

**ECONOMIC AND COMMUNITY DEVELOPMENT
COUNCIL COMMITTEE MEETING MINUTES**

JUNE 4, 2013

9:00 AM

MEDIA BRIEFING ROOM, CITY HALL

Members Present: Councilmember Elisa Chan, *Chair, District 9*
Councilmember Diego Bernal, *District 1*
Councilmember Ray Lopez, *District 6*

Members Absent: Councilmember Cris Medina, *District 7*

Staff Present: Leticia M. Vacek, *City Clerk*; Carlos Contreras, *Assistant City Manager*; Rene Dominguez, *Director, Economic Development Department*; Lori Houston, *Director, Center City Development Office*; Wanda Heard, *Assistant Director, Human Resources*; Richard Keith, *Interim Assistant Director, Department of Human Services*; Brandon Smith, *Office of the City Clerk*; Denice Treviño, *Office of the City Clerk*

Also Present: Federico Zaragoza, *Vice Chancellor, Alamo Colleges*; Gene Bowman, *Executive Director, Alamo Academies*; Davis Phillips, *President/CEO, Phillips Entertainment*; Larry Anthis, *Senior V.P., Frost Bank*; Henry Brun, *President, Richport Enterprises*; Ron Stinson, *Owner, Arbor House Bed & Breakfast*

Call to Order

Chairperson Chan called the meeting to order.

1. Citizens to be Heard

There were no items addressed by Citizens.

2. Approval of Minutes of the April 2, 2013 Economic and Community Development Council Committee Meetings

Councilmember Lopez moved to approve the minutes of the April 2, 2013 Economic and Community Development Council Committee Meeting. Councilmember Bernal seconded the motion. Motion carried unanimously by those present.

3. Briefing and Possible Action on:

a. Applicants to the Convention and Visitors Commission [Leticia Vacek, City Clerk]

Chairperson Chan stated that there were a total of 25 At-Large Board appointments available on the Convention and Visitors Commission (Commission). She invited the applicants in the uncontested categories to speak. There were no respondents in the uncontested categories. She invited the applicants of the contested categories to speak.

Mr. Henry Brun, Entertainment/Consultant, Richport Enterprises, Applicant for the Arts & Cultural Category, stressed the need to promote creativity and innovation, and stated that he supports the vision of SA 2020.

Ms. Marise Mc Dermott, President/CEO, Witte Museum, Applicant for the Arts & Cultural Community Category, noted that she was the past chair of the Convention and Visitors Commission and supports continued development along the San Antonio River.

Chairperson Chan noted that Katie Luber, Applicant for the Arts & Cultural Community Category was unable to attend but has provided a statement to the Committee.

Mr. Frank Miceli, Sr. Vice President, San Antonio Spurs, Applicant for the General Community Category, stated that he has served the Convention and Visitors Commission for the last four years and would like to give back to the Community.

Mr. Larry Anthis, Sr. Vice President, Cullen/Frost Bankers, Inc., Applicant for the General Community Category, stated that he works on the Budget Committee of the Convention and Visitors Commission and noted that he has worked in many different cities and has observed how they operate. He stated that due to this he would bring a unique perspective to the Commission.

Councilmember Bernal asked Mr. Anthis for his opinion of what the City can improve. Mr. Anthis replied that the City's support of urban development supports the vision of SA 2020.

Mr. Bill Brendel, General Manager, Crockett Hotel, Applicant for the General Community Category, stated that he has served on the Commission for two terms representing the Hotel Association. He noted that he would bring a unique perspective to the Commission by representing the City's Historic Hotels.

Ron Stinson, Owner, Arbor House Bed & Breakfast, President, San Antonio Bed & Breakfast Association, Applicant for the General Community Category, stated that Bed & Breakfasts (B&B) provide an alternate lodging opportunity and provided revenue in the amount of \$301,000.00 to the City last year.

Chairperson Chan asked of the number of existing B&B properties in San Antonio. Mr. Stinson replied that there were 21 properties.

Sherry Chaudhry, Comfort Suites Alamo Riverwalk, Applicant for the General Community Category, stated that she would bring her 32 years of experience to the Commission and suggested that the City's Marketing Strategy be kept up to date.

John Franklin, U.S. Air Force, Retired, Applicant for the General Community Category, reviewed his experience relative to service on the Commission.

Donald Bruce Smith, Owner/President, SBBS Consulting, Applicant for the General Community Category, stated that he is a Retired Air Force General Officer. He stated that his travel and living experiences would provide a global perspective to the Commission.

Chairperson Chan asked Mr. Smith to offer suggestions that would attract Aerospace-Related Conventions to the City. Mr. Smith stated that current projects such as Port San Antonio and Airport growth would attract said conventions.

5. Executive Session

Chairperson Chan recessed the meeting into Executive Session at 9:50 a.m. to deliberate the selection of candidates for the Convention and Visitors Commission.

Chairperson Chan reconvened the meeting at 10:08 a.m. and announced that no action was taken during Executive Session.

Chairperson Chan thanked the applicants for their time and interest.

Councilmember Lopez moved to forward the selected candidates and Board Appointments to the full City Council for consideration. He noted that the term of office was from May 31, 2013 to the term end, adding that there are no terms limits for said positions. He listed the selected applicants and the category they would represent.

1. Hipolito P. Salas, Airline Representative
2. John Bouloubasis, Taxicab Industry
3. Henry Brun, Arts and Cultural Community
4. Marise McDermott, Arts and Cultural Community
5. Frank J. Miceli, General Community
6. Larry Anthis, General Community
7. Ron Stinson, General Community
8. Trisha Frank, General Community
9. Michael D. Cortez, Market Square
10. Johnny Hernandez, Mayoral
11. Davis Phillips, SA Area Tourism Council
12. Rick Grinnan, SA Restaurant Association
13. Robert Raymond, San Antonio Sports
14. Robert Thrailkill, San Antonio Hotel Lodging Association
15. Henry Feldman, San Antonio Hotel Lodging Association
16. Jim Quinn, San Antonio Hotel Lodging Association
17. Rusty Wallace, San Antonio Hotel Lodging Association
18. Gino Caliendo, San Antonio Hotel Lodging Association
19. Bill Petrella, San Antonio Hotel Lodging Association
20. Justin Holley, Paseo del Rio Association
21. Daniel J. Decker, Sea World – Theme Park
22. Martin A. Bozer, Six Flags Fiesta Texas – Theme Park
23. K. Andy Tiwari, Alamo City Black Chamber
24. Geoff Crabtree, Greater San Antonio Chamber
25. Jane Thomas, South San Antonio Chamber

Councilmember Bernal seconded the motion. Motion carried unanimously by those present.

3. Briefing and Possible Action on:

b. Renewal of the ACCD Interlocal and Settlement Agreement [Rene Dominguez, Director, Economic Development]

Rene Dominguez stated that the Economic Development Department recommends a 12-month budget of \$916,159 for the Alamo Colleges (AC) Interlocal Agreement for the period of September 1, 2013 through August 31, 2014. He indicated that said budget was based on estimated future City Public Service (CPS) Energy Revenues. He stated that funding was recommended for: (1) City employee training programs administered by the Human Resources Department; (2) Alamo Academies; (3) Economic Development Department Bonding Assistance Mentor-Protégé Program; and (4) Department of Human Services Long Term Case Management Scholarship Program. He stated that in addition, the City Council authorized a Settlement Agreement in March 2001 between the City and AC to establish in escrow the CPS Energy Revenue collected from natural gas and electric billings. He indicated that said Agreement established Education and Training Programs and customized workforce training and economic development. He added that City Council authorized said Interlocal Agreement to be renewed annually to facilitate the administration and monitoring of the funds held in escrow.

Chairperson Chan asked if said Interlocal Agreement had been approved by City Council. Mr. Dominguez indicated that it had not. He stated that the Settlement Agreement calls for a review in the 13th year, which we are in now, of the 15-Year Agreement. He noted that the Interlocal Agreement would be presented to the full City Council on June 20, 2013 and presented to the AC in July 2013.

Mr. Dominguez reviewed the proposed Budget Items. He noted that the said budget had decreased by 2.6% from FY 2013. He stated that staff recommends the Economic and Community Development Council Committee to endorse renewal of the annual Interlocal Agreement between the City and AC.

Chairperson Chan asked of the DHS Long Term Case Management Workforce Development Program (Program). Richard Keith stated that this was not a new program and the budget allocation would add strength to the existing program by providing a Workforce Development Component. He indicated that scholarships would be awarded to residents whose income was at or below the poverty level. He stated that residents must also be on a career path for high demand occupations. He noted that said Program was funded by the City's Community Services Block Grant.

Councilmember Lopez moved that the City of San Antonio and AC Interlocal Agreement be brought before full City Council for consideration. Councilmember Bernal seconded the motion. Motion carried unanimously by those present.

c. Issuance of an RFP for a SBEDA Disparity Study [Rene Dominguez, Director, Economic Development]

Alejandra Lopez stated that in 1988, the Hispanic Chamber conducted a study showing that less than 2% of City contracts are awarded to small, minority and women-owned businesses. She indicated that in 1989, the Supreme Court established that race-conscious programs must be based upon compelling government interest and be narrowly tailored to achieve said interest. She stated that the City's first Disparity Study was completed in 1992 and resulted in the Small Business Economic Development Advocacy (SBEDA) Ordinance. She noted that the City's most recent study was adopted in 2010, and analyzed data from 2004 – 2007. She indicated that

the purpose of a Disparity Study was to establish the factual basis for race or gender based programs and evaluate barriers that prevent minorities and women from participation. She noted that it is common practice to conduct a Disparity Study every 3-5 years to determine if disparities exist. She indicated that the SBEDA Ordinance requires that a Request for Proposal (RFP) be issued no later than July 31, 2013 for the selection of a consultant to conduct a new Disparity Study. She reviewed the scope of work and indicated that the study would analyze and evaluate evidence of discrimination through qualitative and quantitative measures. She reviewed the questions to be included in the RFP.

Mr. Dominguez stated that the public input meetings held in the past would not be held until the RFP has been issued.

Chairperson Chan asked of the baseline data to be used. Ms. Lopez stated that said consultant would conduct a Custom Census Survey to include data of the City and from other sources.

Councilmember Bernal noted that the law requires that available vendors be examined whether or not they are with the City.

Ms. Lopez reviewed the timeline for the Disparity Study and stated that it would be brought before the full City Council in August 2013 for consideration.

Chairperson Chan requested that a copy of the RFP be provided to the Committee prior to its issuance. Mr. Dominguez confirmed that would be done.

Ms. Lopez provided an update of general, industry, and ethnicity/gender specific utilization distribution data.

Chairperson Chan requested that a breakdown of Other Services and Professional Services be provided to the Committee.

Councilmember Bernal asked of the time frame for the data presented. Ms. Lopez replied that said data was collected over a period of 10 months. Councilmember Bernal suggested that a measure for the quality of work performed be created.

Councilmember Lopez asked of the benefit to register vendors that register who do not intend to do business with the City. Mr. Dominguez stated that said vendors would benefit by the opportunity that registration provides. He added that businesses may access the Registry and possibly procure the services of registered vendors.

No action was required on said item.

d. Update on the Downtown Office Lease Space [Lori Houston, Director, Center City Development]

Lori Houston briefed the Committee on the San Antonio Office Market. She stated that San Antonio's Central Business District (CBD) contains 5,655,355 square feet of office space, representing 20.2% of the total citywide office inventory. She noted that a perception exists that downtown is at a competitive disadvantage compared to suburban office space. She indicated that the CBD Class A vacancy rate was fairly consistent with the overall market at 14.4% versus

12.4% (non-CBD). She stated that the Downtown Office Data was skewed by an oversupply of Class B and Class C Office Space.

Councilmember Chan asked of the reason for the disparity. Ms. Houston stated that existing Class B and Class C Office Spaces were older and parking ratios were increasing.

Ms. Houston stated that there has been an increase in the amount of inquiries for Downtown Office Space. She listed the Downtown Office Properties and the occupancy rate of each.

Councilmember Lopez asked if any information on the occupants had been gathered. Ms. Houston stated that said data had not been collected but would be done in the future. She stated that resources for incentives for occupancy of Class B and Class B Office Space have been identified and indicated that the City's International and Economic Development Department offers incentives provided that new jobs are created or existing jobs are retained. She stated that said incentives were issued in the form of Tax Abatements, Fund Grants or Loans, and City and San Antonio Water System (SAWS) Fee Waivers. She added that the Center City Development Office would assist corporations and real estate developers with projects that include the rehabilitation or adaptive reuse of vacant or underutilized structures by providing City and SAWS Fee Waivers, Inner City Incentive Fund Grants or Loans, Tax Abatements, Tax Rebates and the Center City Housing Incentive Policy (CCHIP).

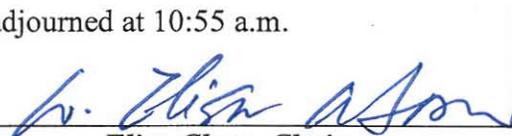
Chairperson Chan asked of the tracking of downtown housing occupancy and asked that said information be provided to the Committee Members. Mr. Dominguez replied that said data would be provided to the Committee.

4. Consideration of Items for Future Meetings

There were no items for future meetings discussed

6. Adjourn

There being no further discussion, the meeting was adjourned at 10:55 a.m.



Elisa Chan, Chairperson

Respectfully Submitted,



*Denice Treviño
Office of the City Clerk*