

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



DRAFT

Meeting Minutes

City Council B Session

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, August 10, 2016

2:00 PM

Municipal Plaza Building

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

PRESENT: 11 - Mayor Taylor, Treviño, Warrick, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier, and Gallagher

1. A Briefing on the status of the 2012-2017 Bond Program approved by the voters on May 12, 2012 to include updates on the delivery and schedule and a status on the 2017-2022 Bond Program to include an overview of capital administrative management. [Peter Zanoni, Deputy City Manager, Mike Frisbie, Director, Transportation & Capital Improvements]

Mike Frisbie presented an update on the 2012 Bond Program which includes 140 projects totaling \$596 Million. He reported that 92% of projects were under construction or completed with 7 projects off schedule. He noted the Tri-Chairs for the 2017-2022 Bond Program: Eddie Aldrete, Carri Baker, and Darryl Byrd. He highlighted the 2017 Guiding Principles which include supporting the SA Tomorrow Growth Plan, Increasing Connectivity, and Leveraging Funds. He stated that the 2017 Bond Program totaled \$850 Million within five categories: 1) Streets, Bridges, & Sidewalks; 2) Drainage & Flood Control; 3) Parks & Recreation; 4) Facilities; and 5) Neighborhood Improvements. He

outlined the funding within areas of emphasis to include Zona Cultural Streets, Alamo Plaza, Convention Center Area Streets, Hemisfair, World Heritage, and Brooks City Base.

Mr. Frisbie stated that under the current Charter, the City of San Antonio may not issue General Obligation Bonds for Housing. He noted that alternatives were explored to include an Affordable Housing Component in the 2017 Bond Program. He stated that the City of San Antonio can issue Bonds for Affordable Housing if it utilizes its Urban Renewal Agency to execute the Housing Program. He noted the Affordable Housing Program Requirements which include City Council declaring the areas as slum or blighted and preparation of an Urban Renewal Plan. He mentioned that the Bond Program Proceeds can be expended by the Urban Renewal Agency to prepare land and infrastructure for development. He stated that the Housing Commission made recommendations for the Housing Bond but understood that the City of San Antonio could not issue General Obligation Bonds for Housing. He noted that the City Charter can be amended to address the limiting language in November 2017. He added that alternatives were explored to include an Affordable Housing Program Component in the 2017 Bond Program. He presented the timeline for the 2017 Bond Program noting that the public vote would occur in May 2017. He noted that next steps would include Committee Member Appointments by the City Council and Community Meetings.

Mayor Taylor thanked staff for the presentation and stated that she was pleased with the last successful Bond Program. She thanked the volunteers that have already committed to serving on 2017 Bond Committees as well as Eddie Aldrete, Carri Baker, and Darryl Bird who will serve as Tri-Chairs. She spoke of the importance of the Guiding Principles and asked when the Committees would begin convening. Mr. Frisbie replied that they would begin meeting in the beginning of October. Mayor Taylor asked for clarification related to the Housing Bond. Mr. Frisbie stated that they utilized Outside Bond Counsel to help with the Housing Component. Peter Zanoni added that the Housing Commission had recommended that the City Council consider a Housing Bond in the value between \$10-25 Million.

Councilmember Saldaña asked when the first Bond Committee Meeting would be held. City Manager Sculley stated that they did not have a specific date but shortly after the adoption of the City's Operating Budget on September 15th. Councilmember Saldaña asked if the potential list of 2017 Bond Projects was comprehensive. Mr. Frisbie responded that it was not a final list; only some of the areas of emphasis identified throughout the city.

Councilmember Viagran also thanked the volunteers for serving on Bond Committees and recognized various District 3 Representatives that were present. She asked if there were any project savings from the 2012 Bond Program. Mr. Frisbie replied that they did not

expect to have any savings from the 2012 Bond Program. Councilmember Viagran requested that the Parks and Recreation Committee look at making public safety such as lighting or emergency towers mandatory in Parks Projects.

Councilmember Gallagher spoke of the amount of funding that would be split among the Council Districts compared to the funds allocated for Major Projects. He stated that he concurred with Councilmember Viagran regarding public safety efforts and looked forward to the progress on the Bond Program.

Councilmember Krier noted that the amount of funding for Major Projects in the Downtown Area totaled \$180 Million while the remaining funds would be allocated among the remaining Council Districts. He stated that they would have to communicate to voters the importance of making these investments. He added that it would be helpful to talk to Interest Groups about their private investment in specific projects and convey that to the public.

Councilmember Gonzales asked of the number of representatives that the Council could appoint to each Bond Committee. Mr. Frisbie replied that they could appoint three representatives to each Committee. Councilmember Gonzales asked if they should assign any alternates. Mrs. Sculley replied that it was the decision of the City Council but that there were only a few meetings and it may be difficult to keep track of who was empowered to represent the District. Mayor Taylor concurred and stated that it was important to communicate the expectations to all Bond Committee Members.

Councilmember Medina asked when they would receive final costs for the Bond Projects. Mr. Frisbie replied that they had hired a Local Firm to perform scoping and cost estimates on the Bond Projects. He stated that he felt confident in the current estimates and that they would continue the process as new projects were recommended. Councilmember Medina stated that he was pleased that they were coordinating with other entities such as Bexar County and School Districts to leverage funds. He added that he was pleased with funds for Zona Cultural and was supportive of investing cultural attractions to the city.

Councilmember Nirenberg spoke of the importance of the Guiding Principles and stated that he appreciated the discussion regarding leveraging funds. He asked if the Bond Committee Meetings would be open to the public. Mr. Frisbie replied that they were open to the public and would also be live-streamed for those not able to physically attend a meeting. Councilmember Nirenberg asked of the increase in the Bond Program from \$750 Million to \$850 Million. Ben Gorzell stated that they review debt capacity every year and update the Debt Plan. He noted that they also factor in assumptions for Assessed Valuations, Interest Rates, and Interest Earnings. He added that based on that analysis, they

recommended a Bond Program totaling \$850 Million. Councilmember Nirenberg confirmed that there would still be capacity to deal with an emergency. Mr. Gorzell confirmed that there would be remaining debt capacity. Councilmember Nirenberg asked of the latitude for Bond Committee Members to recommend new projects. Mr. Frisbie replied that they would perform research and due diligence on the recommended projects in between meetings and provide to all Committee Members to discuss at the next meeting.

Councilmember Warrick asked how they could strengthen potential projects. Mr. Frisbie stated that they would work to define the rate of return on the projects as well as leverage funding with other entities when possible. Mrs. Sculley added that it would be helpful to demonstrate a relationship to SA Tomorrow.

Councilmember Treviño asked of the use of different methodologies and other tools to expand capacity. Mr. Frisbie replied that they would look for best value on a project as well as leverage funds with other agencies. He stated that they would also look for Innovative Options.

Mayor Taylor thanked everyone for the presentation and stated that she looked forward to a successful Bond Program.

2. A Briefing on the San Antonio Convention and Visitors Bureau transition to a public/private 501(c)(6) non-profit organization. [Lori Houston, Assistant City Manager; Casandra Matej, Director, Convention and Visitors Bureau]

Casandra Matej presented a briefing on the San Antonio Convention and Visitors Bureau (CVB) Transition to a Public/Private 501(c)(6) Non-Profit Organization. She stated that their goal was to sustain and grow the Visitor Industry which had an overall economic impact of \$13.4 Million annually. She mentioned the many community partnerships and thanked them for their support.

Ms. Matej stated that in May 2015, Mayor Taylor appointed a CVB Structure Task Force to perform analysis and make a recommendation on the transition of the CVB. She noted that in December 2015, the Task Force recommended to the City Council to transition the CVB to a Public/Private 501(c)(6) Non-Profit Corporation. In May 2016, Mayor Taylor appointed the Visit San Antonio (VSA) Initial Board comprised of five individuals: Councilmember Viagran, Rusty Wallace, Marise McDermott, Frank Miceli, and Tim Sullivan. Ms. Matej reported that the Board held an initial meeting on July 26, 2016. She provided an overview of the timeline and process noting that the entity would be formally created on October 1, 2016 with full transition on October 1, 2017.

Ms. Matej spoke of the Management Agreement that would be signed between VSA and the City of San Antonio to include adhering to the Code of Ethics and Ensuring Accountability and Transparency. She stated that all CVB Staff were guaranteed a position with VSA on January 2017; however, Human Resources will work with CVB Employees who choose to stay with City Employment. She highlighted the Transition Fiscal Impact in which VSA will become fully independent in Fiscal Year (FY) 2018.

Mayor Taylor thanked Ms. Matej for the update and stated that this was a great opportunity to ensure that San Antonio was competitive in the Industry. She thanked the members of the Hospitality Industry that have participated in the process and stated that she was pleased that Human Resource and Transparency Issues were being addressed. She asked of the \$1.6 Million that the City of San Antonio would no longer receive in FY 2018. Mrs. Sculley replied that the revenue projections had been taken into account and would be presented during the Proposed Budget Presentation on August 18, 2016.

Councilmember Viagran stated that she was excited to serve on the Initial Board and spoke of their great work thus far. She asked how often CVB Staff Meetings were held. Ms. Matej replied that they meet once a month or every six weeks and have been very transparent regarding the transition. Councilmember Viagran asked of the events hosted by the City of San Antonio at the Convention Center. Ms. Matej stated that those events were outlined in the Convention Center Agreement and booked every year. She added that they would continue hosting obligations for large conventions.

Councilmember Medina asked how the transition would affect the Marketing Plan. Ms. Matej replied that it would not affect their plan and would work to ensure a smooth transition. Councilmember Medina asked of their current marketing efforts and partnership with the Aviation Department. Ms. Matej replied that their marketing was research-based and were staying updated on current trends. She noted that they work in great partnership with the Aviation Department to promote different destinations.

Councilmember Saldaña asked of the State Requirement to segregate public and private funds. Ms. Matej replied that they working with consultant CFO by Design to develop financial policies. She stated that they would not co-mingle public and private funds and that Hotel Occupancy Tax (HOT) Funds would be subject to the Open Records Act. Councilmember Saldaña asked what would be different with the new entity. Ms. Matej replied that the CVB Budget had remained relatively flat over the past five years and they would work to expand their marketing funds. She stated that they would have the flexibility to develop different types of partnerships and grow their overall budget. Councilmember Saldaña noted concerns with the influence of the Industry on a 21-Member Board which

they are heavily represented on.

Councilmember Nirenberg stated that he would be looking for assurance to the public that they would still retain some oversight and transparency of the HOT Funds in exchange for flexibility.

Councilmember Warrick stated his support for the process to make the city more competitive. Councilmember Viagran added that there would be Attendance Requirements and Term Limits for the new Board Members. Mayor Taylor thanked everyone for the presentation.

EXECUTIVE SESSION

Mayor Taylor recessed the meeting at 4:00 pm and stated that the Executive Session would be held the following day after the Business Portion of the Regular City Council Meeting.

- A. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).
- B. Deliberate the purchase, exchange, lease or value of real property and discuss related legal issues pursuant to Texas Government Code Sections 551.072 (real property) and 551.071 (consultation with attorney).
- C. Discuss legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Mayor Pro Tem Gonzales reconvened the meeting at 6:00 pm. City Clerk Vacek announced that Councilmembers Viagran and Krier would not be present as they were attending Neighborhood Association Meetings in their respective Council Districts.

CITIZENS TO BE HEARD

Mayor Pro Tem Gonzales called the citizens registered to speak.

Mark Perez expressed concern regarding the operation of businesses without the proper

permits.

Didi E. advised the City against investing in multi-million dollar corporations which would increase income segregation and poverty rates, as well as create gentrification and displacement of the City's most vulnerable residents.

Cosima Colvin expressed her thanks for the tireless efforts of community members and for their contribution to the Comprehensive Plan.

Theresa Ybanez, President of the Mission San Jose Neighborhood expressed concern regarding the elimination of their community plan through adoption of the SA Tomorrow Comprehensive Plan. She provided a list of needs of their neighborhood.

Betty Eckert expressed concern that Neighborhood Association Plans were not considered when formulating the Comprehensive Plan. She requested that a Neighborhood Commission be created to provide input in the future.

Nazirite Ruben Flores Perez spoke of supporting the environment and the habitat of bats when developing properties. He complimented Councilmember Treviño for his efforts in having a public restroom installed in the Downtown Area.

Gianna Rendon read a letter on behalf of Kamala Platt, PhD, requesting the restoration of the expanded Dark Skies Initiative and limitation of impervious cover beyond the sensitive Edwards Aquifer Recharge Areas in the Comprehensive Plan.

Cynthia Spielman, President of the Beacon Hill Neighborhood Association expressed concern that Neighborhood Associations were not included in the Comprehensive Planning Process. She noted that there was not a process for feedback or a timeline and looked forward to inclusion in the future.

Everett Ives stated that he lived in Beacon Hill and expressed concern that the Comprehensive Plan Process had been executed poorly. He referenced the Unified Development Code and noted the purpose of a Neighborhood Conservation District.

Mary Ann Van Ness stated that she also lived in the Beacon Hill Neighborhood and spoke of the importance of including citizens in the decision making process. She expressed concern that Neighborhood Associations were not represented in the Plan Element Working Groups.

Jerry Lockey, Beacon Hill Resident, advocated for the protection of housing stock in

Beacon Hill and neighborhoods like it throughout the city. He thanked the City Council for their continued support.

Ryan Gordan advocated for providing opportunities for Low Income Residents such as Farmer's Markets, use of vacant lots, providing Agricultural Training Programs, and inclusion of the Dark Skies and Impervious Cover Act in the Comprehensive Plan.

Arturo Trejo expressed his support for the Sustainability Plan and noted that the Southwest Workers Union worked with the Office of Sustainability when possible. He spoke of the effects of climate change and limited access for residents in Districts 2, 4, and 5.

Faris Hodge, Jr. submitted written testimony regarding tax changes that could go toward schools. He submitted a newspaper article titled, "Make Voter Registration Automatic." He highlighted the funds provided from Wal-Mart to help fund the Jimenez Dinner. He recognized Representative Ruth Jones McClendon for her long-time service.

RECESSED

There being no further discussion, Mayor Pro Tem Gonzales recessed the meeting at 6:48 pm.

APPROVED

IVY R. TAYLOR
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC
CITY CLERK