

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



DRAFT

**Meeting Minutes
City Council A Session**

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Thursday, February 2, 2017

9:00 AM

Municipal Plaza Building

The City Council convened in a Regular City Council Meeting. City Clerk Leticia Vacek took the Roll Call and noted the following Councilmembers present:

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

1. The Invocation was delivered by Reverend Diana K. Phillips, Lead Pastor, Colonial Hills United Methodist Church, guest of Councilmember Joe Krier, District 9.
2. Mayor Taylor led the Pledge of Allegiance to the Flag of the United States of America.
3. Approval of Minutes for the Regular City Council Meetings of December 7 - 8, 2016.

Councilmember Treviño moved to approve the Minutes for the Regular City Council Meetings of December 7-8, 2016. Councilmember Gallagher seconded the motion. The motion prevailed by the following vote:

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

POINTS OF PERSONAL PRIVILEGE

Mayor Taylor introduced SAWS CEO and President, Robert Puente, and spoke of the opening of the Desalination Plant which is the largest in the Country. She noted that the Plant acquired water from three local sources and was capable of producing 12 million gallons of drinking water daily. She thanked Mr. Puente and the SAWS Board of Directors for being committed to finding new sources of water and for diversifying their portfolio. Mr. Puente thanked the Mayor and Council for their continued confidence in SAWS acquiring alternate sources of drinking water for the community. He highlighted the amenities of the Facility and noted that it was built to last future generations. Councilmember Treviño spoke in support of SAWS being innovative and a great community partner. Councilmember Krier thanked Mr. Puente for laying the legislative foundation for the creation of the Desalination Plant and Pipeline Project while he served in the Texas Legislature. Councilmember Warrick commented on a conversation he had with his Father regarding San Antonio not worrying about water as SAWS was ensuring a continuous supply. Councilmember Viagran congratulated the Community for believing in SAWS and supporting conservation efforts. Councilmember Saldaña thanked Mr. Puente for his vision and for diversifying water sources. Councilmember Gonzales thanked Mr. Puente for being diligent and creative.

Mayor Taylor acknowledged Students from Fox Tech High School who were participating in the 2nd Annual Job Shadow Day. She noted that 14 Departments were providing Students the opportunity to learn about careers in Law, Government, and Public Administration.

CONSENT AGENDA ITEMS

No Items were pulled for Individual Consideration. Councilmember Warrick moved to approve the Consent Agenda Items. Councilmember Gallagher seconded the motion.

Mayor Taylor called upon Mr. Jack M. Finger to speak.

Jack M. Finger addressed the Mayor and Council and spoke on fee increases associated with Item 15. He stated that the City proposed to approve a 50% increase retroactively with another increase in January 2018. He expressed concern that all together; the City proposed to approve a 140% Administrative Fee.

The motion to approve the Consent Agenda Items prevailed by the following vote:

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

2017-02-02-0054

6. An Ordinance authorizing a three-year contract with KD's Janitorial Service to open and/or close the main gates of public parks, natural areas, and green-way trails within the city limits for the Parks and Recreation Department for an estimated annual cost of \$35,000.00, funded from the FY2017 Parks and Recreation General Fund Operating Budget. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

2017-02-02-0055

7. An Ordinance authorizing the following contracts establishing unit prices for goods and services for an estimated annual cost of \$532,000.00: (A) Michelson Found Animals Foundation, Inc. for registered microchips for Animal Care Services, (B) Supply Innovations Company, LLC, Masterman's LLP, and Sunbelt Mill Supply, Inc. for electrolyte replacement drinks, (C) Texas Star Supply, LLC for asphalt emulsion sealcoat material, and (D) Hays City Corporation dba Tex-Con Oil Company for bulk diesel exhaust fluid. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

2017-02-02-0056

8. An Ordinance for the Frio Street - Cesar Chavez to Houston Street Project, accepting the lowest responsive bid and awarding a construction contract in the amount of \$5,149,255.61 to EZ Bel Construction LLC, a 2012-2017 General Obligation Bond-funded project, of which \$463,707.21 will be reimbursed by SAWS, and \$387,208.00 will be reimbursed by CPS Energy for joint-bid utility work associated with the construction of the Project, located in Council District 5. [Peter Zanoni, Deputy City Manager; Mike Frisbie, Director, Transportation & Capital Improvements]

2017-02-02-0057

9. An Ordinance for the Lackland Corridor Gateway Project awarding a construction contract to Jerdon Enterprise, L.P. in an amount not to exceed \$3,777,000.00 for the Monument Plaza funded from the FY 2017 Capital Improvements Budget, located in Council District 4. [Peter Zanoni, Deputy City Manager; Mike Frisbie, Director, Transportation & Capital Improvement]

2017-02-02-0058

10. An Ordinance authorizing a task order to a Job Order Contract with Davila

Construction Inc. in an amount not to exceed \$200,000.00 for the relocation of the Terminal Services Office from Terminal A to Terminal B to accommodate the renovation and expansion of the Federal Inspection Station Facility at the San Antonio International Airport, an Airport Capital Improvements Funds project, located in District 9. [Carlos Contreras, Assistant City Manager; Mike Frisbie, Director, Transportation & Capital Improvements]

11. Consideration of the following actions related to the renovation and expansion of the Commercial Federal Inspection Station Facility at San Antonio International Airport Terminal A and allocating an additional \$8,390,105.00 from the Airport Capital Improvement Fund for a revised project total of \$23,124,423.00, located in Council District 9: [Carlos Contreras, Assistant City Manager; Mike Frisbie, Director, Transportation & Capital Improvements]

2017-02-02-0059

- 11A. An Ordinance amending a professional services agreement with CNG Engineering, PLLC for additional design services, increasing the contract value from \$1,256,167.00 to a revised contract value of \$1,756,167.00 for additional design services to include a new outbound search room, detailed project phasing, and additional construction administration services.

2017-02-02-0060

- 11B. An Ordinance amending the Construction Manager at Risk Contract with Turner Construction Company revising the contract value from \$10,507,000.00 to a not to exceed amount of \$17,717,902.00 of which \$16,651,402.00 establishes the Guaranteed Maximum Price and includes \$1,066,500.00 for project contingency and construction services.

2017-02-02-0061

12. An Ordinance declaring 331 N. Olive Street located in Council District 2 as surplus to the City's needs and authorizing its sale. [Peter Zanoni, Deputy City Manager; Mike Frisbie, Director, Transportation & Capital Improvements]

2017-02-02-0062

13. An Ordinance authorizing the reimbursement of up to \$50,000.00 for an annual grant from the Texas Department of Transportation as part of the Routine Airport Maintenance Program for improvements at Stinson Municipal Airport. [Carlos Contreras, Assistant City Manager; Russell Handy, Director, Aviation]

14. Consideration of the following Board, Commission and Committee appointments for the remainder of unexpired terms of office to expire May 31, 2017, to be effective immediately upon the receipt of eight affirmative votes, or, in the event eight affirmative votes are not received, ten days after appointment; or for terms and effectiveness as otherwise indicated below: [Leticia M. Vacek, City Clerk]

A) Appointing Yvette Benavides (District 5) and Azza Kamal (District 8) to the Historic and Design Review Commission.

B) Appointing Fred A. Rangel (District 7) to the Capital Improvements Advisory Committee.

C) Reappointing Guadalupe G. Ochoa (District 5) to the San Antonio Public Library Board of Trustees for the remainder of an unexpired term of office to expire September 30, 2018.

2017-02-02-0063

15. An Ordinance authorizing an annual increase in Administrative Fees for Mission Drive-In Tax Increment Reinvestment Zone (TIRZ) #32. [Peter Zanoni, Deputy City Manager; Bridgett White, Director, Planning and Community Development]

2017-02-02-0064

16. An Ordinance for the South Lake mixed-use development generally at the southwest corner of State Highway 16 and Watson Road in City Council District 4 terminating its 2006 Development Agreement and approving the fourth amendment for Limited Purpose Annexation extending the term to February 2, 2047 and adding to the terms the dedication of a 119 acre conservation easement and construction of hike and bike trails between Fermin Rajunov of Presto Tierra, LLC, PDC Preserve at Medina River, Ltd., CST Stations Texas, LLC and the City of San Antonio. [Peter Zanoni, Deputy City Manager; Bridgett White, Director, Planning and Community Development]

17. Consideration of the following two items relating to Tax Increment Reinvestment Zones in and around Hemisfair located in Council District 1: [Peter Zanoni, Deputy City Manager; Bridgett White, Director, Planning and Community Development]

2017-02-02-0065

- 17A. An Ordinance amending the boundary of the Inner City Tax Increment Reinvestment
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Zone (TIRZ #11). [Peter Zanoni, Deputy City Manager; Bridgett White, Director, Planning and Community Development]

2017-02-02-0066

- 17B.** An Ordinance designating the new Hemisfair Tax Increment Reinvestment Zone (TIRZ #34) by creating of a five member Board of Directors, establishing the effective start date and termination date of the zone, approving the preliminary project and finance plans and establishing a tax increment fund. [Peter Zanoni, Deputy City Manager; Bridgett White, Director, Planning and Community Development]

CONSENT ITEMS CONCLUDED

ACTION ITEMS FOR STAFF BRIEFING

City Clerk Vacek read the caption for Item 4:

2017-02-02-0052

- 4.** An Ordinance adopting the Urban Renewal Plan to meet the statutory requirements as part of the proposed \$ 20 Million 2017 Neighborhood Improvements Bond Proposition. [Peter Zanoni, Deputy City Manager; Bridgett White, Director, Planning and Community Development]

Peter Zanoni presented a Power Point highlighting the Identified Neighborhood Improvements to be included in the 2017-2022 Bond Program. He reported that the City would purchase properties for Redevelopment within 12 Eligible Areas and detailed a timeline of events leading up to today's action. He provided an overview of 7 Policy Issues that were raised at the December 14, 2016 B Session and noted that said concerns were reviewed by the Neighborhood Improvements Bond Committee. At the request of the Mayor and Council, a Neighborhood Improvements Advisory Committee consisting of 17 Members would be created to provide Project Oversight. In the area of Affordability, the Bond Committee created thresholds and affordability standards which allow for the additional Housing Opportunities based on Income. Mr. Zanoni stated that the Bond Committee recommended that consideration be given to Development Proposals that offer housing ownership and rental opportunities. He noted that the intent was to incentive housing affordability via the creation of a Mixed Income Development.

As it relates to Neighborhood Compatibility, Mr. Zanoni stated that the Advisory Committee would create a Compatibility Plan for each of the 12 Areas based on Zoning, Land Use, and Neighborhood Plans. He highlighted the importance of giving consideration

to Proposals submitted by Non-Profit Organizations based on the Non-Profit having Ownership Interest in the Project, serving as Property Manager, or providing Residential Services such as Day Care, Senior Services, or Employment Training.

Mr. Zaroni stated that the Advisory Committee proposed to address the concern of Higher Need Areas by awarding Points to Mixed-Income Housing Proposals located in higher-poverty Census Tracts within the 12 Areas. He noted that additional consideration would be also given to Proposals that plan to develop in close proximity to amenities such as transit routes, public parks, employment centers, and grocery stores. He provided an Overview of the Urban Renewal Plan and noted that the 40-page document would assist the City in implementing the Neighborhood Plan. He detailed the 12 Areas to be included in the 2017 Bond Program and noted that that Council Housing Committee recommended the removal of the Oak Hollow Area originally approved by Council in December 2016.

Mayor Taylor called on the citizens registered to speak.

Ross Laughead spoke in favor of the Development Plan and noted how said would increase housing opportunities.

Jack M. Finger spoke against the Urban Renewal Plan and noted that money previously spent by the City to renew Urban Areas did not improve blighted areas as Homeowners did not maintain their homes.

Mayor Taylor expressed gratitude to everyone involved with said Item to include Members of the Housing Commission to Preserve Diverse and Dynamic Neighborhoods and individuals serving on the various Bond Committees. She noted that this was the first time that the City worked in this manner to support the Revitalization of Neighborhoods and the increase of Housing Opportunities. She spoke in support of the City creating innovative and creative Development Projects that incorporate the infrastructure needs of the Community while improving San Antonio's economic future.

Councilmember Treviño spoke in support of the Urban Renewal Plan as it increased Affordable and Mixed Income Housing Opportunities. He noted that the 12 Areas identified in the Plan were carefully considered by the Community. He spoke of an Amendment to Section 3 of the Ordinance which provides for regular consultation with Neighborhood Associations and Community Groups throughout the planning process. He noted the benefits of the Proposed Committee and reminded Members of the Council of the March 1st deadline to select and appoint Members to said Committee. Councilmember Treviño spoke in support of the Urban Renewal Plan as presented to include the 12 identified Neighborhood Improvement Areas and excluding the Oak Hollows Area as

recommended by the Council's Housing Committee. He recommended that the Final Adopted Plan include Language in Section 3 of the Ordinance that ensures Neighborhood and Community Consultation throughout the implementation of the Neighborhood Improvements Bond Program.

At the request of Councilmember Saldaña, Mr. Zanoni clarified that Bond Funding could be used to cover costs associated with remediation efforts. He reported that environmental issues identified on parcels as well as during site preparations, demolition, and the installation of utilities, were eligible remediation expenses. Councilmember Saldaña highlighted the benefits of the City being able to use Bond Funding for Remediation Efforts and noted how said resulted in the Revitalization of Neighborhoods.

Councilmember Gonzales requested clarification on the involvement of the Community in the Urban Renewal Plan. Mr. Zanoni provided several examples in which the Community would have an opportunity to be involved in the Process to include Membership in the Council's Oversight Committee and input from Neighborhood Associations and Stakeholders regarding the purchase of parcels within the 12 Geographic Areas. Councilmember Gonzales expressed concern with staffing of the Center City Development Office. Mrs. Sculley stated that Management had been assessing the Staffing Levels of the Department for several months and would be releasing a Memo noting the reorganization and reassignment of Housing Responsibilities to the Neighborhood and Housing Services Department. She noted that said newly created Department would be responsible for the oversight of current Housing Functions and Policies as well as the implementation of the Urban Renewal Plan. Mrs. Sculley emphasized that said Department would continue to focus on Community Housing needs beyond the May 6th Election.

Councilmember Gallagher spoke in support of the Urban Renewal Plan as well as Councilmember Treviño's Amendment. He emphasized the need for the Community to be involved in all aspects of the Development Process and the need for Citizens to have a clear understanding of the Projects to be undertaken.

Councilmember Lopez thanked his Bond Committee Representatives for ensuring that Eminent Domain would not be used to acquire properties. He spoke in support of the Item and the Amendment by Councilmember Treviño.

Councilmember Medina expressed support for the Urban Renewal Plan and noted that the City was moving in the right direction by addressing the Revitalization of the Urban Core. He spoke of the importance of involving the Community and requested clarification regarding the City's Communication Plan. Mr. Zanoni reported that the City had created a dedicated Website which would outline the Process as well as allow for Citizens to make

requests, provide feedback, and monitor the progress of Projects. Councilmember Medina noted that the City needed to be strategic when identifying parcels for purchase as funds were limited.

Councilmember Nirenberg explained that the exclusion of Oak Hollow from the Urban Renewal Plan was due to land restrictions incorporated into the Neighborhood Plan that did not allow for Residential Development. He spoke of the importance of considering Neighborhood Plans when addressing the Housing needs of the Community.

At the request of Councilmember Warrick, Mr. Zanoni reported that there were no restrictions on the use of Bond Funds to make improvements on City-Owned Properties. He explained the Solicitation Process to include the issuance of a Request for Information to identify viable properties for purchase. Mr. Zanoni reported that once properties were identified; Builders would be consulted, Development Guidelines created, and a Request for Proposals issued. Councilmember Warrick asked of the process for addressing contingencies such as identified properties being located within the Flood-Plain and properties requiring environmental remediation. Mr. Zanoni reported that property challenges would be factored into Design Plans.

Councilmember Viagran spoke in support of Neighborhood Associations being consulted throughout the Process. She requested that an Education Component be added to the Urban Renewal Plan so that Citizens would be aware of the differences in terminology between Affordable Housing and Workforce Housing. Mr. Zanoni clarified Income Eligibility for each Housing Option and noted that the City's intent was to increase housing opportunities.

Mayor Taylor stated that the City had been discussing and researching ways to incorporate housing into the Bond Program since 2011. She noted that having better Housing Stock resulted in safer communities and economically stable Households.

Councilmember Treviño moved to approve staff's recommendation with one addition to Section 3 of the Ordinance requiring Regular Consultation and Updates with the Neighborhoods. Councilmember Saldaña seconded the motion. The motion prevailed by the following vote:

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

The City Council of the City of San Antonio also acting in its capacity as the Hemisfair Park Public Facilities Corporation considered Item 5A:

City Clerk Vacek read the captions for Items 5A and 5B:

HPPFC 2017-02-02-0001

- 5A.** An Ordinance approving a Development Sublease Agreement between Hemisfair Park Area Redevelopment Corporation and ZH Downtown Development Company, LLC, an affiliate of Zachry Hospitality on approximately 5 acres of land in the northwest quadrant of Hemisfair owned by the Corporation; approval of a Parking Garage Development Agreement and License between the City, Hemisfair Park Public Facilities Corporation, and ZH Downtown Development Company, LLC, an affiliate of Zachry Hospitality to support Hemisfair and current and future development; and approval for adopting a process for City certification that a proposed hotel complies with the Hemisfair hotel restrictions. [Lori Houston, Assistant City Manager; John Jacks, Interim Director, Center City Development & Operations]

2017-02-02-0053

- 5B.** An Ordinance closing, vacating, and abandoning a portion of public right of way along South Alamo Street; authorizing various land transactions, including the dedication of additional parkland, necessary for the implementation of the Hemisfair Master Plan; and authorizing related amendments to the Master Lease Agreement and Master Agreement with Hemisfair Park Area Redevelopment Corporation. [Lori Houston, Assistant City Manager; John Jacks, Interim Director, Center City Development & Operations]

Lori Houston presented a Power Point and provided an overview of the Items to be approved to include: A Development Sublease Agreement between Hemisfair Park Area Redevelopment Corporation (HPARC) and ZH Downtown Development, LLC for the development of Hemisfair Park Land; a Parking Garage Development Agreement and License between the City, HPARC, and ZH Downtown Development Company, LLC to facilitate the construction of a parking garage; Certification of Restrictive Covenants regarding Hotel size and scope; and approval to enter into Land Transactions. She explained that HPARC and its 13-Member Board was authorized to act on behalf of the City for matters regarding Hemisfair.

Mrs. Houston detailed events leading up to today's action to include the approval of a Master Plan and realignment of contiguous Park Land resulting in 19 acres of usable land. She noted that Hemisfair Park was comprised of 3 Distinct Parks—Yanaguana Garden, Civic Park, and Tower Park. During the development of the Master Plan, it was reported that City and HPARC Staff were able to identify 7 parcels of land equaling 17 acres for Development Purposes. Mrs. Houston stated that said land was conveyed by the City to the Hemisfair Park Public Facilities Corporation and that Deed Restrictions limit the size and

scope of a Hotel within the Park. She reported that the action taken today via the approval of the Master Lease Agreement would allow for HPARC to enter into Public-Private Partnerships for development purposes. She provided an overview of the Solicitation Process which began in 2015, the Scoring Matrix, and Proposals submitted by Vendor.

Omar Gonzalez, Hemisfair Director of Real Estate, thanked the City of continuing to invest in Development; especially in Hemisfair Park. He provided an overview of parcels identified for Development and noted that 9 acres of land would remain Park Land. He highlighted investments made in the Park and spoke of the importance of creating partnerships and incorporating the Community in the Process.

Mr. Gonzalez detailed the Solicitation and Evaluation Process and noted that consideration was given to how the Development incorporated the City's Assets. He noted how the Solicitation submitted by Zachry would add value to the City via the Development. Design features were detailed and it was noted that the intent was to create a Mixed-Use Complex that incorporated Housing, Retail, and Commercial Development. He noted that construction would begin in 2018 with completion in 2021. Contract Terms were outlined to include lease payments of \$1.25 Million for 2 years starting upon the completion of the Project and the requirement to pay Hemisfair if the Project is terminated after the City completes its due diligence. Mr. Gonzalez stated that in year three of the Contact; HPARC would be considered a Partner via the development of ground floor retail. He explained that funds generated by the P-3 would be reinvested into Hemisfair and highlighted Employee Benefits to be offered by Zachry.

Mr. Gonzalez noted that the Underground Parking Garage was anticipated to have 800 parking spaces at a cost \$18 Million to build. Of those spaces, 600 would serve as public parking managed by the City, with the remaining 200 parking spaces to be reserved for Hotel Guests and Employees. He stated that HPARC still needed to clarify if Deed Restrictions extended to Hotel Designs and proper procedures for approval, if required. He provided an overview of next steps to include future Council Action on the Parking Garage Development and approval of Tax Incentives. He noted that the Hotel would not be built on Park Land and that Lease Revenues received would assist HPARC fund operations, maintenance, capital improvements, and compensation for Staff.

Mayor Taylor called upon the citizens registered to speak.

Richard Perez of the San Antonio Chamber of Commerce expressed support for the Projects and highlighted the benefits to the Community to include providing additional Housing, Park Land, Retail Shops, and Parking.

Ramiro Cavazos of the San Antonio Hispanic Chamber of Commerce spoke in support of the Projects and noted how the Development would bring the community together. He stated that great Leaders and Partners were vital for creating economically viable Projects.

Liza Barratachea with the San Antonio Hotel and Lodging Association spoke in favor of the Partnership and noted that the Project was expected to attract 20 Million Overnight Visitors to San Antonio and generate approximately \$80 Million in Hotel Taxes. She noted that the Zachry Family had served as a Community Partner, Civic Leader, and strong supporter of Downtown Revitalization Efforts for decades.

Tim Morrow and Marco Barros with the San Antonio Tourism Council spoke in favor of the Mixed-Use Development Project. Mr. Barros stated that the development was the most important Downtown Development Project since Hemisfair '68 and highlighted investments made by the Zachry Company and Zachry Hospitality. Mr. Morrow spoke of the benefits of the Partnership to the Community and noted that said Development would positively impact Visitors and Residents alike.

Alexander Mesquiti stated that the Project would make San Antonio a better City due to the addition of entertainment opportunities and the Redevelopment of the Park.

Pat DiGiovanni of Centro San Antonio noted that said Project was envisioned by City Leaders in 2006. Since then, the City continued to be committed to creating a Strategic Plan that incorporated Park Land and Open Spaces, Housing, Retail Shops, Office Space, and Public Parking. He stated that the Project aligned with the Organization's Goal of repopulating Downtown and the Urban Corridor via the development of Rental Housing.

Siegfried Richter spoke in support of the Partnership with Zachry Hospitality and stated that there was not a better employer. He stated that he had worked for other Hotel Chains but none provided the level of Employee support offered by Zachry Management.

Clarence Jones highlighted the benefits of working for Zachry Hospitality and noted that he was able to support a wife and three children with the compensation he received.

Christina Arzola spoke in support of Zachry Hospitality and stated that the Company was a Model Employer that cared for its Employees and their Families. She noted that the Company's Z-Cares Program provided her with legal assistance during her mother's illness and reported that Zachry stood by their core values of ensuring that every person mattered.

Adam Gates highlighted the City's Historical Architectural and Building Design Features and noted that Downtown Improvements would attract more people to the Area.

Cecelia and Joey Rodriguez, Small Business Owners, spoke in support of the Development as it would attract more Visitors to the Downtown Area resulting in the growth of their Paleta Stand in Yanaguana Garden.

Michael Grimes spoke in favor of the Reinvestment Plan and the opportunities it would give to Small Business Owners like himself, to expand.

Carol Fisher spoke against the Reinvestment Plan and Partnership with Zachry Hospitality as it supported the Tourism Industry at the expense of Low Paying Unskilled Labor. She characterized the Progress associated with the Urban Renewal Plan as gentrification.

Robert Feria expressed concern with the Privatization for Hemisfair Park via the Partnership with Zachry. He stated that the Urban Renewal Plan would result in the gentrification of the Community.

Jessica Brown spoke in support of the Reinvestment Plan as it would increase Visitors to the Downtown Area. She noted that it would allow for her Business located in Hemisfair Park to grow.

Danna Schneider with Unite Here! spoke against the Redevelopment Plan and noted how Zachry Hospitality did not fairly compensate Employees. She provided an example of where gratuities were not passed onto Employees who worked Banquets. Anthony Dugdale expressed concern with the City entering into a 97-Year Lease Agreement with Zachry as well as the Contract not referencing Benefits for Employees and Subcontracted Employees, not designating a Hotel Operator or Manager, and not incorporating language regarding the sale of the Hotel.

Alfonso DeLeon with Unite Here! spoke against the Partnership with Zachry Hospitality and stated that the Company withheld gratuities earned by Employees. He reported that the tips he earned helped to provide for his family and financially support his children while they attended college. Maria Soto requested that the City incorporate Employee Wages and Benefits in the Lease Agreement with Zachry Hospitality and spoke of the importance of job security and good working conditions.

Gilbert Martinez spoke against the Project and the influence of Zachry Corporation. He stated that the Mayor and City Council had a responsibility to bridge the Income Gap.

Jessica Guerrero spoke against the Partnership with Zachry Hospitality and noted how said Company perpetuated a culture of "Displace and Replace." She noted that neither the City

nor Zachry were sincere in approving a Contract that was in the best interest of the Community. Ms. Guerrero requested that the Council Amend the Lease Agreement to include Provisions allowing for the City to retain control in future Hemisfair Development Plans.

Bill Shown, Board President for the Hemisfair Park Area Redevelopment Corporation, spoke in support of Redevelopment Efforts and highlighted activities undertaken by the City since 2007 to Leverage Funding and engage the Community. He noted that Zachry Hospitality submitted a financially sound Proposal.

Mary Nethery spoke in favor of the Redevelopment of Hemisfair Park and noted that it would result in a Community where Residents could work and play. She highlighted amenities to include walking distance to healthy food choices as well as cultural and historical attractions.

Carol Agüero expressed concern with the Redevelopment of Hemisfair Park and the amount of Housing Opportunities to be offered to Low Income Residents like herself. She stated that the Financial Investment totaling \$200 Million should be spent on Community Restoration Efforts.

Rod Radle, HPARC Executive Committee Member, spoke in support of the Redevelopment Plan and spoke of the process utilized by the City to evaluate Proposals submitted. He noted how the Project would revitalize Downtown due to the incorporation of Housing, Play Areas, and Green Space.

Shawn Price highlighted the benefits of the Partnership and Redevelopment Plan to include Economic Development via the creation of jobs, the Revitalization of Downtown, and Community Involvement.

Lisa Hernandez with the University of Houston College of Hotel and Restaurant Management spoke of the Educational Programs offered by the University in Hospitality Industry.

Richard Bundick, a Hospitality Worker, spoke in support of the Partnership with Zachry Hospitality and noted that the Hotel offered quality job opportunities and supported the personal development of its Employees.

Duane Wilson spoke in support of Zachry Hospitality and noted that the Company was a good Corporate Citizen, contributed to the Community, and had gained the loyalty of its Employees. He highlighted the Family's Legacy in San Antonio.

Rhett Smith spoke in support of the Redevelopment Plan based on Education and Economic Opportunities that would be created.

Jack M. Finger spoke in opposition to the projects as Voters were not asked to approve the Development. He noted that several Members of the Council received Campaign Contributions from the Zachry Family.

Lance Aaron expressed concern with the Financial Impact to the City resulting from cost over-runs, conflicts of interest, lack of disclosure regarding completed Land Surveys, and the dissemination of conflicting information.

Valeria Hernandez with the SA Arts Commission spoke in support of the Partnership and noted that the project would result in the increase of Visitors to Downtown and subsequently; an increase in Hotel Taxes. She stated that the increase in funding would allow for the City to fund Public Art Projects.

Two Bears noted that the Indigenous Population was not Consulted and that the Project was not beneficial to the Community.

JR Treviño, Hispanic Contractors Association Board President, spoke in favor of the Project and highlighted the economic impact it would have on the Community, especially the Urban Core.

Mayor Taylor dispelled comments made by the Public regarding “pay to play”, economic segregation, and income inequality. She noted that continued Development Investments allowed for the City to re-connect with its historical center, support Neighborhood Revitalization efforts, increase Workforce and Economic Development, and increase Housing Opportunities. She reminded individuals that the creation of a Downtown Hotel was only one component of Redevelopment Efforts and that all Improvements should be seen as an Investment in the City’s future. She requested clarification regarding the role of the Mayor and Council in reviewing future Lease Agreements. Andy Segovia, City Attorney, replied that HPARC was responsible for specific duties regarding management of the Hotel and Residential Housing while the Council approved the selection of Hotel Operators. Mr. Gonzalez reported that the amount of Park Land would increase from 18.5 to 19.2 acres upon passage of the Ordinance. He explained that Park Land included Green Space, Walkways, and other publicly accessible Areas of the Park.

Councilmember Treviño asked of the Park’s Land Footprint and provided a history of actions taken by the City since 2007 to change the Park’s Layout to include securing

funding, seeking Partners, creating HPARC, conducting a survey of the Park, and developing a Master Plan. Mr. Gonzalez noted that in 2013, the Texas Legislature approved the City's plan to re-designate Park Land so that useable land was contiguous and that the Park's Layout could only be changed by the Texas Legislature. He detailed design features of the Park which allowed for the Park to be accessed via several Downtown Points of Interest along wide pedestrian thoroughfares. Councilmember Treviño asked of the difference between the Two Housing Projects to be developed in Hemisfair Park. Mr. Gonzalez explained that one Project proposed to increase Housing Opportunities for Mixed Income Households while the other Project would provide Workforce Housing. He expanded on Income Eligibility Requirements and reported on Tax Incentives offered which incentivized the Development of Subsidized Housing. He added that Housing Units would make up 66% of the total Mixed Use Development proposed for Hemisfair Park with the Hotel making up 8 percent.

At the request of Councilmember Treviño, David Zachry stated that the Park would continue to belong to the people and highlighted its benefits to include being a gathering place for the Community, connectivity via several points of entry, protected views of Downtown, and Green Space being visible from the street. Lastly, Mr. Zachry addressed concerns regarding working conditions and noted that Zachry Hospitality was focused on doing the right thing for its Employees. Robert Thrakill addressed the concern related to the Service Fee paid for hosting Banquets. He reported that 65% of the Banquet Service Fee was paid to Workers via gratuities with the balance of the Fee off-setting Hotel Operating and Banquet Costs.

Councilmember Krier spoke in support of the Zachry Family and highlighted Civic and Corporate Support they provided to the Community to include funding of the City's World Fair. He noted that the Development would Revitalize the Downtown Area.

Councilmember Lopez congratulated all for making this project come to fruition and spoke of the economic opportunities created by the Partnership with Zachry. He highlighted efforts undertaken by the City to create the Proposed Development and stated that Partnerships were needed for establishing an economically vibrant and sound future.

Councilmember Medina asked for clarification on the length of the Lease Agreement with Zachry Hospitality. Mrs. Houston reported that the Lease Agreement was for 97 years and mirrored the Agreement entered into with the Hemisfair Park Public Facilities Corporation. She noted that the Contract was for one 50-year Term and included four 10-year extensions and one 7-year extension. Mr. Gonzalez highlighted the need for the Project to be financially sound which required a Long Term Lease Agreement. Councilmember Medina asked for additional information regarding events to be offered at the Park. Mr. Gonzalez

replied that the Lawn Space was designed like an Amphitheater which could fit a standing crowd of 10,000 or more people with other areas of the Park accommodating smaller events. He reported that over 500 events were planned for 2017. Councilmember Medina asked of wages to be paid to Employees of the Boutique Hotel. Mrs. Houston responded that the RFP did not include wage requirements as the Hotel Operator had not been selected. She provided an overview of RFP Requirements to include identifying Mixed-Use Development Opportunities on 5 acres of parcels and creating Design Guidelines. Mr. Gonzalez noted that the City could incorporate wage requirements and SBEDA Language in future Construction RFPs. He stated that Housing Units would be leased at Market Rates and that Zachry was not receiving any incentives from the City for said Project. Councilmember Medina expressed his desire for future Contracts to include wage requirements.

Councilmember Saldaña highlighted the History of the Park and noted that Yanaguana Garden Improvements served as a catalyst for future Park Development. Mr. Gonzalez spoke of financial challenges encountered in making the Park more attractive to families. He reported that HPARC created the Hemisfair Conservancy with the intent of raising funds to continue development efforts and bridge funding gaps. Councilmember Saldaña spoke in support of HPARC being self-sustaining, maintaining private partnerships, for designing a Park that balanced Business and Residential Components, and for including the Community in the Process. He requested that future Contracts include SBEDA Language and asked that P-3 Guidelines incorporate the requirement to hire Local Construction Companies and Residents. Mrs. Houston noted that one of the benefits of selecting a Local Company to manage Hotel Operations was the ability to encourage the hiring of Local Sub-Contractors. She highlighted Projects completed by Zachry in which SBEDA Goals were exceeded. Councilmember Saldaña requested that Members of the Council consider amending P-3 Guidelines to incorporate Employee Benefits, Wage Requirements, and Union Representation. At the request of Councilmember Saldaña, Mr. Segovia clarified that under the current Process; HPARC was delegated the authority of Monitoring Lease Agreement Compliance and periodically Reporting to Council. He stated that additional research was required to determine how the Process could be changed to give more oversight and control to the Mayor and Council.

Councilmember Saldaña expressed concern with an Appointed Board making decisions. Mrs. Houston clarified that Members of the HPARC Board consisted of City Staff and 11 individuals appointed by the Mayor and Council. She noted that Councilmember Treviño served as a Council Liaison. Councilmember Saldaña suggested a Hybrid Model of representation consisting of Elected Officials, City Staff, and Appointees and that P-3 Governance Policy Guidelines be developed to address Council Involvement in the decision-making process.

Councilmember Warrick spoke in support of the Items and noted that Employees were very satisfied with compensation received and working conditions.

Councilmember Nirenberg spoke in support of the Development Plan and highlighted the importance of creating Development Partnerships. He stated that identified challenges needed to be addressed and requested that the Council discuss Policy Guidelines and that HPARC periodically brief the Mayor and Council of the progress of the Project.

Councilmember Gonzales expressed concern with the Lease Agreements being made public only a few weeks ago. Mr. Gonzalez explained that the Negotiation Process did not allow for the Lease Agreement to be available to the public until they were finalized and approved by the HPARC Board. Councilmember Gonzales requested clarification on Lease Agreements to be approved. Mr. Gonzalez reported that the Mayor and Council via the Public Facilities Corporation leases Hemisfair Park to HPARC. The HPARC Board subleases to Vendors and enters into applicable Agreements with Developers. He explained that the City would be entering into a Lease Agreement with Zachry which outlined the responsibility of Zachry to create a Mixed-Use Development that incorporates Housing as well as Retail and Office Space.

Mrs. Sculley highlighted actions taken by the City since 2007 to ensure the success of Hemisfair Park Development. She noted that next steps included seeking HDRC approval.

Councilmember Gonzales spoke of Housing Income requirements. Mr. Gonzalez explained that the Lease Agreement with Zachry mandated allocations for Workforce Housing and Affordable Housing. He noted that Zachry agreed to adjust rental costs based on salary fluctuations. Mrs. Houston explained that Zachry could sell the Hotel and Development, but not the land. She clarified that Zachry was given a Tax Exemption for the life of the Project and would be audited annually by the City to ensure compliance with allocations for Workforce Housing. If the 50% requirement was not meet, the Tax Exemptions would be rescinded.

Councilmember Viagran thanked Zachry Hospitality for treating Employees with respect and dignity and asked of the continuance of free parking on Free Parking Tuesday. It was clarified that said Initiative would continue once the Parking Garage was built. Mr. Gonzalez reported that the City controlled the 19 acres within Hemisfair Park with the Parks and Recreation Department maintaining the grounds. He noted that HPARC was responsible for managing and operating the Park while Zachry would be operating the Hotel. Councilmember Viagran spoke in support of the Development Plan and highlighted the impact to the Community. She noted that the City Council would continue to be

involved in the Project via the approval of the HPARC Budget and appointment of Board Members.

Councilmember Treviño moved to adopt the Ordinance for Items 5A & 5B. Councilmember Krier seconded the motion. The motion prevailed by the following vote:

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

18. City Manager's Report

There was no City Manager's Report.

ADJOURNMENT

There being no further discussion, Mayor Taylor adjourned the meeting at 1:58 pm.

APPROVED

IVY R. TAYLOR
MAYOR

ATTEST:

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