

ECONOMIC AND COMMUNITY DEVELOPMENT COUNCIL COMMITTEE MEETING MINUTES

WEDNESDAY, MARCH 23, 2011

9:00 AM

MUNICIPAL PLAZA ROOM B

Members Present: Councilmember Mary Alice P. Cisneros, *Chair, District 1*
Councilmember Ray Lopez, *District 6*
Councilmember Elisa Chan, *District 9*
Councilmember John G. Clamp, *District 10*

Members Absent: *None*

Staff Present: Pat DiGiovanni, *Deputy City Manager*; A.J. Rodriguez, *Deputy City Manager*; Rene Dominguez, *International & Economic Development Director*; Frank Miller, *Aviation Director*; Brian James, *Planning & Community Development Assistant Director*; Ed Davis, *International & Economic Development Assistant Director*; Ellen Erenbaum, *Aviation Assistant Director*; Jed Maebius, *Office of the Mayor*; Barbara Ankamah, *Economic Development Manager*; James Henderson, *Economic Development Manager*; Lori Houston, *Economic Development Manager*; Griselda Sanchez, *Assistant City Attorney*; Ray Rodriguez, *Assistant City Attorney*; Brandon Smith, *Office of the City Clerk*

Also Present: *Sunshine Thacker, Landbridge Partners*

Call to Order

Chairperson Cisneros called the meeting to order.

1. Citizens to be Heard

There were no citizens to be heard.

2. Approval of Minutes of the February 2, 2011 and February 24, 2011 Economic and Community Development Council Committee Meetings

Councilmember Chan moved to approve the Minutes of the February 2, 2011 and February 24, 2011 Economic and Community Development Council Committee Meetings. Councilmember Lopez seconded the motion. Motion carried unanimously.

3. Briefing and possible action on Boeing

Presented by Rene Dominguez, Director, International & Economic Development Department

Rene Dominguez reported that Boeing has requested that the City consider an amendment to the Grant Agreement to add any 747-800 commercial aircraft that the company may bring to Port San Antonio for work over the next 24 months. He stated that the additional commercial aerospace workload would result

in 500 temporary jobs and \$10 million in personal property investment. He noted that Boeing estimated paying City Inventory Taxes of \$1.6M to \$2.2M over 1-2 years. He informed the Committee that there were some legislative initiatives in process to mitigate the inventory tax, and if successful; the proposed Agreement would be null and void. He added that the City was prepared to rebate the inventory tax to Boeing if inventory taxes were not mitigated.

Chairperson Cisneros spoke of enhancing the Alamo Colleges Academy in preparation for the additional aerospace positions and asked of the Interlocal Agreement with Alamo Colleges. Ed Davis responded that the Interlocal Agreement Budget was \$1.3M and that approximately \$500,000 was allocated to support all four academies. Chairperson asked of the status of the inventory tax legislative package. It was reported that Representative Menendez sponsored two bills and that staff was tracking their progress.

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

4. Briefing and possible action on Air Service Incentive Program

Presented by Frank Miller, Director, Aviation Department

Frank Miller provided an overview of the San Antonio International Airport (SAT) Air Service Development Incentive Program. He reported that the proposed revisions bring SAT's Incentive Program into compliance with new Federal Aviation Administration (FAA) Guidelines. He stated that the proposed action was consistent with City Policy to encourage new non-stop air service from San Antonio to unserved destinations. He detailed the following revised topics: 1) Marketing Incentives; 2) Landing Fee Rebates; and 3) Eligibility Requirements. He noted that the revised program would commence on April 1, 2011 for a 30-month term.

Councilmember Chan asked of the marketing concept. Mr. Miller replied that the concept would identify air service carriers providing service to SAT. He stated that it would be a combined focus on the SAT, air carriers, and the City of San Antonio. Councilmember Clamp asked of the airlines participating in the program. Mr. Miller replied that Southwest, Air Trans, US Air, Spirit Air, and Mexicana Air had participated in the program.

Councilmember Lopez 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 Terminal A Concession Plan

Presented by Frank Miller, Director, Aviation Department

Frank Miller reported that the leases for six food and beverage concessions in Terminal A would expire on November 30, 2011. He stated that the Aviation Department proposed to utilize a Prime Concessionaire approach in the solicitation for new concessions for those locations. He explained that the Airport would lease a package of locations to a prime operator who would oversee the operation of multiple locations. He noted that 14 of the top 20 airports in the nation utilized said approach.

Councilmember Clamp asked of the restaurant composition of the Concessionaire Contract. Mr. Miller responded that the Request for Proposals (RFP) would include the following: A) Identify the availability of six locations; B) Encourage local branding; C) Concessionaire to report back to staff with recommendations for concessions; and D) The Airport and City Council would award the contract based on the proposed concession program. Councilmember Clamp asked that controls be placed that would allow small businesses the opportunity to bid on the locations.

Councilmember Chan acknowledged Councilmember Clamp's comments and spoke of the benefits of a Concessionaire Contract. She spoke in support of the proposed Concessionaire approach as a pilot program and asked that staff ensure that City Council input be included in said process.

Councilmember Lopez asked of the options should the City Council not accept the proposed contract. Mr. Miller responded that the City Council has the opportunity to extend the existing concession contracts. Councilmember Chan requested that the RFP criteria be presented to the City Council prior to release.

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

6. Discussion on ICRIP expanding boundaries requested by Councilmember Clamp
Presented by Pat DiGiovanni, Deputy City Manager

Brian James presented the proposed boundary changes to the Inner City Reinvestment Infill Policy (ICRIP) and reported that staff recommended the following areas be included: a) Austin Highway Corridor; b) East of Walters Street to W.W. White Road; c) South to fill in the areas along Mission Road between SW Military Drive and Loop 410; and d) North areas of Port San Antonio.

Councilmember Clamp spoke in support of expanding the boundaries of the ICRIP and suggested review of the northern portion of Harry Wurzbach for consideration. He requested that staff review the area prior to City Council consideration. Pat DiGiovanni stated that review of the ICRIP was a continuing process. He noted that staff will continuously review the ICRIP boundaries to encompass the inner-city and appropriately extend the policy and incentives. Councilmember Chan spoke of a blighted area within her district and areas throughout the city that were not considered "inner city" and did not qualify for assistance. She asked that staff consider changing the ICRIP to the City Reinvestment Infill Policy (CRIP) to assist areas other than just the inner city. A.J. Rodriguez responded that the ICRIP refers to the targeted area of the inner city and stated that other areas could be considered because it is an infill policy. Mr. DiGiovanni reported that staff would be returning to the Committee with a consultant contract to assist with a strategy for Infill and Economic Development Policy for the inner city and blighted areas throughout the entire city. Councilmember Clamp thanked staff for their work and stated that any effort to address blighted areas would enhance the entire city.

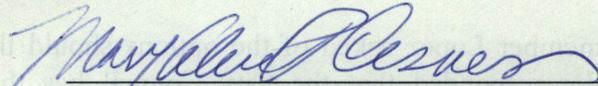
Chairperson Cisneros recessed the meeting into Executive Session at 10:27 a.m. She reconvened the meeting at 10:55 a.m. and announced that no action had been taken.

7. Consideration of items for future meetings:

There were no items discussed.

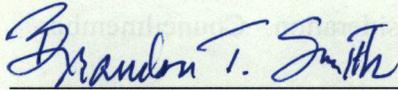
8. Adjournment

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



Mary Alice P. Cisneros, Chairperson

Respectfully Submitted,



Brandon T. Smith
Office of the City Clerk