

**Economic Development & International Affairs
Council Committee Meeting Minutes**

Tuesday, August 15, 2006

1:30 pm

Media Briefing Room

Members Present: Councilmember Roger Flores, *Chair*, District 1
Councilmember Sheila McNeil, *District 2*
Councilmember Delicia Herrera, *District 6*

Absent: Councilmember Kevin Wolff, *District 9*

Staff Present: Jelynn Burley, *Deputy City Manager*; Roland Lozano, *Assistant to the City Manager*; Ramiro Cavazos, *Economic Development Director*; Mark Webb, *Aviation Director*; Elizabeth Costello, *International Affairs Director*; Ed Davis, *Economic Development Interim Assistant Director*; Ray Rodriguez, *Assistant City Attorney*; Yonnie Blanchette, *City Manager's Office*; Susan Rios, *Economic Development*; Edward Mery, *Public Works*; Angela Rivera, *Economic Development*; Ruben Davila, *Economic Development*; Lynda Rodriguez, *Economic Development*; Nancy Shepperd, *Economic Development*; Al Garza, *Economic Development*; Lynda Rodriguez, *Economic Development*; Sandy Jenkins, *Development Services*; Elena Villarreal, *International Affairs*; Linda Gutierrez, *Aviation*; Barbara Ankamah, *Economic Development*; Laurel Jensen, *Aviation*; Myra Salinsa, *District 6 Staff*; Paul Jimenez, *District 2, Staff*; Timothy Salas, *District 1 Staff*; Thomas Marks, *District 9 Staff*; Brandon Smith, *Office of the City Clerk*

Also Present: Mike Edelmann, *Vistana*; Ed Cross, *Vistana*; Ruby A. Perez, *Unison Maximus*;

Call to Order

Chairman Flores called the meeting to order.

1. Citizens to be Heard

There were no citizens to be heard.

At this time, the Committee addressed items 7, 8 and 9.

7. Outbound Trade Missions

Presented by Elizabeth Costello, Director, International Affairs Department

Elizabeth Costello reported on the Outbound Trade Missions. She noted that the Export Leaders Trade Mission to Mexico would be held on September 27-29, 2006 and the Free

Trade Alliance San Antonio Mission to Brazil would take place October 21-27, 2006. Lastly, the Exploratory Mission to India would be held November 28 – December 5, 2006

8. Inbound Delegations

Presented by Elizabeth Costello, Director, International Affairs Department

Ms. Costello also reported on Inbound Trade Missions to San Antonio by the following entities: Grupo Trade Mission on August 3-4, 2006, the Jiangsu Chinese Mayors Delegation on August 15, 2006, the Official Visit of the Governor of Colima on August 24-25, 2006, and the ICMA Conference Study Tours on September 13, 2006.

Councilmember McNeil entered the meeting at this time.

9. Event Updates

Presented by Elizabeth Costello, Director, International Affairs Department

Said item was addressed with items 7 and 8.

At this time the committee addressed item 3.

3. Concession Enhancement Program

Presented by Mark Webb, Director, Aviation Department

Mark Webb presented proposed enhancements to the Airport Concessions Program. He noted that the implementation of modifications will be made available only to tenants in good standing and compliant with other contract provisions.

Councilmember Herrera moved to forward said item to the City Council for full consideration. Councilmember McNeil seconded the motion. Motion carried unanimously by those present.

At this time the Committee addressed item 5 followed by items 6 and 4.

5. Consideration of a Tax Phase-In Agreement with Vistana, Ltd.

Presented by Ramiro Cavazos, Director, Economic Development Department

Ramiro Cavazos informed the Committee that the Vistana Project qualifies under the Joint Tax Phase-In Guidelines for a 10-year tax abatement and that the Project meets the City Council's goal for a mixed-use, multi-family housing project. He noted that the Vistana Agreement would allow the City to recapture up to 100% of abated taxes during the 10-year term and for 6 years following if Vistana decides to cease or change the required use. He added that the City may also terminate the agreement if Vistana fails to meet their level of investment.

Councilmember Herrera moved to forward said item to the City Council for full consideration. Councilmember McNeil seconded the motion. Motion carried unanimously by those present.

6. Consideration of the Assignment of the City's Tax Phase-In Agreement with Texas Machining Enterprises (TME) formerly Royal Oak Industries to Caterpillar, Inc.

Presented by Ramiro Cavazos, Director, Economic Development Department

Mr. Cavazos informed the Committee that Caterpillar, Inc. was seeking to buy the assets and equipment at Royal Oak's/TME facility, invest \$51.6 million by installing a new engine block line and relocating equipment from a plant in Michigan. He stated that Royal Oak/TME is requesting the City Council to assign its Tax Phase-In Agreement to Caterpillar, Inc. for the remaining seven years of the term. He noted that the City would retain the right to recapture all abated taxes if Caterpillar ceases or relocates during the 10-year term or in any of the six years after the term.

Councilmember McNeil expressed concern with the balance of projects marketed throughout the Districts. She stated that there needs to be a push for more projects in District 2. Jelynn Burley reported that the Abatement Zone in District 2 had been changed from six years to ten years. Mr. Cavazos assured Councilmember McNeil that staff would make every effort to market more projects within District 2 to provide for distribution of balance throughout the City.

Chairman Flores acknowledged the Jiangsu Chinese Mayors' Delegation that stopped in to observe the Economic Development and International Affairs Committee meeting. He welcomed the Delegation to San Antonio and gave a brief overview of the structure of the San Antonio City Council and Council Committees.

Councilmember Herrera moved to forward said item to the City Council for full consideration. Councilmember McNeil seconded the motion. Motion carried unanimously.

4. Empowerment Zone Board Appointments

Presented by Ramiro Cavazos, Director, Economic Development Department

Mr. Cavazos presented for consideration the nomination or reappointment of 17 individuals to the Empowerment Zone Governance Board for City Council consideration. He noted that there were 20 applicants eligible for appointment in the twelve categories established by City Council.

The Committee voted and created a slate to forward to the full City Council for consideration.

Councilmember Herrera moved to forward said item to the City Council for full consideration. Councilmember McNeil seconded the motion. Motion carried unanimously by those present.

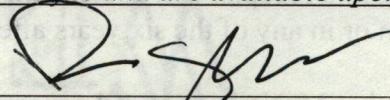
2. Approval of Minutes of the June 20, 2006 Meeting

Councilmember McNeil moved to approve the minutes of June 20, 2006. Councilmember Herrera seconded the motion. Motion carried unanimously by those present.

Adjournment

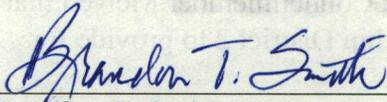
There being no further discussion, the meeting was adjourned at 3:00 p.m.

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



Roger Flores, Chairman

Respectfully Submitted,



**Brandon T. Smith
Administrative Assistant II
Office of the City Clerk**