RR
05/07/15
Item No. 25A

AN ORDINANCE 2015-05-07-0378

REALLOCATING PREVIOUSLY APPROVED ECONOMIC DEVELOPMENT INCENTIVE FUNDS IN THE AMOUNT OF $1,825,248.00 TO PORT SAN ANTONIO AS A SUCCESSOR TO AN ECONOMIC DEVELOPMENT ADMINISTRATION INFRASTRUCTURE GRANT; AND APPROVING A FUNDING AGREEMENT WITH PORT SAN ANTONIO TO GOVERN THE USE OF THE CITY'S EDIF FUNDS.

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WHEREAS, in conjunction with an Economic Development Administration Grant, the City previously allocated $1,825,248.00 in matching funds to be used in partnership with SAWS and Port San Antonio (the "Port") to install waterlines to support future development on the Port's North Airfield ; and

WHEREAS, the planned infrastructure improvements were aimed at a prospective economic development tenant that declined to locate at the Port; and

WHEREAS, in the absence of a tenant, the Port is requesting a reallocation of funds to support the construction of a greenfields project to support the development of the North Airfield site, which includes significant demolition to prepare the area to receive needed fill material from other projects and improve drainage conditions to minimize impact of future flood events; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. City Council authorizes the reallocation of previously approved Economic Development Incentive Funds (EDIF) in the amount of $1,825,248.00 to Port San Antonio as a successor in interest to an Economic Development Administration Infrastructure Grant. The negotiation and execution by the City Manager or her designee of a Funding Agreement between the City and Port San Antonio to govern the use of these EDIF funds is authorized. A copy of the final Funding Agreement shall be attached to this Ordinance as **"Attachment I"** upon execution by the parties.

SECTION 2. Funding in the amount of $1,825,248.00 for this Ordinance is available for Fund 29059000, Cost Center 1604010001 and General Ledger 5201040, as part of the Fiscal Year 2015 Budget.

SECTION 3. Payment not to exceed the budgeted amount is authorized to Port San Antonio and should be encumbered with a purchase order.

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP

Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 5. This Ordinance shall become effective immediately upon its passage by eight (8) votes or more and upon ten (10) days following its passage if approved by fewer than eight (8) votes.

PASSED AND APPROVED this 7th day of May, 2015.

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:

Martha G. Sepeda
Acting City Attorney

Agenda Item:	**25A**
Date:	05/07/2015
Time:	10:07:36 AM
Vote Type:	Motion to Approve
Description:	An Ordinance reallocating previously approved EDIF funds in the amount of $1,825,248.00 to Port San Antonio as a successor to an EDA grant; and approving a funding agreement with Port San Antonio to govern the use of EDIF funds.
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Trevino	District 1		x				
Alan Warrick	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x			x	
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				x
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

ECONOMIC DEVELOPMENT

Re-direction of Approved Matching Funds to Support Port San Antonio Improvement Projects

May 7, 2015

City Council Items # 25A and 25B

Rene Dominguez, Director, Economic Development Department

SUMMARY

- Staff is requesting City Council action on:
  - Re-direction of previously approved (2012) $1,825,248 in matching COSA funds in connection with a Department of Commerce Grant to Port San Antonio to support a North Airfield greenfield conversion project;
  - Designation of Port San Antonio as North Airfield recipient;
  - Re-direction of previously approved (2006) $962,002.90 in matching COSA funds in connection with a Department of Commerce Grant to Port San Antonio to address flooding issues at the Jet Engine Test Cell Facility area; and
  - Approval of funding agreements between the City and Port San Antonio to govern the use of the COSA Matching Funds.

BACKGROUND

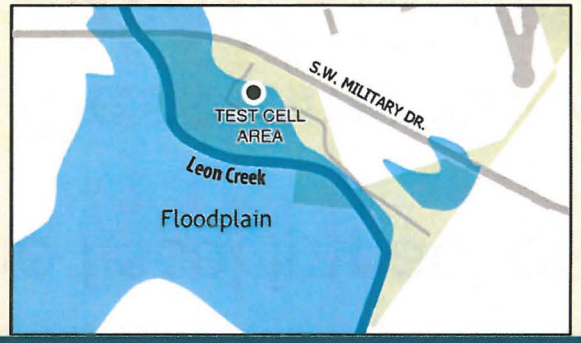
- In 2014, Port San Antonio issued an implementation plan in response to recommendations by the Port San Antonio Aerospace Strategy Working Group.
- The plan identified the need for significant infrastructure improvements and investment to support current Port customers and future expansions.
- The COSA matching funds are being re-directed in accordance with the Working Group recommendations.

NORTH AIRFIELD GREENFIELD PROJECT

- Currently, there are limited remaining airfield development-ready sites at Port San Antonio to accommodate future aerospace growth.
- Port San Antonio is proposing a greenfield conversion project to support development of the North Airfield site, which provides the best potential for aerospace growth.
- The North Airfield is among only three sites in Texas to accommodate large air-served aerospace projects.

JET ENGINE TEST FACILITY PROJECT

- In 2006, City Council approved matching funds designated to help fund a drainage improvement project to address flooding issues.
- Due to the substantial overall flood control costs which exceeded $20M, a decision was made to use the funds on a more focused flood reduction project.
- Port San Antonio is proposing the application of these matching funds from the drainage improvement project to address specific flooding issues at the Jet Engine Test Cell facility area adjacent to Leon Creek.
- The multi-million dollar facility has flooded several times in recent years.



FISCAL IMPACT

- The fiscal impact of this Ordinance is:
  - The re-direction of previously approved COSA (2012) matching funds in the amount of $1,825,248;
  - The re-direction of COSA (2006) matching funds in the amount of $962,002.90; and
  - There is no new or additional impact to the City.

RECOMMENDATION

- Staff recommends approval:
  - An Ordinance authorizing re-direction of COSA matching funds;
  - Designation of Port San Antonio as recipient of the North Airfield Grant; and
  - Funding agreements between the City and Port San Antonio for the use of the COSA matching funds.

ECONOMIC DEVELOPMENT

Application of Approved Matching Funds to Support Port San Antonio Improvement Projects

May 7, 2015

City Council Items # 25A and 25B

Rene Dominguez, Director, Economic Development Department