

SPECIAL MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL ON
MONDAY, OCTOBER 17, 1966 AT 10:00 A.M.

* * *

The meeting was called to order by Mayor W. W. McAllister, Presiding Officer, with the following members present: McALLISTER, CALDERON, JONES, JAMES, COCKRELL, GATTI, TREVINO, PARKER and BREMER; Absent: NONE.

— — —
The invocation was given by Councilman Roland Bremer.

— — —
The City Clerk read the following letter:

October 17, 1966

The City Council of The City
of San Antonio
City Hall
San Antonio, Texas

Lady and Gentlemen:

I, Walter W. McAllister, do hereby submit my resignation as a Trustee of the San Antonio Tower Corporation and request that it be accepted immediately.

WALTER W. McALLISTER

Mayor McAllister advised the Council he was taking this action to eliminate any possibility there might be a conflict of interest by serving on both the Tower Corporation and the City Council.

On motion of Mr. Bremer, seconded by Dr. Parker, the resignation was accepted, the vote being as follows: AYES: McAllister, Calderon, Jones, James, Cockrell, Gatti, Trevino, Parker and Bremer. NAYS: None; ABSENT: None.

— — —
Mayor McAllister reviewed proceedings leading to this hearing on the Tower of the Americas as follows:

The Tower Corporation originally made a contract with the D. J. Rheiner Construction Company to build the Tower. At that time bond houses felt sure that they would be able to sell 5 or 6 million in bonds at 5 1/2% interest rate. When the matter of conflict of interest came up, Rheiner withdrew. Time went by. The next bid was higher and interest rates rose. Consequently bond houses found purchasers were no longer interested, not even at 6 1/2% interest.

It had been stated that the City's credit would not be involved in the HemisFair or the Tower directly. The City authorized issuance of \$30,000,000.00 in bonds. Many have been sold and improvements made. The land for HemisFair would have been acquired whether HemisFair was held or not. It was true at that time that the City would not be involved.

The Mayor stated the Council is now considering a different approach to financing of the Tower, which is as follows:

This hearing is to consider if the City of San Antonio will advertise for proposals for someone to furnish a Tower to this City on a certain tract of land in Civic Center Project, Tex. R-83.

It is anticipated that the San Antonio Tower Corporation would make such a proposal to the City.

The Tower Corporation would receive bids for their bonds and propose to provide such Tower to the City of San Antonio for the price of the annual requirements necessary to retire the Tower Corporation Bonds.

The Tower Corporation would actually build the Tower and turn it over to the City upon completion.

The City will operate the Tower either directly, by concession contracts, or a combination of these.

All revenues received will come to the City. The City will be responsible for the operating cost and annual lease requirements.

Should the determination be made to proceed with this method, then it is planned that the City receive proposals at 11 a.m. Thursday, November 3, 1966 in the City Council Chamber.

OCT 17 1966

The Tower Corporation will be requested to receive bids for the sale of their bonds at 9:30 a.m. Thursday, November 3, 1966 in the City Council Chamber.

The City will also request the Tower Corporation follow closely a bond retirement schedule suggested by the City. This schedule will provide that the first \$2,500,000 bonds may be retired by the City in early 1969 providing Tower revenues have been sufficient.

The exhibitor rental rate of \$250,000 due the HemisFair Corporation will not be considered for payment until after the Fair. If the Fair revenues are sufficient by that time, then the \$250,000 would not be paid to the Fair Corporation, but would be used to retire Tower Bonds. All excess revenues of Fair Corporation are to become the property of the City of San Antonio, making this consideration possible.

How will the Tower Bond money be used?

Construction Contract	\$4,242,600.00
Landscaping, mechanical room, Hood lights, Window washer, Carpeting	158,500.00
Contingencies	106,150.00
	<hr/>
	\$4,507,250.00
Architect & Engineering	279,000.00
Working Capital	50,000.00
Land Rental Reserve for HemisFair	250,000.00
Fiscal Agents, Legal & Issuance Expense	117,500.00
Maximum Bond Discount	115,000.00
Capitalized Interest on Bonds for 1½ yrs	431,250.00
	<hr/>
	\$5,750,000.00

The City will plan to establish from 1968 revenues at least one full year's lease requirement as a reserve fund. Should revenues in a later year not be sufficient to meet the total annual amount required, then the difference would be taken from the reserve funds. With actual revenues reaching 66% of estimated projections, then the City would never have to subsidize this operation with tax or other funds.

The following persons spoke on behalf of the Tower of the Americas and urged the City to take whatever action is necessary to have it financed.

Mr. Marshall T. Steves, President of HemisFair 1968
 Mr. Mario Gonzalez, San Antonio Fine Arts Commission
 Mr. Ellis Wilson, Vice Chairman of S.A. Tower Corporation
 Mr. David Straus, Vice Pres. of S. A. Chamber of Commerce
 Mr. Milton Guess, Pres. of S. A. Junior Chamber of Commerce
 Mr. Cy Wagner, Pres. of San Antonio Arts Council
 Mr. William S. Clark, S.A. Manager of American Airlines
 Mr. William Alderman, Editor of Texas Parade Magazine, Austin
 Mr. Ray Ellison, Pres. of Ellison Inds. and HemisFair Underwriter
 Mr. Roland J. Martin, Alpha Phi Alpha Fraternity
 Mr. Jim Hayne, representing S.A. Downtowners Association
 Mr. John McSween, San Antonio Manager of I.B.M.
 Mr. Michael Dennis, President of Security National Bank
 Mr. B. J. McCombs, member Executive Comm. and Chamber of Comm.
 Mr. Edgar Pace, South San Antonio businessman
 Mr. Glen Gardner, Vice Pres. of S. A. Real Estate Board
 Mr. Kurt Monier, Chairman of Bd. of Trustees, S. A. Tower Corp.
 Mr. George DeLaGarza
 Mr. Leroy Smith
 Mr. E. L. Luke
 Mr. Lloyd Denton
 Mr. Ben Edwards, MacDonna, Texas
 Mr. George C. Kilmitz

Speaking in opposition to the Tower of Americas were the following persons.

Mr. Charles Stough, Coordinator of Democratic Precinct Clubs
 Mr. Frank Carter
 Mr. Laverne Redwine
 Mrs. Mary Maverick McGarrough
 Mr. Raul Rodriguez
 Mr. Joe Rainey Manion
 Mr. Ben Saenger
 Mrs. Doyle Sevier
 Mrs. Myrtle Hance, President of Citizens Association

After everyone desiring to be heard was given an opportunity to do so the Mayor announced that he had received this morning a post card from Mr. C. L. Fagan in opposition to the tower.

He also announced receipt of the following communications in favor of the tower.

Telegrams:

O. L. Collins, President of San Antonio Board of Realtors
Fredericksburg, Texas signed by Kent Blohm, Chamber of
Commerce Manager,
Harold Stehling, Security State Bank and Trust,
Henry Joseph, President of Fredericksburg National Bank,
Norman J. Dietel, Publisher of the Radio Post.
Texas Automatic Sprinklers Company
Mr. & Mrs. I. E. Behrend, Jr.

Letters:

C. M. Rubin and others
Mechanical Contractors Association
Jesse Rodriguez

No one else requesting to be heard, the hearing
was declared closed.

The following ordinance was introduced for con-
sideration by the Council. The Clerk read the ordinance in
full.

AN ORDINANCE 34,900

ORDINANCE DIRECTING NOTICE TO BIDDERS

THE STATE OF TEXAS
COUNTY OF BEXAR
CITY OF SAN ANTONIO

ORDINANCE DIRECTING THE CITY CLERK TO PUBLISH
NOTICE TO BIDDERS FOR THE PURCHASE BY THE CITY
OF A TOWER STRUCTURE TO BE LOCATED ON A CERTAIN
TRACT OF LAND ON CIVIC CENTER PROJECT, TEX. R-83,
SUCH PURCHASE TO BE ON ANNUAL PAYMENTS BY THE
CITY TO THE SUCCESSFUL BIDDER; PRESCRIBING THE
FORM OF THE NOTICE; SPECIFYING THE GENERAL PRE-
VAILING RATE OF PER DIEM WAGES IN THE LOCALITY
AND DECLARING AN EMERGENCY.

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

1. That the City Clerk of the City of San Antonio,
Texas, is hereby authorized and directed to issue a notice to
bidders in substantially the following form:

ADVERTISEMENT FOR BIDS

Sealed proposals addressed to the City Clerk, City Hall, San Antonio, Texas, will be received at the office of the City Clerk until 11 o'clock A.M., on November 3, 1966, for providing a tower structure and appurtenances to be located on land owned by the City. The tower structure and appurtenances are to be acquired by the City under a contract providing for the purchase price to be paid in annual installments.

Each bidder will submit a proposal for providing the tower structure and appurtenances to be constructed either by the bidder or to be constructed under an independent contract between the bidder and an Independent Contractor, and the bidder shall state the contractual terms under which the same will be built and will state the installment payment schedule under which the City will pay the purchase price in annual installments commencing on December 1, 1968 and continuing to and including December 1, 1986.

In accordance with Article 5160, Vernon's Texas Civil Statutes, the successful bidder will be required to furnish or cause to be furnished by the Independent Contractor a performance bond and a payment bond in the amount of such construction contract for the protection of all claimants supplying labor and materials; said bond to be executed by an approved surety company holding a permit in the State of Texas to act as surety within the State. Not less than the prevailing wage rate for work of a similar character at this locality shall be paid all laborers, workmen and mechanics employed in the construction as said prevailing wage rates have been ascertained and specified in Ordinance No. 33,874 of the City on file in the office of the City Clerk, to which reference is made. The contractor constructing such tower and appurtenances will be required to comply with all applicable laws and Executive Orders.

Bidders or their general contractors are expected to inspect the site of the work and to inform themselves regarding local conditions and conditions under which the work is to be done.

Specifications and plans of said tower structure may be examined at the office of Mr. J. H. Inselmann, City Clerk, City Hall, San Antonio, Texas.

The City reserves the right to reject any and all bids and waive any formalities and irregularities.

CITY OF SAN ANTONIO, TEXAS

BY: _____
J. H. Inselmann, City Clerk

OCT 17 1966

2. The City Council has ascertained and hereby finds that the general prevailing rate of per diem wages in the locality for work similar to that to be performed under the contract to be awarded pursuant to said notice is as set out in the foregoing prescribed form of notice.

3. Said notice shall be published in the "COMMERCIAL RECORDER", a newspaper of general circulation published within the City of San Antonio, on the same day of each of two consecutive weeks, the first publication being at least fourteen (14) full days prior to the date set for receiving bids as shown in the form of notice above prescribed.

4. That this Ordinance is hereby passed as an emergency measure, to be effective immediately upon enactment, such emergency being that the notice to bidders herein authorized for the purchase of said tower structure is required as soon as possible for the preservation of the public peace, property, health, or safety.

5. PASSED AND APPROVED this 17th day of October, 1966.

/s/ W. W. McAllister
M A Y O R

ATTEST:

/s/ J. H. Inselmann
City Clerk

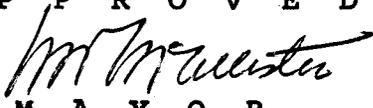
APPROVED AS TO FORM: /s/ Sam S. Wolf
City Attorney

The Staff was asked if it was in order for the Council to act on the ordinance.

City Manager, Jack Shelley, informed the Council that the ordinance has the approval of the City Attorney and it was legal and proper for the Council to act on the ordinance.

After consideration, Dr. Parker made a motion that the ordinance be adopted. Seconded by Mr. Jones, the ordinance was passed and approved by the following vote: AYES: McAllister, Calderon, Jones, James, Cockrell, Gatti, Trevino, Parker and Bremer; NAYS: None; ABSENT: None.

There being no further business to come before the Council the meeting was adjourned.

A P P R O V E D :

M A Y O R

ATTEST: 
City Clerk