

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



DRAFT

**Meeting Minutes
City Council B Session**

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

Wednesday, June 3, 2015

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the “B” Room of the Municipal Plaza Building with the following Councilmembers present:

PRESENT: 8 - Mayor Taylor, Warrick, Viagran, Saldaña, Lopez, Nirenberg, Krier, and Gallagher

ABSENT: 3 - Treviño, Gonzales, and Medina

Mrs. Vacek announced that Councilmembers Gonzales and Medina were out on personal business and that Councilmember Treviño was serving on an Interview Panel regarding the Joint Master Plan for the Alamo Plaza Historic District and the Alamo Complex.

1. A briefing on the project status, financials and timelines related to the Consolidated Rental Car Facility project at the San Antonio International Airport. [Ed Belmares, Assistant City Manager; Frank Miller, Director, Aviation]

City Manager Sheryl Sculley stated that the Consolidated Rental Car Facility (CONRAC) Project would add convenience for visitors to San Antonio and implement a new standard currently utilized by airports across the country. She noted that the CONRAC would be located across from Terminals A and B and funded by the Aviation Department and

Enterprise Funds.

Frank Miller stated that the CONRAC was approved by City Council in March 2012 and authorized the utilization of TranSystems for Design Services. He noted that the City Council had approved the utilization of Turner Construction for Construction Manager at Risk (CMR) Services. He stated that in March of 2014, staff presented three options for construction of the CONRAC to the full City Council for consideration. He noted that the CONRAC provided parking for the Rental Car Companies (RCCs), Public, and Short-Term Parking. He stated that a new entrance would be constructed for those entering the CONRAC from outside of the Airport and that no Public Parking would be forfeited once the CONRAC was completed.

Mike Frisbie stated that pending City Council Approval, the Construction Phase of the CONRAC would begin in August 2015. He stated that the Public Parking Levels were scheduled to open in March 2017 and the CONRAC was scheduled to open in March 2018. He provided an overview of the CONRAC Facility which would include a Customer Service Center, Quick Turn Area (QTA), and Sky Bridge. He reviewed the process for car rental for those entering from the Airport and outside of the Airport. He noted that replacement of the Short-Term Parking Garage, which was constructed 30 years ago, was built into the project. He stated that there would be 3,100 parking spaces for Rental Cars and 1,400 parking spaces for Short-Term Parking being an increase in the number of parking spaces that currently existed. He reviewed the following items included in the total project cost of \$165,600,000:

- Total Design Costs - \$12,963,500
- Total Construction Costs - \$140,665,501
- Public Art San Antonio - \$1,498,810
- Parking Revenue Loss/Shuttle Costs - \$8,500,000
- Other Costs (Allowances, Wayfinding, Consultants) - \$1,972,189

Mr. Frisbie reported that \$2 Million was added to the total project cost to include an additional floor for increased Rental Car Parking. He stated that a 2% to 3% amendment to the Design Contract would be brought before the full City Council on June 18, 2015 for consideration.

Ben Gorzell reported that \$123,700,000 would be funded by Customer Facility Charge (CFC) Revenue Bonds and \$38,850,000 would be funded by General Airport Revenue Bonds (GARBs). He noted that the CFC Revenue Bonds were aligned with the Public Parking Component of the CONRAC Project which would allow Tax Exempt Financing to be included. He stated that the amounts of the Bonds were subject to change based on the

Market Price on the day of pricing. He noted that collection of the CFC was established in April 2012 and was based on \$4.50 per transaction day to be assessed on Car Rentals. He reviewed the Financing Plan for the project including the financing assumptions, CFC Rate Calculation, Cashflow Model, and the CONRAC flow of funds. He noted that the CFC Rate could be adjusted by the Aviation Director to satisfy an established Rate Covenant and that this would be a key credit consideration for Bond Holders of CFC Bonds. He noted that the cash flow was above 125% coverage for the CFC Bonds which would translate to a BBB Plus Credit Rating. He noted that routine maintenance of Public Areas paid by the Car Rental Companies would be reimbursed subject to the availability of funds. He indicated that a minimum balance of \$2 Million would be retained in the CFC Fund. He stated that an Underwriting Syndicate was selected on May 29, 2014 and their expertise was utilized to establish the transaction. He noted that a presentation would be made to the Rating Agency on June 30, 2015 and the Bonds would be financed on July 14, 2015 with the closing and delivery of the Bond proceeds made to the City on July 29, 2015.

Mr. Miller reported that the CONRAC Lease Agreement: 1) Required the collection and remittance of the CFC to pay the Bond Debt Service and ensured that all Bond Requirements were met; 2) Outlined the CFC Rate and rate adjustment; 3) Imposed a Contingent Fee on rental car brands and the City, if necessary; 4) Outlined responsibilities for the maintenance of the CONRAC Facility; 5) Included a 20-Year Term establishing the Ground Rent which would generate \$361,078 annually; and 6) Required each Operator to enter into a Concession Agreement and Operator's Member Agreement.

Mr. Miller stated that the cost for major maintenance (Public View Areas, Customer Service Area, Sky Bridge, elevators, escalators, and structural repairs) would be funded by the CFC. He stated that routine maintenance was estimated to be \$4 Million annually. He stated that the routine Maintenance Costs were not Rollover Costs and would be assessed annually. He reported that the ground rent for the RCC Facilities would begin at \$361,000 annually and would increase 15% every five years over the term of the contract. He stated that the term of the contract for the RCCs with the CONRAC was 20 years. He noted that as the CONRAC was scheduled to open in March 2018; the 20-Year Term would begin on October 1, 2018. He reviewed the following Concession Agreement Terms: A) Concession Fee is the greater of the Minimum Annual Guarantee (MAG) for such period or the Percentage Fee; and B) Term is 10 years with 10 current RCCs and would have contracts with three additional RCCs at the time of opening of the CONRAC.

Mr. Miller stated that an amendment to the Off-Airport Rental Car Permit (OARCP) would be brought before the full City Council for consideration on June 18, 2015. He stated that the OARCP was last revised in 1998 and required revisions to allow: 1) CFC collection and remittance to apply to Permit Holders; 2) New definitions of Gross Revenues to align with

the Lease and; 3) Update to align with current best practices. He noted that the term of the OARCP was one year with the option for renewal each year. He reported that the Short-Term Garage would close on August 1, 2015 to allow construction to begin on its replacement. He stated that patrons of the Short-Term Garage would be directed to the Long-Term Parking Lot and Public Shuttle Lots. He noted that that transportation from the Public Shuttle Lots would be provided by the Airport. He stated that authorization for the utilization of \$2.4 Million from the Airport Operating Budget for milling, paving, lighting, and Revenue Control Equipment of the Public Shuttle Lots would be brought before the full City Council for consideration on June 18, 2015. He noted that the staging area for Taxicabs would be relocated to its permanent location.

Mr. Miller stated that approval for a separate contract for shuttle operations for the Long-Term Parking Garage to accommodate those with special needs would be brought before the full City Council. He noted that a High Profile Solicitation was released in January 2015 for Shuttle Bus Service to the Long-Term Parking Garage for the term of the CONRAC construction and that the cost for said service was estimated at \$2.31 Million for the first year. He stated that staff proposed funding of \$605,000 to supplement the existing Airport Shuttle Service to the remote Shuttle Parking Lot that would be funded by the CFC.

Mayor Taylor asked of the Public Communication Plan regarding the closure of the Short-Term Parking Garage on August 1, 2015. Mr. Miller replied that flyers and Social Media would be utilized to inform the public of said closure. Additional personnel would also be utilized to provide information to the public. He added that information on parking for the City Council at the Airport would be forthcoming. Mayor Taylor asked of the mechanism for applying additional increases to the CFC Fee subsequent to the initial increase. Mr. Gorzell stated that the ability of the Aviation Director to increase or adjust the CFC Fee to meet the Rate Covenant would be included in the proposal for the first increase.

Councilmember Krier asked of the access to the Terminals from the CONRAC. Mr. Miller explained that a design incorporated into Terminal B where it connects with Terminal A, would be the point of entry to the Terminals from the CONRAC via the Sky Bridge. Councilmember Krier suggested that this be visualized.

Councilmember Saldaña asked of the Maximum Annual Guarantee (MAG). Mr. Miller replied that the MAG was based on the minimum amount that the city should be receiving every year. He noted that a MAG of \$250,000 ensures that RCCs operated on a level playing field. He added that the MAG could increase over the term of the contract.

Councilmember Saldaña asked of the Public Art Component of the Project. Felix Padrón stated that 1% would be set aside for Art Policy which was equivalent to a \$1.5 Million. He

stated that a digital component had been identified and staff had identified local artist Riley Robinson to identify the appropriate mechanism of implementation of Artwork. He noted that Artwork would be digitally displayed and would change every six months to one year.

Councilmember Nirenberg asked if CFC Revenue could be utilized for other projects at the Airport. Mr. Gorzell replied that future CFC Revenue had not been committed to other projects at the Airport and could not be done while the current project was in progress. Councilmember Nirenberg asked if a future increase in the CFC Rate would be brought before the full City Council for consideration. Mr. Gorzell replied that in addition to the first increase which would be brought before the full City Council on June 18, 2015 for consideration; a second CFC Rate increase would be brought before the full City Council for consideration in 2019. Councilmember Nirenberg asked if there would be any charging stations in the garages. Mr. Miller confirmed that charging stations would be installed in the garage.

Councilmember Gallagher asked of the definition of an Off Airport Operator. Mr. Miller stated that an Off Airport Operator was one that did not have a permanent presence on the Airport in the Terminals. He described the process followed by Off Airport Operator and noted that there were no current Off Airport Operators in San Antonio.

Mayor Taylor thanked staff for the presentation.

2. Briefing on the School Safety Conditions Assessment. [Peter Zanoni, Deputy City Manager; Mike Frisbie, Director, Transportation & Capital Improvements]

Mrs. Sculley stated that approximately one year ago; a \$1 Million Initiative was implemented to review Infrastructure Conditions and develop a strategy for improving Pedestrian Safety in School Zones throughout the City.

Mike Frisbie reported that in January 2014, a school-aged child had died in City Council District 9 while crossing a street. He reported in August 2014, Councilmember Krier submitted a Council Consideration Request (CCR) to review Pedestrian Safety in School Zones; and to develop a strategy for improving and promoting Pedestrian Safety. He stated that the FY 2015 Pedestrian Safety Improvement Initiative was approved by City Council.

Mr. Frisbie noted that the Vision Zero, the goal to have zero fatalities, began in Sweden a number of years ago. He reported that the Secretary of the U.S. Department of Transportation, Anthony Fox, issued a challenge to the Mayors of major cities to initiate Vision Zero and Mayor Taylor accepted the challenge. He stated that a combined approach

utilizing Education, Encouragement, Engineering, Enforcement and Evaluation was the key to the success for transportation safety. He reviewed the components of the FY 2015 Budget Initiative. He reported that there were over 1,000 School Zones in San Antonio with 513 Flashing Beacon Zones, 530 Static Zones and 400 School Zone Crosswalks. He provided a breakdown of the percentage of School Zones, Zones with Beacons and Zones with Static by City Council District. He stated that new schools would be required to provide Zones with Beacons and the City would pay 50% of the costs for Zones with Beacons for existing schools. He noted that the Transportation and Capital Improvements Department partnered with the Development Services Department to ensure that Zones with Beacons were incorporated into new Private and Charter Schools. He reviewed the following completed Infrastructure upgrades:

- 435 School Crosswalks restriped
- 147 School Flashing Beacons upgraded to current standards
- 2,515 signs in 206 School Zones updated to current standards
- 7.84 miles of Sidewalks installed

Mr. Frisbie stated that Static Zones and Reduced Speed Zones would be transitioned into Zones with Beacons. He noted that comprehensive maintenance would be performed on existing School Zone flashing beacons. He mentioned that the 2015 Mid-Year Budget Adjustment would be allocated as follows:

- Education Program (\$250,000)
- Upgrade nine existing School Zones from Static to Flashing Beacon installation (\$300,000)
- Pedestrian Z Crossings (\$375,000)
- Automated Pedestrian Signals and Intersection Cameras (\$75,000)

Mr. Frisbie noted that Community Development Block Grant (CDBG) Funds would be used for: 1) Installation of sidewalks (\$400,000); and 2) Upgrade three existing School Zones from Static to Flashing Beacon (\$100,000). He indicated that the Highway Safety Improvements Program (SIP) Funds would be utilized for School Zone Upgrades at 10 locations. He reported that the City-Wide Inventory was complete and significant improvements have been made. He stated that staff would propose a Five-Year Plan for the FY 2016 Budget Process and staff planned to propose a Four-Year Plan at the same funding level of \$1 Million.

Mayor Taylor thanked staff for the presentation and stated that the city should engage in discussions with the School Districts on their Site Selection Process for schools to incorporate into the Comprehensive Plan. Mr. Peter Zanoni stated that there was a School

District Representative on the Plan Element Working Groups.

Councilmember Lopez asked of the sharing of information regarding new neighborhoods with School Districts. Mr. Frisbie stated that the 17 Independent School District Superintendents meet on a monthly basis and City Staff also attended those meetings. He confirmed that Private and Charter Schools would be required to provide matching funds with the City to convert a Static Zone to a Flasher Zone and this was part of the current Plan Review Process.

Councilmember Viagran asked if recent upgrades to signs or flashers from schools that have been closed could be re-utilized. Mr. Frisbie confirmed that signs or flashers from schools which have closed permanently were re-utilized.

Councilmember Krier asked of the sustainability of signs and flashers. Mr. Frisbie replied that sustainability was built into the program and a Preventive Maintenance Program would be initiated. He suggested that Mayor Taylor meet with School Districts to stress the importance of an educational effort for students.

Mayor Taylor thanked everyone for the presentation.

EXECUTIVE SESSION/RECESSED

The Executive Session was not held. Mayor Taylor announced that the Executive Session would take place after the Regular City Council Business portion of the agenda on June 4, 2015.

Mayor Taylor recessed the meeting until 6:00 pm to address Citizens to be Heard.

- 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/CITIZENS TO BE HEARD

Councilmember Gallagher reconvened the meeting at 6:03 pm and addressed Citizens to be Heard.

Meredith McGuire spoke against the environmental impact of bottling the local water supply and stressed the importance of being proactive in protecting San Antonio's Water Source.

Jim Spickard spoke on the impact and sustainability of rising water costs.

Joe A. Lewis, Robert Martinez Sr., and Robert Martinez Jr. spoke of their ancestor, Jose Miguel Arciniega, who served as the Alcalde of San Antonio in 1833 and 1836. Mr. Lewis showed a composite photo of Jose Miguel Arciniega and described his duties and roles during his tenure as Alcalde. He spoke of the importance of Jose Miguel Aciniega in the history of San Antonio and the State of Texas. Robert Martinez Jr. noted that the composite had been approved by the Arciniega Society Descendants from across the country. Robert A. Martinez Sr. described the efforts involved in compiling all the information culminating in the creation of the composite portrait. He petitioned the City Council to include their composite on the Wall of Mayors.

Donna De Leon, C. Martinez, and Letricia Rodriguez offered a rebuttal to comments made by Mrs. Norma Langwell who had previously addressed the City Council during Citizens to be Heard. Ms. De Leon reported on the designation of the Official Historical Marker at the Arciniega House. She described efforts to decide on an official composite/photo from the Jose Miguel Arciniega Descendants Society (JMADS). She petitioned the City Council to include Jose Miguel Arciniega on the Wall of Mayors and to accept the composite approved by the JMADS. Ms. Rodriguez described the history of the JMADS and noted that the composite had undergone five revisions and took approximately one year to complete.

Mark Perez spoke of the dangers of hazardous chemical businesses operating in the City without the proper permits.

Julie Oldham expressed concern that she had not been invited to participate in a panel of the Mayoral Candidates.

Danny Petri spoke against the zoning of the Planned Parenthood Facility located at 2140 Babcock Road.

Michael Knuffke spoke on the importance of hearing input from residents of Dream Hill

Estates regarding the improper zoning of the Planned Parenthood Facility located at 2140 Babcock Road.

Sylvia Villarreal expressed concern with the improper zoning of the Planned Parenthood Facility located at 2140 Babcock Road.

George Benavides spoke of the issue of torture and stressed the importance of ensuring the safety of citizens and residents of the City of San Antonio.

Karen Wheeler expressed concern with the environmental impact of bottling water and urged the City Council to halt rezoning requests for bottled water companies.

Phillip Trickett urged the City Council to reconsider the zoning for the Planned Parenthood Facility located at 2140 Babcock Road.

Jack M. Finger expressed concern with the improper zoning of the Planned Parenthood Facility located at 2140 Babcock Road.

Faris Hodge, Jr. submitted written testimony noting that electronic cigarette use has grown in U.S. Middle and High Schools. He referenced a report stating that San Antonio's Health is gradually improving. He requested that the Senior Nutrition and Meals on Wheels Programs be combined. He expressed concern that Fire Inspections in Schools were not being conducted in a timely manner. He asked for justice for men in Child Support Cases.

RECESSED

There being no further discussion, Councilmember Gallagher recessed the meeting at 7:00 pm.

APPROVED

IVY R. TAYLOR
MAYOR

ATTEST:

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