

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

NOVEMBER 5, 2013

10:00 AM

MEDIA BRIEFING ROOM, CITY HALL

Members Present: Councilmember Ray Lopez, *Chair, District 6*
Councilmember Ivy R. Taylor, *District 2*
Councilmember Rey A. Saldaña, *District 4*

Members Absent: Councilmember Diego Bernal, *District 1*

Staff Present: Carlos Contreras, *Assistant City Manager*; Ray Rodriguez, *Assistant City Attorney*; Leslie Haby, *Assistant City Attorney*; Jed Maebius, *Mayor's Office*; Rene Dominguez, *Director, Economic Development Department*; Adrian Perez, *Economic Development Department*; Aurora Perkins, *Economic Development Department*; Brandon Smith, *Office of the City Clerk*; Denice Trevino, *Office of the City Clerk*

Also Present: Leo Gomez, *President and CEO, Brooks City-Base*; Janie Barrera, *President and CEO, Accion*; Daniel J. Healy, *Chief Executive Officer, Civitas Capital Group*

Call to Order

Chairman Lopez called the meeting to order.

1. Citizens to be Heard

There were no items addressed by Citizens.

2. Approval of Minutes of the October 1, 2013 Economic and Community Development Council Committee Meetings

Councilmember Taylor moved to approve the minutes of the October 1, 2013 Economic and Community Development Council Committee Meeting. Councilmember Saldaña seconded the motion. Motion carried unanimously by those present.

3. Briefing and Possible Action on:

Item c was addressed at this time.

**c. Consideration of an Applicant to the SBEDA Goal Setting Committee
[Leticia Vacek, City Clerk]**

Brandon Smith stated that there were six available slots whose terms have expired on the SBEDA (Small Business Economic Development Advocacy) Goal Setting Committee. He reported that only one application was received.

Lester Bryant, Candidate for the SBEDA Goal Setting Committee stated that his work focused on improvement of the educational model for children and the creation and maintenance of an environment that enhances the growth of Minority and Women-Owned Small Businesses.

Councilmember Taylor moved to forward the appointment of Lester Bryant to the SBEDA Goal Setting Committee to the full City Council for approval. Councilmember Saldaña seconded the motion. Motion carried unanimously by those present.

a. Briefing Update on the EB5 Program and Partner Presentations [Rene Dominguez, Director, Economic Development]

Rene Dominguez stated that the EB-5 Regional Center Program (Program) would provide a pathway to U.S. Citizenship through investment and job creation. He noted that the Program was administered by the United States Citizenship and Immigration Service (USCIS). He reported that an investment of \$500,000 to \$1 million and the creation of a minimum of 10 jobs over two years were required for participation in the Program. He indicated that Immigrant Investors would place their investment into projects through designated Regional Centers that would be combined into one project. He noted that last year the USCIS designated Brooks City-Base (Brooks) as a Regional Center.

Adrian Perez stated that on October 24, 2011, the State delegated the authority to designate Targeted Employment Areas (TEAs) to Local Mayors and Judges. He noted that TEAs are census tracts with over 50% of the Annual National Unemployment Rate. He mentioned that an investment of \$500,000 in TEAs would be required to secure citizenship as opposed to those who invested outside of TEAs where \$1 million would be required. He reported that multiple Regional Centers served the Bexar County Area.

Mr. Perez stated that the City's Operational Plan for the EB-5 Regional Center Program consisted of agreed upon practices and principles in four focus areas: 1) Partnership; 2) Sourcing Projects; 3) Joint Marketing; and 4) TEA Designation. He indicated that the Partner Priorities for the City, Bexar County, and Brooks City-Base were to protect their International Brand and affiliation, and to gain a reputation as one of the most supportive and effective Public Sector Partners. He noted that the Community Partners would work with external Regional Center Partners such as Civitas Capital Group. He reported that staff would integrate marketing of the EB-5 Program through on-going Export and Foreign Direct Investment (FDI) efforts. He stated that staff would market awareness of Partner Regional Centers and the overall attractiveness of San Antonio as an investment option but would not market specific projects. He noted that Dr. Lloyd Potter performed a TEA Analysis for Bexar County. He mentioned that the City would take a project driven approach whereby projects within designated TEAs would be endorsed. He stated that all others would be evaluated based on the merits of an analysis with no guarantee of endorsement. He noted that the Committee would have final review of any TEA Designations. He stated that a website displaying this information would be released no later than January 1, 2014.

Leo Gomez reported that Brooks City-Base has identified approximately \$152 million in Capital Improvement Projects which would begin on its campus within the next 12-18 months. He reviewed the various types of projects and noted that while each project may have included EB-5 Financing, no single project would be financed 100% with EB-5 Funds. He stated that projects would utilize various funding sources such as New Market Tax Credits, Bonds, Traditional Bank Financing, Land Equity, and Cash. He noted that over the next few weeks, a Master Developer

would be engaged and projects would be finalized over the next few months. He indicated that Investor Meetings of the Brooks Regional Center Team would begin in December in Brazil, Dubai, and Mexico. He stated that it was Brooks City Base's goal to have all funding sources secured by Summer 2014. He reported that Brooks City-Base does not qualify as a TEA but Brooks Representatives were working with Legislators to include language in any proposed Immigration Law to designate categorically Base Realignment and Closure Commission (BRAC) Bases as TEAs. He indicated that Brooks would hold discussions with three Developers for off campus projects.

Chairman Lopez asked of the Marketing Strategy for EB-5 Projects. Mr. Gomez replied that foreign Investors would be made aware of the EB-5 Regional Center through partners such as Strasburger Price LLC.

Chairman Lopez asked if the City had partnered with Brooks to assist them in gaining TEA Designation. Carlos Contreras indicated that the City's Federal Team was involved in that process.

Daniel J. Healy stated that Civitas Capital (Civitas) was formed in 2008 and manages the City of Dallas Regional Center. He noted that Civitas has raised more than \$280 million in EB-5 Funds across 12 projects in Dallas, which expected to create more than 8,280 jobs. He presented a summary of transactions completed in Dallas which resulted in the creation of over 8,600 jobs. He reviewed the Regional Centers that Civitas has managed in Texas. He stated that the Civitas Cypress Fund, LP would invest \$10.5 million with an affiliate of Cypress Real Estate Advisors that would partially finance the development of a 290-unit Class A Multifamily Community in San Antonio at 1130 Broadway. He stated that Civitas expected to source projects in and around San Antonio.

Councilmember Saldaña asked if a Transit Oriented Development that was already identified could be accomplished in TEA designated areas around Port San Antonio and Texas A&M University San Antonio utilizing EB-5 Investments. Mr. Healy replied that it would be possible.

No action was required for Item 3a.

b. Briefing on Café Commerce and the Recommended Service Provider [Rene Dominguez, Director, Economic Development]

Aurora Perkins stated that in 2012 , the Mayor convened the Small and New Business Taskforce (Taskforce) to consider how the City could assist businesses in growth and expansion. She reported that said Taskforce recommended that a single point of contact be established for small business owners seeking assistance, and that a more robust entrepreneurial climate in San Antonio be promoted. She mentioned that said Taskforce recommended that the operation of Café Commerce be outsourced. She reported that a Request for Proposals (RFP) was issued in May 2013 and two Proposals were received and reviewed by an Evaluation Panel in July 2013. She noted that interviews were conducted on July 30, 2013 and scoring was finalized on August 7, 2013. She indicated that ACCION-Texas was selected based on said scoring. She reviewed the objectives of Café Commerce and the highlights of the Café Commerce Operations Agreement (Operations Agreement) with ACCION-Texas which established the Café Commerce Advisory Board. She indicated that the term for said Operations Agreement was five years with three five-year renewal options. She noted that funding by the City was not to exceed \$1 million over the initial five-year term. She stated that ACCION-Texas would match City Funding,

dollar-for-dollar; half of which could be in-kind contributions. She noted that Café Commerce would include approximately 10,000 square feet of newly redesigned and furnished space at the Central Library which would be valued at approximately \$125,000 annually. She added that the goal was to hold the Café Commerce Grand Opening in January 2014.

Councilmember Taylor asked of performance measures included in the Contract. Mr. Dominguez replied that basic metrics would be included in said Contract. He added that more sophisticated metrics would be added as a result of a partnership with the Kauffman Foundation. He stated that updates on additional performance metrics would be presented to the Committee.

5. Executive Session

Chairman Lopez recessed the meeting into Executive Session at 11:02 a.m. He reconvened the meeting at 11:16 a.m. and announced that no action was taken.

The Committee continued with Item 3b.

Councilmember Saldaña moved to forward the proposed agreement with ACCION-Texas in an amount not to exceed \$1,000,000.00 for the operation and management of Café Commerce located at the Central Library for a time period of October 2013 to September 2018, with three five-year renewal options to the full City Council for consideration. Councilmember Taylor seconded the motion. Motion carried unanimously by those present.

4. Consideration of Items for Future Meetings

There were no items discussed.

6. Adjourn

There being no further discussion, the meeting was adjourned at 11:37 a.m.



Ray Lopez, Chairman

Respectfully Submitted,



*Denice Trevino
Office of the City Clerk*