

**State of Texas
County of Bexar
City of San Antonio**



**FINAL
Meeting Minutes
City Council Special Session**

City Hall Complex
114 W. Commerce
San Antonio, Texas 78205

Tuesday, August 12, 2014

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convene in the "B" Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call with the following Councilmembers present:

Present: 9 - Mayor Taylor, Bernal, Viagran, Saldaña, Gonzales, Lopez, Nirenberg, Krier and Gallagher

1. Staff presentation on the FY 2015 Proposed Budget focusing on, but not limited to the following Departments. [Sheryl Sculley, City Manager; Maria Villagomez, Director, Management and Budget]
 - A. Center City Development and Operations
 - B. Economic Development
 - C. Office of Historic Preservation / Vacant Structures Program

A. CENTER CITY DEVELOPMENT AND OPERATIONS

Lori Houston detailed the Center City Development and Operations (CCDO) Department and expanded on their Mission to initiate and facilitate livability, commerce, infrastructure

and prosperity for a vibrant Center City. She highlighted FY 2014 Accomplishments related to Housing, Commercial Office & Retail, Public Spaces & Parking, and the Riverwalk.

Mrs. Houston discussed the accomplishments associated with Housing Projects, to include the execution of Incentive Agreements for Multi-Family Housing Projects in the Center City that will yield a \$247 Million Investment. She highlighted the completion of Home Ownership Program (HOPE) Agreements for City Employees and houses completed in the Infill Pilot Program. She highlighted the success of the Holiday Pop-Up Retail Project that provided local businesses the opportunity to test the Downtown Market. She discussed Café Oliva and the Downtown Grocery Store Partnership with HEB that will include public improvements. She spoke of the Economic Development Agreement with One Alamo Center that will bring over 200 jobs to the Downtown Area and provide the city access to 100 parking spaces that could potentially be leased to retail establishments.

In the area of public spaces, Mrs. Houston stated that they celebrated a Grand Re-Opening of Travis Park which underwent renovations. She highlighted the success of the Movies by Moonlight Initiative, Main Plaza Saga Event, and the various initiatives associated with HemisFair Park. She noted the success of the Parking Division with initiatives such as Downtown Tuesday that experienced an increase from the previous year, Five-After-Five Program, and the Residential Parking Permit Pilot Program.

Mrs. Houston stated that the River continues to be one of the primary amenities in the Downtown Area, and the landscaping has increased with the addition of 84,000 plants. She highlighted the Riverwalk CIP Program that was created in 2008, and noted that the final phase of the program will provide improvements for ADA Access, as well as public safety and beautification improvements to the San Antonio River.

Mrs. Houston reported that the FY 2015 Proposed Budget totals \$22.4 Million. She highlighted incentives for the Downtown Area and outlined the reductions for the Department. She discussed the FY 2015 Improvements and the new revenues resulting from the Parking Fund Rate Increases for facilities leased from the Texas Department of Transportation (TxDOT). She referenced the Proposed Monitoring Fees for Incentive Programs that will also increase revenues for the Department.

Mrs. Houston added that FY 2015 Major Initiatives for CCDO will focus on Comprehensive Planning. She acknowledged the plans to introduce a Master Plan in 2015 for Alamo Plaza, and referenced the partnership with Centro San Antonio to update the Downtown Neighborhood Plan. The Department will also be working with Westside Development Corporation to update the Vista Verde Plan to create a plan for the near Westside of Downtown San Antonio. Lastly, she cited the unsolicited proposal related to

Frost Bank for a Consolidated Office Building for City Administrative Offices. She stated that they would bring recommendations to the City Council in the near future.

Councilmember Bernal stated that San Antonio was a City on the rise due to what is happening Downtown and the focus on the Inner City. He cited the increase in the number of jobs brought to the Downtown Area. He stated that the investment in the Inner City radiates to other parts of the city. He cited examples of investment that have changed the stature and trajectory of the City of San Antonio.

Councilmember Lopez expressed support for utilizing organizations such as San Antonio for Growth on the Eastside (SAGE) and Westside Development Corporation to collaborate and manage job training opportunities. He spoke of the limited amount of funds available and noted that it would take a collaboration of the City and other agencies to make these programs successful.

In response to Councilmember Gonzales, Mrs. Houston confirmed that they were proposing an increase in the Parking Rates for the facilities leased from TxDOT in an effort to cover some of the expenses incurred with maintaining facilities. Councilmember Gonzales complimented CCDO for their efforts in reviving the Downtown Area.

Councilmember Viagran inquired about the funding designated for contractual services for CCDO. Mrs. Houston explained that it varied for each Division. She delineated the various line items for contractual services and the use of the funds. She cited examples of supplemental services such as the Barricade Contract for street closures associated with special events and Riverwalk lighting that require the need for contractual services. Councilmember Viagran asked of the City's Wage Policy. Mrs. Houston confirmed that the City's Wage Policy and other City Policies applied to those providing Contractual Services for the City.

Mrs. Houston stated that some of the businesses that participated in the Holiday Pop-Up Event have found homes in public space activities; specifically in Travis Park. She acknowledged that the various Chambers helped CCDO market the Holiday Pop-Up Event. Councilmember Nirenberg cited problems with parking in the Downtown Area. Mrs. Houston noted that they were working with Centro San Antonio this Fiscal Year to develop a partnership with Private Parking Facilities to better leverage potential shared parking solutions. She cited the proposed Way-Finding Program, which is signage, to improve the parking system in Downtown San Antonio. Mrs. Sheryl Sculley added that the parking system used to be subsidized by the General Fund. She stated that to cover the expenses associated with parking, they could either charge the necessary rates or subsidize it. Councilmember Nirenberg cited the importance of making sure there are Transportation Options for Downtown.

Mrs. Houston explained that the expenditures for the Parking Fund include costs associated with staffing of parking facilities that includes over 100 Employees. She indicated that Debt Service was also included in the expenditures to service the debt associated with the garages. Councilmember Nirenberg cited the Alamo Plaza Redevelopment. Mrs. Houston indicated that they were working on a Master Plan which will include phases related to the type of improvements that need to be made.

Councilmember Krier spoke of Downtown Office Spaces and commented that the City was trying to get people to move Downtown to live but there was a limited amount of work available. He inquired of what the City could do to encourage more Downtown Office Development. Mrs. Houston spoke of Tax Abatements and Tax Rebates that they could provide for the real estate component and cited the partnership with Economic Development Department for the job creation component. Mrs. Sculley added that one of the roles of Centro Partnership was to bring forth these types of opportunities. She further commented that in discussions with potential businesses; the city tries to encourage them to relocate to the Downtown Area.

Councilmember Gallagher stated that he was impressed with the accomplishments of CCDO for 2014. He cited Multi-Family Housing growth all over the City.

Mayor Taylor concurred that Downtown belongs to all of San Antonio. She noted that SAGE has been a centerpiece in relation to work in the Promise Zone. She added that one of the key objectives is a workforce development strategy. She thanked staff for the presentation.

B. ECONOMIC DEVELOPMENT

Rene Dominguez reported that San Antonio continues to be a great place to grow and do business. He stated that the City's Diverse Economy has been noticed by many, and Forbes Magazine ranked San Antonio second in the U.S. for cities gaining the most momentum after the Recession. He discussed the reorganization of the Economic Development Department that occurred five years ago and now focuses on three core functions: 1) Industry; 2) International Development; and 3) Small Business Development. He acknowledged that the reorganization created efficiencies and savings and allowed for the development of a partnership with the Economic Development Foundation (EDF). This resulted in the development of an Action Plan that is brought forth to City Council every year for approval. He stated that they have developed a Comprehensive Strategic Plan for Economic Development. Said Plan suggests the focus be on three areas: 1) Recruitment of Targeted Industries such as Aerospace, IT Security, and Health Care & Bio Sciences; 2) Business Retention and Expansion; and 3) Entrepreneurial Development.

Mr. Dominguez highlighted the Incentives that have developed private investment in San Antonio. He referenced the Oracle Project and use of the Economic Development Incentive Fund. He emphasized the need to be competitive to secure high-paying jobs and recruiting name-brand companies. He also referenced the Microsoft Project, and noted that they secured a partnership with UTSA to encourage research and development.

Mr. Dominguez discussed the Targeted Industries and the efforts of the Aerospace Working Group, which offers a set of recommendations to help the Aerospace Industry grow and succeed at Port San Antonio.

Mr. Dominguez detailed their International Strategies which include Foreign Direct Investment and Exports. He stated that their Export Strategy was unveiled in December and the purpose was to help the local businesses grow and access other markets Internationally. He referenced the Business Retention & Expansion Program with EDF. He noted their efforts related to Entrepreneurial Development, and the impact of Café Commerce. He further stated the impact of the Small Business Economic Development Advocacy (SBEDA) Ordinance and the results it has netted. He detailed the Mentor Protégé Program and the positive outcomes that have been reported.

Mr. Dominguez presented the FY 2015 \$8 Million Operating Budget for Economic Development. He stated that he is recommending \$1.75 Million for the Development Incentive Fund, and the continuation of three key contracts with BioMedSA, Free Trade Alliance, and Economic Development Foundation.

Councilmember Gonzales inquired about Manufacturing and Labor Intensive Jobs. Mr. Dominguez explained that they pursue all jobs and that there are over 20,000 jobs created annually. He noted that many of the jobs are in the Hospitality, Retail, and Manufacturing Industries and spoke of the importance of ensuring that their Job Programs are properly aligned. Councilmember Gonzales congratulated staff on their efforts with Café Commerce.

In response to Councilmember Nirenberg, Mr. Dominguez delineated the metrics used in determining the success of Café Commerce. Councilmember Nirenberg stated that he was in favor of providing continued support for the Bio-Med Sector. Mr. Dominguez spoke of the Economic Development Incentive Fund (EDIF) that began in 2008, noting the slow reduction in the use of the EDIF. Councilmember Nirenberg referenced the opportunities with the Medical Center to attract research organizations.

Councilmember Viagran spoke of the potential to change the incentives in Recruiting and inquired of the Wage Guidelines. Mr. Dominguez explained that they were renewed every

two years and would be renewed this year. He confirmed that the Living Wage has been part of their Abatement Package. Councilmember Viagran expressed approval of the Oracle Jobs and the importance of making sure that salaries are competitive.

Councilmember Saldaña asked of the Economic Development Department Budget in comparison to other cities. Mr. Dominguez explained that the challenge is that every community has designed their systems differently. He stated that a Public-Private Partnership with EDF was best for San Antonio. He acknowledged that they need to focus on those indicators that they lag behind on, such as Median Household Income and Educational Attainment. Councilmember Saldaña emphasized the importance of improving Educational Attainment.

Councilmember Lopez mentioned his dialogue with the Westside Education and Training Center (WET-C) which is a facility owned by Edgewood Independent School District. He cited the significant shortfall in their Facility and inquired whether there were any funds available to provide to WET-C. Mr. Dominguez replied that they would have an opportunity to apply for Delegate Agency Funding. He added that there may be a possibility to facilitate discussion between Alamo College's Leadership and WDC to assist WET-C. In response to Councilmember Lopez, Mr. Dominguez stated that the relationship with the Free Trade Alliance goes back 20 years, and the City has always partnered with them for Export and Trade Assistance. He cited the importance of marketing the City's Assets and convincing a company to invest in San Antonio. He also explained the role of the EDF and recommended they continue these partnerships.

Councilmember Krier cited his support of restructuring how the City performs Economic Development and changing a system in which government was a major funding partner. In response to Councilmember Krier, Mrs. Sculley explained that they were spending less money today than they did before the reorganization. She cited the Committee created by Mayor Hardberger that was charged with examining different Economic Development Models across the country. She stated that the city reduced staffing substantially, and some of that savings was used toward the EDF. She acknowledged that they would review the EDF Agreement after the 5th year and determine if they were on the right course. Mario Hernandez of the EDF discussed using more incentives to attract companies. He stated that since the inception of the contract with EDF, San Antonio has averaged 23 Job Producing Investments resulting in a 75% increase. He stated that they would be putting more effort into Renewable Energy and Aerospace Jobs, while not neglecting jobs like Basic Manufacturing. He noted the importance of Recruiting in the area of Technology and High-Wage Jobs. Councilmember Krier suggested that the Free Trade Alliance and the EDF determine who should perform Foreign Direct Investment and Export Assistance. He asked when the Executive Director Positions for Workforce Solutions Alamo and Port Authority would be filled. Mr. Dominguez replied that there was a Search Committee that

planned to hire someone by October and by the end of the month, respectively.

Mayor Taylor stated that she had a meeting with the Interim Executive Director of Alamo Workforce Solutions who informed her that the Executive Director position closes on August 15th, and that they would be conducting interviews shortly thereafter.

Councilmember Bernal spoke of the importance of word of mouth and indicated that some of the major employers in town have concerns with identifying a good workforce. He suggested focusing on four or five industries and trying to significantly close the gaps that need to be filled. He stated that there needs to be a way for them to be more supportive and strategic. Mr. Dominguez expressed his hope that the Deloitte Plan would help determine which strategies would make more of an impact.

Mayor Taylor stated there would be ample opportunity to have additional conversations on how they can streamline and create a more efficient system. She thanked staff for the presentation.

C. OFFICE OF HISTORIC PRESERVATION/VACANT STRUCTURES PROGRAM

Shanon Miller discussed the Mission of OHP and explained why preservation was important to San Antonio, noting Historic Preservation builds the Local Economy and creates jobs. She stated that Historic Preservation promotes strong neighborhoods and articulates the story of San Antonio. She outlined the major program areas that include Archaeology, Federal Review, Cultural Initiatives, Plan Review, Designations, Research & Survey, and Public Education & Outreach. She highlighted FY 2014 Accomplishments and cited the 98.8% approval rating at the Historic and Design Review Commission (HDRC). She noted that the percentage of applications have increased since last year. She spoke of the savings tied to the City Archaeologist's ability to review projects and not having to contract it out.

Mrs. Miller presented the FY 2015 Proposed Budget for OHP and indicated that a large portion of the budget would focus on the Vacant Building Policy. She outlined the proposed improvements that include the addition of staff associated with the Vacant Building Pilot Registration Program. She explained that the Program was intended to encourage the redevelopment of underutilized buildings in the Central Business District, Historic Districts, and the buffer areas around active Military Bases. She acknowledged that they would be reaching out to identified owners of vacant properties so that they can prepare to come into compliance. Additionally, she stated that a presentation by an expert on the economics of Historic Preservation would be forthcoming highlighting how preservation is helping to advance the priorities identified by the community in the SA2020 Process.

Mayor Taylor cited the importance of protecting what is unique to the City. She inquired about the Star Program which has been well received in the neighborhoods and has helped to be a catalyst for others to invest in. Mrs. Miller replied that there was no budget for the Program, but produced the program through volunteers and volunteer contractors. Mayor Taylor commented that the Star Program was a great way to utilize a variety of community partners with minimal financial investment. She noted that although she was convinced about the value of the programs of OHP, there were not any Performance Metrics for the Department. Mayor Taylor asked that Financial Metrics be implemented due to the financial impact of their work.

Councilmember Bernal concurred regarding the Star Program and acknowledged that District 1 was one of the first neighborhoods that utilized the program. He commented that OHP has played a significant role in making sure that the History of San Antonio is preserved. He expressed support for the Vacant Buildings Program and noted the importance of including the ability to measure how it is working.

In response to Councilmember Gonzales, Mrs. Miller explained that Single Family Residences that meet the standard of care are exempt from the Vacant Building Registration. She detailed the process of reaching out to owners that are required to register, noting that they have 90 days from receipt of notice to register.

Councilmember Gallagher stated that the Vacant Building Registration Program was a great idea that was balanced and would have a significant impact on the City.

Mayor Taylor thanked staff for the presentation.

ADJOURNMENT

There being no further discussion, Mayor Taylor adjourned the meeting at 5:00 pm.

APPROVED



IVY R. TAYLOR
MAYOR

ATTEST:



LENCIA M. VACEK, TRMC/MMC
CITY CLERK