

Economic & Community Development Council Committee
Meeting Minutes
Thursday, February 25, 2010
9:00 a.m.
Media Briefing Room

Members Present: Councilmember Mary Alice Cisneros, *Chair, District 1*
Councilmember Elisa Chan, *District 9*
Councilmember John Clamp, *District 10*

Members Absent: Councilmember Ray Lopez, *District 6*

Staff Present: Pat DiGiovanni, *Deputy City Manager*; A.J. Rodriguez, *Deputy City Manager*; T.C. Broadnax, *Assistant City Manager*; Martha Sepeda, *1st Assistant City Attorney*; Beth Costello, *International Affairs Director*; Lawrence Doxsey, *Environmental Policy Director*; James Henderson, *Military Affairs Acting Director*; Ed Davis, *Economic Development Assistant Director*; Reynaldo Cano, *International Affairs Assistant Director*; Jed Maebius, *Office of the Mayor*; Veronica Zertuche, *Deputy City Attorney*; Leslie Haby, *Assistant City Attorney*; Xochil Rodriguez, *Assistant City Attorney*; Chris Hebner, *Assistant City Attorney*; Stephen Whitworth, *Assistant City Attorney*; Brandon Smith, *Office of the City Clerk*

Also Present: Trey Jacobson, *Drenner & Golden*; Denise O'Connor, *Allstate*; Frank Burney, *Martin & Drought*; Mario Hernandez, *EDF*; Misty Mayo, *EDF*; John Yeggerst, *LYI*; Tom Long, *CPS Energy*; John Leal, *CPS Energy*; Jaime Herreon, *El Mercado Association*; Nick Pena, *El Mercado Association*; Ben Brewer, *Downtown Alliance*; Mary Jane Villalobos, *SAWS*; Boone Brinson, *Farmers Market Association Press*

Call to Order

Chairperson Cisneros called the meeting to order.

1. Citizens to be Heard

Citizens will address the Committee during corresponding Item.

2. Approval of Minutes of the January 27, 2010 Economic and Community Development Council Committee Meeting

Councilmember Chan moved to approve the Minutes of the January 27, 2010 Economic and Community Development Council Committee Meeting. Councilmember Clamp seconded the motion. Motion carried unanimously.

3. Briefing and possible action on the proposed TX Solar I, LLC Tax Abatement Presented by Ed Davis, Assistant Director, Economic Development Department

Ed Davis provided information on staff's recommendation of an ordinance authorizing the City to enter into a Tax Abatement Agreement with TX Solar I, LLC for the construction of a solar energy farm in Council District

3. He noted that the proposed project qualified for a 10-year, 50% tax abatement and that the City would abate only the property improvements located within the City limits (20% of the investment). He indicated that no full time jobs would be associated with the solar farm project; however, this specific project would result in approximately 100 green construction jobs and contract maintenance jobs as needed, in order to maintain the facility.

In response to Councilmember Chan, Mr. Davis stated that 80% of the property was located in Bexar County and 20% in the City limits. He stated that over 214,000 ground-mounted panels would be installed on the property.

In response to Councilmember Clamp, it was reported that the property was 139 acres in size and that 115 acres would be utilized for solar panel installation. It was unknown as to the direct impact on the Tree Ordinance. Pat DiGiovanni indicated that the requested information would be provided at a later date.

Chairperson Cisneros spoke in support of the solar farm project and referenced a video presentation made by CPS regarding the Blue Wing Project. She requested that CPS Energy provide copies of the presentation to the City Council.

Councilmember Chan moved to forward said item to the full Council for consideration. Councilmember Clamp seconded the motion. Motion carried unanimously.

4. Briefing and possible action on the proposed Allstate Incentive Package

Presented by Ed Davis, Assistant Director, Economic Development Department

Mr. Davis provided information on staff's recommendation of the following ordinances: 1) Designating the Allstate Reinvestment Zone and authorizing execution of a 6-year, 65% Tax Abatement Agreement; 2) Nominating Allstate for a State Enterprise Project designation; and 3) Authorizing a grant from the Economic Development Incentive Fund (EDIF) of up to \$30,000 to help offset permitting and development services fees. He reported that the proposed project would create 537 indirect/induced jobs in addition to 600 new jobs and that the net fiscal impact to the City was approximately \$1,099,967.00.

Councilmember Clamp moved to forward said item to the full Council for consideration. Councilmember Chan seconded the motion. Motion carried unanimously.

5. Briefing and possible action on the revised Tax Abatement Guidelines

Presented by Ed Davis, Assistant Director, Economic Development Department

Mr. Davis reported that staff's recommendation was to amend the Tax Abatement Guidelines to align the tax abatement eligibility areas with the three tiers identified in the new Inner City Reinvestment/Infill Policy. He stated that staff also recommended increasing the minimum investment in the 6-year term area from \$5 million up to \$10 million and the minimum jobs from 50 to 100.

Councilmember Chan expressed concern with the possibility of limiting future incentive options. A.J. Rodriguez clarified that negotiation flexibility would be maintained and that staff would use professional judgment to secure projects. Pat DiGiovanni explained that proposed revisions would promote greater incentives for business development in the inner city and that the guidelines could be amended at the discretion of the City Council.

Councilmember Clamp requested history of past tax abatements be included in the presentation to Council. He also requested that staff explore options to target small businesses.

Mario Hernandez cited several of the proposed revisions and cautioned against lowering incentives in areas other than the inner city. He stated that it would be a mistake to eliminate the Logistics/Distribution industry and recommended maintaining a \$5 million investment level.

Councilmember Chan spoke in support of Mr. Hernandez's perspective and stated that the guidelines should reflect Council's desire to promote inner city development and the message of flexibility in negotiations.

Chairperson Cisneros spoke in opposition of eliminating the Agribusiness and Logistics/Distribution targeted industries.

Councilmember Clamp requested that staff continue working on the proposed revisions.

Councilmember Chan moved to forward said item to the full Council for consideration in March 2010 with instruction to: 1) Confer with the Economic Development Foundation regarding flexibility; 2) Not eliminate Agribusiness and Logistics/Distribution targeted industries; and 3) Brief Committee members individually prior to Council presentation. Councilmember Clamp seconded the motion. Motion carried unanimously.

6. Briefing on the Centro Partnership

Presented by Pat DiGiovanni, Deputy City Manager and Director, Center City Development Office

Mr. DiGiovanni reported that Mayor Julián Castro, Judge Nelson Wolff, and Downtown Alliance (DTA) Chairman Keith Swinney had been designated as the three incorporators to file the Certificate of Formation and to appoint the initial Centro Partnership Board of Directors.

Councilmember Chan referenced a motion by the City Council the members of the Economic and Community Development Council Committee be included on the Board of Directors. Mr. DiGiovanni clarified that the Centro Partnership was a private entity and that the City Council could not dictate who serves on the Board of Director. He stated that staff was conferring with the incorporators regarding the Council's direction.

Mr. DiGiovanni provided an overview of the Interlocal and Subsidiary Agreements and Vision RFP. He stated that a Parking Analysis B Session was scheduled for March 3, 2010 and a future Centro Partnership B Session would be scheduled to include presentations on the Certificate of Formation; Bylaws; Board of Directors slate; and financing options.

Councilmember Clamp requested that the Committee be briefed on the Centro Partnership financing options prior to B Session presentation. Discussion ensued. Mr. DiGiovanni stated that the Parking Analysis and Centro Partnership financing options would be presented to the Committee at the next scheduled meeting.

Citizens to be Heard

Nick Pena, El Mercado Merchant, spoke in opposition to the Centro Partnership and requested that the El Mercado Merchants be included in the partnership or be excluded from it.

Mr. DiGiovanni clarified that Downtown Operations was not and would not be a part of the Centro Partnership. He stated that the Market Square leases were maintained by Downtown Operation would remain with the Department.

Boone Brinson, Farmer's Market Plaza, requested information regarding the Centro Partnership boundaries. Mr. DiGiovanni clarified that Market Square and its parking would not impact the Centro Partnership. Market Square leases and operations would remain with Downtown Operations.

7. Briefing on the Economic Development Foundation Transition

Presented by A.J. Rodriguez, Deputy City Manager & Director, Economic Development Department

A.J. Rodriguez reported that the Transition Committee had met twice in January 2010 and again last week. He stated that the City Attorney's Office had assisted with drafting a contract which had been submitted to the Transition Committee. He noted that staff was awaiting a response and that the City Manager was working to have an agreement to the City Council by March 31, 2010.

8. Briefing on the status of the Economic Development Incentive Fund (EDIF)

Presented by Ed Davis, Assistant Director, Economic Development Department

Mr. Davis provided an overview of the Economic Development Incentive Fund to include FY 2009/FY 2010 revenues, commitments, and offers pending.

Councilmember Chan asked of EDIF Guidelines. Mr. Davis stated that City Council approved guidelines last year and that a copy would be provided to the Committee. Councilmember Clamp requested that a financial picture and guidelines be provided to the entire City Council.

9. Briefing on the Camp Bullis JLUS Implementation (Written Report)

Presented by James Henderson, Acting Director, Office of Military Affairs

James Henderson provided an overview of the following details:

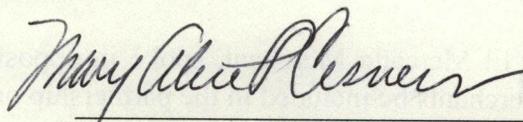
- ✓ JLUS Implementation Committee had been formed and would be called the Camp Bullis Preservation Partnership. He stated that the first public meeting was held February 16, 2010
- ✓ Sector Land Use Study conducted in the area surrounding Camp Bullis with completion scheduled for May 2010
- ✓ CPS Energy Retrofit of Street Lighting
- ✓ Map of Noise Military Influence Area and Sound Attention Standards under development with completion scheduled for November 2011
- ✓ Camp Bullis Mitigation Credits

10. Consideration of items for future meetings:

Councilmember Clamp requested a Sales Tax presentation.

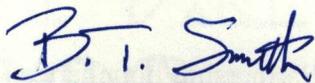
Adjournment

There being no further discussion, the meeting was adjourned at 11:25 a.m.



Mary Alice P. Cisneros, Chairperson

Respectfully Submitted,



Brandon T. Smith
Office of the City Clerk