

**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, March 29, 2017

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 and noted the following Councilmembers present:

PRESENT: 10 - Mayor Taylor, Treviño, Warrick, Viagran, Gonzales, Lopez, Medina, Nirenberg, Krier, and Gallagher

ABSENT: 1 - Saldaña

Mrs. Vacek announced that Councilmember Saldaña was out of the country on City Business attending the American Council of Young Political Leaders International Exchange Program.

1. A Briefing on the Alameda Theater restoration. [Lori Houston, Assistant City Manager; John Jacks, Interim Director, Center City Development and Operations]

Lori Houston stated that the Alameda Theater Project was located on Houston Street in the Zona Cultural which was the second Cultural Arts District in the city. She noted that the theater was completed in 1949 and was the largest Spanish Language Art Center in the United States at that time. She stated that the building was sold twice prior to its ownership by the City of San Antonio in 1984. She reviewed improvements which had been made to the building and noted the part it would play in the San Pedro Creek Project. She mentioned

that the Project was located in Phase I of the San Pedro Creek Project which would be completed by December 2018. She stated that the area from Fox Tech High School to Houston Street would be completed in May 2018. She noted that the San Pedro Creek Project included a 200-seat Amphitheater that would be programmed separately from the Alameda Theater but there would be synergistic opportunities for production. She noted that for the past two years, the City and Bexar County had partnered with Texas Public Radio (TPR) and La Familia Cortez on a concept which would relocate TPR's headquarters to the newly constructed back stage of the Alameda Theater and restore and reopen the Theater as a multi-media live performing arts and film center featuring the American Latino-Multicultural Story. She stated that the partners retained Michael Kaiser of the Devos Institute of Arts Management to perform an assessment of the concept and to make recommendations. She stated that he was brought in to answer several questions; primarily, what was the capacity and what type of venue could San Antonio support which would not compromise the sustainability of other cultural institutions.

Michael Kaiser stated that the project could coexist with the other cultural institutions and TPR, and reviewed the design changes which included limiting the number of seats in the theater and including a thrust stage. He noted that the audience would be reorganized into tiers which could hold theater seats or event tables and chairs and would include diverse Latino-focused programming. He stated that TPR would be a great partner due to its ability to televise programs online. He suggested that the project be a 501(c)3 organization with a five to seven-member board which would hire an Executive Director to develop an initial fundraising plan. He proposed that when the building was ready, an expanded board be appointed to oversee programming, funding, and fiduciary management. He described the varying types of performances and programs to be offered at the theater and noted that the theater could serve as an organizer or curator that would pull together the best art in the city. He noted that the Executive Director would work with a programmer who would provide community engagement. He stated that TPR would relocate their headquarters to the newly constructed backstage area that would include: 1) Office space; 2) Ground floor production studio which would be activated by studios with windows; and 3) A 160-seat black box theater. He stated that TPR would enhance local programming and community engagement and expand current on-air and online news and information.

Mrs. Houston stated that the budget for the project was \$26.4 Million and that the restoration would be accomplished in line with State and Federal Tax Credit Guidelines in which the city could receive \$5 Million. She reported that TPR had committed \$5 Million to the Project and the City and Bexar County would fund the remainder by issuing debt through Tax Increment Reinvestment Zones (TIRZ). She stated that fundraising could contribute to some of the capital costs and reviewed the following timeline:

- Community input (April-May)
- Create non-profit (April)
- Master Lease Agreement (June)
- Funding Agreement (June)
- Design (complete Summer 2018)
- Construction completion (Spring 2020)

Mayor Taylor thanked all for the presentation and asked if the structure would provide a revenue source to make the non-profit self-sufficient. Mrs. Houston replied that the arrangements would allow the non-profit to fundraise and create sustainability. She stated that there would be a requirement that the City and County support the operations of the theater for the first two years.

Councilmember Treviño spoke of the Alameda Theater building a national funding base. He asked how the project would add to the way History and culture was celebrated in San Antonio. Mr. Kaiser replied that the Alameda Theater was a vital piece of celebration of a range of cultures in San Antonio.

Councilmember Nirenberg asked who the lessee would be. Mrs. Houston replied that the lessee would be the non-profit and that the City of San Antonio would enter into a Master Lease Agreement with the non-profit in order to generate tax credits. Councilmember Nirenberg asked of the difference between the Non-Profit Board and TPR. Mrs. Houston stated that the Non-Profit Board would have a Lease Agreement with TPR for their headquarter facility.

Councilmember Medina asked of the composition of the Non-Profit Board. Mrs. Houston stated that the five to seven member Non-Profit Board would initially be comprised of Bexar County, TPR, the City of San Antonio, the Cortez Family, and other community partners. She stated that said Board would be responsible for creating the architectural drawings, overseeing those drawings, developing a Fundraising Plan, and hiring an Executive Director. She noted that once the Project could be sustained; the Non-Profit Board would be expanded to 15-20 members. She stated that the focus of the expanded Board would be to focus on fundraising and programming for continued operations. She noted that it was anticipated that the Non-Profit would be self-supporting in three to five years.

Councilmember Krier asked of the State and Federal Tax Credits. Mrs. Houston stated that the State Tax Credit was 25% and the Federal Tax Credit was 20%. She noted that the State Tax Credit was a credit on an Investor's Franchise Tax and that the Federal Tax Credit was a credit on Income Tax. Councilmember Krier asked of the role of the Cortez Family in the

Project. Mrs. Houston stated that they would assist in fundraising efforts and would be a programming partner. Councilmember Krier requested that Ben Gorzell and the Finance Department review the projections related to the project.

Councilmember Warrick asked if the Economic Development Foundation had information on the Project as it related to branding. Mrs. Sculley replied that the city had a number of community partners such as Visit San Antonio, the Economic Development Foundation, and other city departments that brand and market the city. She stated that the Project would be incorporated into that process.

Councilmember Gonzales asked if there would be construction in the theater. Mrs. Houston replied that there would not be construction inside the theater. Councilmember Gonzales asked of the construction that would occur. Mrs. Houston stated that construction of two floors would be added to the back of the theater. Councilmember Gonzales asked of the square footage of the area constructed. Mrs. Houston stated that the two floors would encompass 15,000 to 20,000 square feet.

Councilmember Viagran requested the back-up material regarding the environmental issues which would be addressed and asked of the monetary amount of the tax credits. Mrs. Houston stated that the amount for the overall tax credit would be approximately \$4.9 Million. Councilmember Viagran asked of the parking associated with the theater. Mrs. Houston stated that staff would work with the Theater Architect on a parking plan and noted that the parking garage at the Frost Bank could also be utilized.

Councilmember Lopez asked how it was measured to ensure that other initiatives were not compromised. Mr. Kaiser stated that the number of theater seats utilized in similar size cities was reviewed. He noted that it showed that the Project would not exceed the amount of seats that other similar size cities were selling.

Mayor Taylor thanked everyone for the presentation.

2. A Briefing and Update on the San Antonio International Airport. [Carlos Contreras, Assistant City Manager; Russell Handy, Director, Aviation]

Russell Handy stated that the growth of San Antonio was at least partially reflective in the growth of air traffic. He noted that the Airport has seen increased frequency of flights to Nashville, Houston Hobby, Charlotte, O'Hare, Guadalajara, and new services to Philadelphia, Kansas City, and as of May 1, 2017; Toronto. He stated that in 2016, the City Council authorized a contract with C. Berry Consulting to work with the Airport Team to

develop the Air Service Development Plan. He noted that working with the Air Service Task Force, the following five-year Air Service Development Plan was created: 1) Phase I: Assessment; 2) Phase II: Visioning and goal setting; and 3) Phase III: Implementation Plan.

Mr. Handy stated that the Airport still had underserved and unserved markets that staff would continue to strive to fulfill. He noted that the Air Service Task Force developed two priority groups for staff to focus resources on and reviewed the two priority groups. He stated that the Air Service Task Force would continue to be a key component of development efforts and presented the following vision for enhancing the customer experience:

- Focus on facilities-Improving overall appearance of airport façade and surrounding areas
- Infrastructure improvements- Expanding Transportation Security Administration (TSA) security screening capacity and add more shading in outdoor waiting areas

Mr. Handy reviewed the following branding initiatives:

- Aviation History
 - Military Facilities
 - Local Historians
 - Dee Howard Foundation
- Art and Culture Program
 - PASA
 - SAMA
 - DoSeum
 - World Heritage
- Concessions
 - Expanding local branding in retail and food and beverage

Mr. Handy provided a history of the San Antonio International Airport and noted that in 2014, the \$35 Million renovation of Terminal A was completed. He stated that the Aviation Department has prioritized a series of capital improvements that would be brought to the City Council in the near future and that the following programs were being executed: 1) CONRAC; 2) Gas station; 3) Customs area renovation; and 4) Traffic flow and parking enhancements.

Mr. Handy reviewed the following Strategic Planning Initiatives:

- Air Service Task Force-Develop, expand, and promote air service; refine Air Service Development Plan

- Mayor and County Judge Appointed Committee-Examine air service and airport infrastructure requirements required to meet the air transportation needs of the region between 2020 and 2050
- Master Plan Process-Guiding plan for the development of the Airport and requirement for Federal Funding eligibility

Mr. Handy stated that the Master Plan Process should begin in Fall 2017 and would include community engagement. He noted that following the Master Plan Process, a decision would be made in which direction to take under the guidance of senior leadership.

Mayor Taylor spoke of the strategic plans taking place to meet the needs for today and in the future.

Councilmember Viagran asked of the progress of a Terminal A and Terminal B Connector located behind security. Mr. Handy stated that the Capital Improvement Plan was under review and the decision was made to postpone the project pending further financial review. Councilmember Viagran asked of the progress of flights to Washington, D.C. Jeff Coyle stated that progress was pending due to ongoing Federal Aviation Administration (FAA) discussions.

Councilmember Gallagher asked of the progress of the runway expansion. Mr. Handy stated that the long inside runway would open on April 3, 2017. Councilmember Gallagher suggested that discussions be held on the use of drones. Mr. Handy stated that discussions on same were being held by the FAA.

Councilmember Medina asked of air traffic flying over areas for the first time. Mr. Handy stated that in order to accommodate flights by Randolph Air Force Base; some flights were diverted. He noted that Air Traffic Controllers were working to minimize effects from same.

Councilmember Krier suggested that having more non-stop flights within Texas be explored. He asked of underutilized space at the Airport that could be marketed to Aerospace-related usage. Mr. Handy stated that there were conditions with the soil and drainage on some of the underutilized land and that space remained for Aerospace-related usage.

Councilmember Treviño asked if having a 12,000-foot runway would give the Airport new business. Mr. Handy replied that it was unlikely that it would give the Airport new business. Councilmember Nirenberg asked of long term plans for the Airport. Mr. Handy stated that one of the advantages of long term plans for the Airport was that the city had

excess land. Councilmember Gallagher asked if Boeing had been given the opportunity for use of the Airport while the runway at Port San Antonio was being completed. Mr. Handy stated that discussions had just begun on this matter.

Mayor Taylor thanked everyone for the presentation.

EXECUTIVE SESSION

Mayor Taylor announced that the Executive Session would be held the following day after the business portion of the City Council Meeting. She recessed the meeting at 5:18 pm and announced that the meeting would resume at 6:00 pm for Citizens to be Heard.

- A. Economic development negotiations pursuant to Texas Government Code Section 551.087 (economic development).
- B. The purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072 (real property).
- C. Legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Litigation matters involving the City pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Mayor Pro Tem Viagran reconvened the meeting at 6:02 pm.

CITIZENS TO BE HEARD

Mayor Pro Tem Viagran called upon the citizens registered to speak.

Mark Perez expressed concern with businesses operating without the proper permits. He noted issues with Zoning Overlay Districts and criminal activity he feels is occurring.

Nazirite Ruben Flores Perez presented newspaper articles entitled, "Logging off Social Media forever," and "House votes to roll back privacy on the Web."

Rhett Smith stated that he was running for Mayor and requested that low-income citizens have their taxes lowered. He noted issues of homelessness and mental health that needed to

be addressed.

Octavio Manresa stated that he was a Taxicab Driver and requested that Taxi Driver Permits be released to drivers.

Maria Teixeira-Goncalves stated that she was a Taxicab Driver and works many hours without making a lot of money. She requested that Taxicab Driver Permits be released from the Taxicab Companies to the drivers.

Hector Garcia requested that Taxicab Driver Permits be released as drivers did not want to continue to pay Taxicab Companies. He stated that many drivers were losing their families as they worked too many hours and that they would take legal action if necessary.

Carlos Garcia concurred that Taxicab Driver Permits should be released from the Taxicab Companies to the drivers.

Teklit Negash requested that Taxicab Driver Permits be released to drivers.

Abraham Teklu also requested that Taxicab Driver Permits be released to drivers.

Lionel Arteaga requested that Taxicab Driver Permits be released stating that the Taxicab Companies should not control all of the permits.

ADJOURNMENT

There being no further discussion, Mayor Pro Tem Viagran adjourned the meeting at 6:25 pm.

APPROVED

IVY R. TAYLOR
MAYOR

ATTEST:

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