. Houston reported that in 2007, an Ordinance was passed authorizing the transfer of all proceeds from the sale of the Dwyer Building to Haven for Hope to provide funding for operating costs. She noted that P3 Guidelines adopted in November 2012 permitted the use of a P3 for completion of Real Estate Transactions. She noted that a Request for Qualifications (RFQ) was issued in September 2013 followed by issuance of a Request for Proposals (RFP) in December 2013. She stated that Respondent Interviews were held in January 2014 and Landbridge Partners, LLC was selected in February 2014. She reported that Landbridge Partners, LLC proposed a Mixed-Used Development Project (Project) that included the adjacent Heritage Plaza Property at a cost of \$50 million. She stated that the Project included 272 Housing Units, approximately 50,197 square feet of Commercial Space, and 450 Parking Spaces. She reported that under the proposed Project Agreement the City would:

- Convey the land and improvements at 307 Dwyer to the San Antonio Housing Trust Public Facility Corporation (SAHTPFC)
- Execute an agreement with the SAHTPFC in exchange for the property's redevelopment and funding for Haven for Hope
- Execute a Chapter 380 Economic Development Grant with the developer for a fifteen-year Tax Rebate equal to the City's M&O Ad Valorem Tax Increment on the Commercial Component of the property

She stated that under the proposed Project Agreement the PFC would:

- Provide the greater of the following: 1) 5% of the cash flow from the Project; or 2) \$100,000 per year beginning in year 3, which the City would deposit into the Haven for Hope Fund in exchange for the property
- Provide the greater of the following upon sale of the property: 1) 5% of the proceeds from the sale; or 2) \$100,000 x the number of years remaining to 2035 from the date of the sale, which the City would deposit into the Haven for Hope Fund
- Provide a 100% Tax Exemption on the Housing Component of the Project provided that 50% of the 272 units were leased to households with an income at or below 80 % of the Annual Area Median Income (AMI) (\$47,070)

- Provide a tax exemption from State Sales Tax on construction materials and on all taxes (estimated at \$857,168 per year)

She noted that the revenue received by the PFC would be deposited into the Haven for Hope Fund and the source of the Tax Rebate on the commercial space of the Project would come from the General Fund and was equal to 66% of the City's Ad Valorem Tax Increment on the Commercial Component paid by the partnership. She stated that staff recommends:

- Approval of an agreement with the SAHTPFC for the redevelopment of the City-owned property at 307 Dwyer in exchange for funding for Haven for Hope. She noted that approval of the agreement was contingent on the Planning Commission's declaration of land surplus and authorization to convey the property to the PFC.
- Approval of a Chapter 380 Economic Development Grant for a Tax Rebate equal to 66% of the City's M&O ad valorem Tax Increment on the Commercial Component paid by the partnership for a period of 15 years.

She stated that the Agreement would be brought before the PFC Board for action on June 10, 2014 and forwarded to the Planning Commission for approval on June 11, 2014. She noted that staff recommended that the Agreement be brought before the full City Council on June 19, 2014 for consideration.

Councilmember Saldaña asked if the AMI pertained only to households in the Central Business District (CBD). Ms. Houston replied that said AMI was identified for households in the Region which included the City of San Antonio. She added that the AMI for the City of San Antonio was \$60,000 and confirmed that the AMI was designated by household and not by individual.

Councilmember Bernal moved to recommend and forward an Agreement with the SAHTPFC for redevelopment of the property at 307 Dwyer in exchange for funding for Haven for Hope and a Chapter 380 Economic Development Grant for a Tax Rebate paid to the Partnership to the SAHTPFC Board, the Planning Commission, and to the full City Council for consideration on June 19, 2014. Councilmember Saldaña seconded the motion. Motion carried unanimously.

4. Renewal of the Annual Interlocal Agreement with Alamo Colleges for FY 2015 [Rene Dominguez, Director, Economic Development]

Rene Dominguez stated that staff proposed a 12-Month Budget of \$1,004,791 for the Alamo Colleges (AC) Fiscal Year of September 1, 2014 through August 31, 2015 (FY 2015) based on estimated future City Public Service (CPS) Energy revenues and existing carryover funds. He reported that the proposed Budget would provide funding for: 1) Alamo Area Academies; 2) City Employee Training Programs; 3) Economic Development Department Bonding Assistance Mentor-Protégé Program; and 4) Department of Human Services Long-Term Case Management Scholarship Program. He noted that the City Council authorized a Settlement Agreement between the City and AC to establish in escrow the City's 14% of CPS Energy Revenue collected from the AC's Monthly Natural Gas and Electrical Billings in March 2001. He stated that the Agreement established an Education & Training Account for utilization of said funds for City Training Priorities. He added that the City Council authorized an Interlocal Agreement

(ILA) to be renewed annually to facilitate the administration and monitoring of the funds held in escrow. He noted that the 15-year Settlement Agreement was effective from April 1, 2001 through March 31, 2016. He stated that the proposed FY 2014 ILA would be in effect for the AC Fiscal Year from September 1, 2014 through August 31, 2015. He noted that an ILA had been utilized to fund the Alamo Academies since 2001. He reviewed the following Budget Categories and funds to be allocated for each:

- Alamo Academies - \$458,328
 1. Alamo Area Aerospace Academy (AAAA)
 2. Information Technology Security Academy (ITSA)
 3. Advanced Technology Manufacturing Academy (ATMA)
 4. Health Professions Academy (HPA)
 5. Heavy Equipment Academy (HEA)

- Training for City Employees (Human Resources) - \$381,125
- Mentor-Protégé/Bonding Assistance Program (Economic Development Department) - \$85,338
- Long Term Case Management Training Scholarships (Department of Human Services) - \$70,000
- Financial Review and Procedures Audit - \$10,000

He stated that there was no fiscal impact to the City from these programs as CPS Energy Revenues were placed in an Education and Training Fund Escrow Account maintained at AC. He noted that Training Credits were provided by AC through negotiated Contracts for specific Training Programs. He stated that staff recommends endorsement of the ILA between the City and AC by the Committee. He added that staff proposed presenting this item to the full City Council on June 19, 2014 for consideration.

Councilmember Saldaña asked how Internships were identified for students of the ITSA. Gene Bowman replied that there were currently 100 paid Internships in the ITSA. He noted a lack of Internships three months ago and stated that he had contacted John Dixon of the Denim Group and the San Antonio Chamber of Commerce Information Technology (IT) Committee who made the call for Internships for the program. He noted that this resulted in an overage of Internships available. He added that the AC Academies won the Texas Economic Development Council 2014 Workforce Excellence award for Large Cities yesterday.

Rene Dominguez stated that internships were built into the contracts of companies relocating to San Antonio if possible. Councilmember Krier asked where the graduates of the AAA placed themselves following graduation. Mr. Bowman replied that 27% pursued employment in their chosen industry, 5% enlisted in the Military, and 68% pursued higher education in their chosen industry.

Councilmember Krier asked if renewal of the 15th ILA, which would expire in March 2016, was anticipated. Mr. Dominguez replied that it would be renewed and this item would be brought before the Committee later this year.

Executive Session

Chairman Lopez recessed the meeting into Executive Session at 11:10 a.m. for deliberations pursuant to Section 551.087 of the Texas Government Code (Economic Development). He reconvened the meeting at 11:15 a.m. and announced that no action was taken in Executive Session.

Adjourn

There being no further discussion, the meeting was adjourned at 11:16 a.m.



Ray Lopez, Chairman

Respectfully Submitted,



*Denice F. Trevino
Office of the City Clerk*