

Economic Development & International Affairs Council Committee Minutes

Tuesday, February 21, 2006

1:30 p.m.

City Hall Basement Conference Room

Members Present: Mayor Phil Hardberger
Councilmember Roger Flores, District 1
Councilmember Sheila McNeil, District 2
Councilmember Delicia Herrera, District 6

Guest Councilmember Patti Radle, District 5

Absent: Councilmember Kevin Wolff, District 9

Staff Present: Jelynn LeBlanc Burley, Deputy City Manager; Ramiro Cavazos, Economic Development Director; Elizabeth Costello, International Affairs Director, Ed Davis, Economic Development Interim Assistant Director, Industry Development & Operations; Manny Longoria, Jr., Economic Development Assistant Director, Small Business Assistance, Cindy Schoenmakers, Community Initiatives Assistant Director; Veronica Zerthuche, Deputy City Attorney; Charlotte Barrett, Human Resources; Dean Bayer, Public Works; Kenneth Bennight, Assistant City Attorney; Yonnie Blanchett, City Manager's Office; Jose Luis Garcia, Chief of Protocol, International Affairs; Al Garza, Economic Development; Andrew Gordon, Office of the City Clerk; Leslie Haby, Assistant City Attorney; James Henderson, International Affairs; Anita Martin, Economic Development; Jesse Quesada, Asset Management; Susan Rios, Economic Development; Maria Rivera, Community Initiatives; Melissa Shannon, Economic Development

Also Present: Laura Jesse, San Antonio Express-News; James Lifshutz, Big Tex San Antonio Developer; Dr. John Soto, Director of Business Outreach, Alamo Community College District

Call to Order

Councilmember Flores called the meeting to order.

1. Citizens to be Heard.

There were no citizens to be heard.

20060221

LV/ag

2. Approval of minutes from the January 17, 2006 meeting.

Councilmember Herrera moved to approve the minutes of January 17, 2006. Councilmember McNeil seconded the motion. Motion carried unanimously by those present.

3. Update on the Proposed Development by Big Tex San Antonio, L.P. in the 100-400 blocks of Blue Star [Ramiro Cavazos, Director, Economic Development Department]

Mr. Cavazos made a presentation on the 25-year License Agreement and Tax Abatement Agreements related to the two-phase Big Tex development. He spoke to the future plans of the 7.53-acre site in Council District 5, which will involve mixed-use residential and retail development adjacent to the Blue Star Arts Complex. He discussed public improvements to be made by the developer. He noted that two community meetings were held to discuss the development, and that the community expressed potential environmental and emergency traffic ingress/egress concerns. He spoke to the matter of incentives and zoning changes requested by the developer and licensing agreements that were negotiated between the developer and the City. He stated that a 10-year Tax Phase-In was requested for the two phases of the project, and that the project qualified for the request, in addition to various several fee waivers. He noted that the total project tax incentive is valued at \$796,868. He stated that the project, if approved, will advance to the Planning Commission and then to City Council for zoning approval, and that staff recommended approval to both the License and Tax Phase-In Agreements.

Ms. Burley stated that Mr. Lifschutz was agreeable to conduct new Phase I and Phase II Environmental Impact Studies, and noted that the Environmental Protection Agency (EPA) may have a role in this project due to concerns over prior land use practices on the property. She stated that the City will need to know the hierarchy and protocol of various state agencies that may be involved in the project.

Councilmember Radle said an understanding must be made between the EPA and the Texas Commission on Environmental Quality (TCEQ) over jurisdiction, as TCEQ has no authority over local matters.

Councilmember Flores directed staff to assemble details of the project and determine relationship details between the City, EPA and TCEQ and to report back when these items are clarified.

Councilmember McNeil asked which governmental agency is responsible for environmental testing and potential asbestos removal. Ms. Burley responded that there are conflicting reports on this question, which is why the City requested more time to explore the matter, noting that the City has no regulatory control over environmental concerns of this nature.

Councilmember McNeil asked what type of housing will be built on the property. Mr. Lifschutz stated that the majority of the planned construction will be affordable for artists and students, with a few luxury units. He noted there will be no subsidized housing.

Councilmember McNeil made a motion to continue the item for 30 days. Councilmember Herrera seconded the motion.

4. Briefing on the renewal of the Interlocal Agreement between the Alamo Community College District and the City [Ramiro Cavazos, Director, Economic Development Department]

Mr. Cavazos made a brief presentation on the purpose of the Interlocal Agreement, discussing terms, the training and educational relationship between the parties, and the return on investment to the community via Alamo Academies, City staff training and tuition reimbursement, Department of Community Initiatives workforce training, and various other segments of the community.

Councilmember McNeil directed staff to report at a later date on the placement, graduation and general success rates of programs funded by the agreement to validate the City's financial commitment.

5. La Quinta Inn and Suite Closeout [Ramiro Cavazos, Director, Economic Development Department]

Mr. Cavazos reported that the City entered into several agreements with La Quinta Texas Properties regarding street closures, infrastructure enhancements, urban design improvements, and traffic flow considerations for its new downtown property on Elm St. He stated that La Quinta provided several public improvements at their expense in exchange for street closures, streetscaping and relocation of taxi stands. He added that La Quinta entered into an agreement to maintain the sidewalks and taxi stands. He noted that La Quinta agreed to reimburse the City for parking revenue lost due to the removal of parking meters and to also transfer to the City a 36,000-sq. ft. land parcel, located at the intersection of I-37 and N. Commerce. He stated that the City has considered this parcel for a variety of uses, and that City Council action on March 2, 2006, will finalize the agreements between the parties and finalize the land transfer.

6. Update on the City of San Antonio's Disparity/Availability Study for Small, Minority and Women-owned Business [Ramiro Cavazos, Director, Economic Development Department]

Mr. Longoria made a presentation detailing the project scope, RFP process, creation of an availability study, and financial commitments to fund the project. He noted that the City has not conducted such a study in 13 years, and has established a May 2007 completion date for the study.

Councilmember Flores inquired of necessary action following completion of the study and how the City will address disparity should such a gap be found between the old and

new findings. Mr. Longoria noted that race issues have been eliminated in large part because of difference business paths, and there may be considerations the City will have to face, but those won't be known until completion of the study. He also reported that the City will include a buy-in option on the RFP, which will permit Bexar County to join the City on the study, should the County commit to its tentative plans to also conduct a disparity study.

7. S.A. World Affairs Council's 2006 International Citizen of the Year Award Dinner [Elizabeth Costello, Director, International Affairs Department]

Ms. Costello reported that the World Affairs Council will honor for the first time a non-San Antonio resident as recipient of the award on Tuesday, February 28, 2006. She added that 1,000 people are expected to attend.

8. 275th Anniversary Canary Islands 1731-2006 San Antonio March 1-5, 2006 [Elizabeth Costello, Director, International Affairs Department]

Ms. Costello reported on upcoming events and dignitaries scheduled to visit the City for the Canary Islands anniversary celebration. She also noted progress made on a plaque to commemorate the original Alcaldes.

9. Month of Nuevo Leon in San Antonio – March 3-25, 2006 [Elizabeth Costello, Director, International Affairs Department]

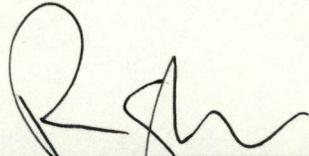
Ms. Costello stated that the Mexican Cultural Institute will celebrate the Mexican state of Nuevo Leon, with a variety of free events offered during the month.

Councilmember Flores provided a summary of the San Antonio delegation's recent attendance and presentation at the Waterfront Cities conference in Taiwan. He directed staff to explore the City's participation in three upcoming waterfront development conferences.

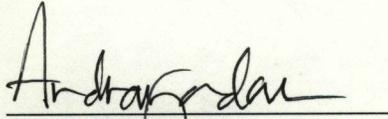
Ms. Costello stated that the International Affairs Department received approximately \$200,000 in free publicity through various magazine articles. She also noted that recruitment is underway for the City's Export Leaders Program, which offers export training to local small businesses.

There being no further business to discuss, the meeting adjourned at 3 p.m.

Copies of these presentations are made part of the file and are available upon request



Roger Flores, Chairman



**Andrew Gordon
Administrative Assistant II
Office of the City Clerk**