

**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, December 5, 2018

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 noting the following Councilmembers present:

PRESENT: 11 - Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Brockhouse, Sandoval, Pelaez, Courage, and Perry

1. City staff and a consultant will provide the results of the 2018 Community Survey. The purpose of the survey was to gather community input on satisfaction with City services and benchmark with other municipalities. [Carlos Contreras, Assistant City Manager; Jeff Coyle, Director, Government and Public Affairs]

City Manager Sculley stated that staff hired the ETC Institute to conduct the Community Survey independently and introduced Chris Tatham, Executive Vice President of ETC.

Mr. Tatham stated that data comparison with other cities was important to gauge success and progress. He noted that San Antonio conducted the survey biannually in order to assess resident satisfaction with: 1) Service delivery; 2) The City’s performance with other large cities in Texas and the country; 3) Benchmark against 2016 results; and 4) Identify opportunities for City service improvements. He stated that compared to similar cities nationwide; overall perceptions of the City were positive. He noted that quality of City

services was equitably distributed based on satisfaction ratings and reviewed satisfaction by department. He stated that 57% of respondents indicated that the City improved since the previous year and reviewed trends since 2016. He recommended greater focus on Transportation and Capital Improvements; Neighborhood and Housing Services; Code Enforcement; and Planning Services.

Councilmember Gonzales expressed confidence in the findings based on personal experiences with resident feedback.

Councilmember Courage asked if comparative cities went through the same survey experience as San Antonio. Mr. Tatham replied that most did, however Houston did not due to their lack of regular surveys.

Councilmember Viagran expressed satisfaction with the outcomes and requested a breakdown of results by Council District.

Councilmember Sandoval noted the importance of gathering details regarding user experiences. Mr. Tatham replied that ETC often conducted follow-up surveys that were specific to areas where improvement was needed.

Councilmember Pelaez asked of the inclusion of other priorities such as homelessness or opioid abuse. Mr. Coyle replied that such issues were covered by broader questions regarding human services because modifying questions to be too specific hindered the City's ability to benchmark accurately.

Councilmember Courage requested a document that directly compared responses across multiple survey years.

Mayor Nirenberg thanked Mr. Tatham for the presentation.

2. An overview of the proposed San Antonio Tourism Public Improvement District (SATPID). [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

Mrs. Sculley stated that Visit San Antonio (VSA) worked with the San Antonio Hotel and Lodging Association (SAHLA) to propose the establishment of the SATPID for revenue supplementation. She reviewed the petition process that would allow for its establishment and noted that the requirements were satisfied.

Ben Gorzell stated that the Hotel Occupancy Tax (HOT) was currently 16.75% with 7%

allocated to the City. He reviewed HOT uses including funding for convention facilities, art, history and preservation, and VSA. He provided an overview of VSA's functions and highlighted its role in marketing and promotion. He noted the approval of a Management Agreement with VSA in 2016 which identified the SATPID as a potential funding option. He reviewed two State requirements to establish a TPID including signatures from: 1) More than 60% of record owners of taxable real property liable for the assessment; and 2) More than 60% of the appraised value of taxable real property liable for the assessment. He outlined the SATPID timeline with a proposed effective date of January 2019. He stated that the City Council approved petition parameters and associated documents in June 2018. He noted that a Service Plan would come before the City Council for approval to establish key management parameters, funding, and budget categories. He stated that staff recommended approval of the establishment of the TPID, Master Contract, and Service Plan.

Casandra Matej provided an overview of the economic and employment impact of the tourism industry in San Antonio. She noted that VSA's budget had remained flat year-to-year and the TPID was sought to enhance funds, remain competitive in marketing, and capture market share.

Liza Barratachea stated that rules governing HOT collection would also apply to TPID fees. She noted that the fees would be allocated to VSA to supplement its overall budget with 90% of the revenues dedicated towards sales and marketing. She stated that the TPID would be divided into two zones: Zone 1 comprised of downtown businesses; and Zone 2 comprised of the remainder of hotels within San Antonio. She added that the TPID only applied to businesses operating with 100 rooms or more.

Mayor Nirenberg expressed support for the proposed TPID.

Councilmember Saldaña discussed his proposal to dedicate a portion of the revenues to combat homelessness. He asked of the current allocation from the Hotel Occupancy Tax (HOT) to VSA and if it was competitive. Ms. Matej replied that the current allocation of \$24 million from the HOT placed limitations on VSA in terms of new markets. She noted that a \$34 million budget would be considered competitive in the current market. Councilmember Saldaña asked if hotel employees would benefit from the additional TPID revenue. Ms. Matej replied that revenues from hotels generated jobs and improved quality of life. Scott Joslove added that lower hotel occupancy meant reductions in positions or benefits for employees so improving tourism was good for employees. Councilmember Saldaña asked if the Service Plan would be controlled exclusively by the hotel industry. Mr. Joslove replied that the Service Plan was developed by the industry, approved by City Council, and supported by the petition. Councilmember Saldaña asked if it was possible for the City Council to reject the existing Service Plan in favor of an agreement inclusive of a

clause dedicating a portion of the revenues toward combating homelessness. City Attorney Andy Segovia replied that it was possible but a new petition process for the new Service Plan would be necessary. Mr. Joslove added that VSA would likely be unsuccessful in gathering the required signatures a second time. Councilmember Saldaña expressed his desire to achieve competitive advantage in tourism while also addressing community issues such as homelessness. Ms. Matej and Ms. Barratachea noted the industry's participation in addressing community issues and stated that stakeholders would participate in future efforts to address homelessness.

Mayor Nirenberg noted the importance of addressing homelessness in the community and stated that it would remain a focus of the City Council regardless of the TPID outcome. He requested that staff develop recommendations prior to the mid-year financial review to recommend a sustainability plan for Haven for Hope.

Councilmember Pelaez stated that he would hold industry leaders accountable for participation in future homelessness initiatives and noted concern with the sustainability of Haven for Hope. He asked if TPIDs could be amended following their passage. Mr. Joslove replied that only minor amendments were legally possible. Councilmember Pelaez asked how the funds were managed. Mr. Joslove replied that the City would issue a check to VSA for the amount to be held in a separate fund for the TPID. Councilmember Pelaez asked if the funds would be held in a local bank. Ms. Matej replied that they would.

Councilmember Brockhouse expressed his support for the TPID and noted existing efforts by the tourism industry to combat homelessness. He expressed the importance of partnering with the business community to address community issues.

Councilmember Perry asked how much was currently allocated to homelessness initiatives by the City. Mrs. Sculley replied that it totaled approximately \$8 million. Councilmember Perry asked of combined Local, State, and Federal investments to combat homelessness. Mrs. Sculley replied that they totaled \$55 million. Councilmember Perry asked of non-governmental investments in homelessness initiatives. Mrs. Sculley replied that private sector dollars totaled \$34 million. Councilmember Perry asked of the last calculated homeless population. Melody Woosley replied that it was 3,066. Councilmember Perry noted concern with alienating the tourism industry by changing the Service Plan and expressed support for the TPID as proposed.

Councilmember Gonzales noted concern with the long-term viability of Haven for Hope and stated that homelessness had an impact on the entire city. She noted the importance of supporting multiple different initiatives and industries simultaneously.

Councilmember Treviño expressed support for the proposed TPID and stated that there

were multiple initiatives available to address homelessness without modifying the Service Plan. He noted that the duty to resolve homelessness did not fall solely on the tourism industry and that larger partnerships were necessary. He requested that alternative solutions be presented timely.

Councilmember Viagran stated that she would monitor the TPID closely as a member of the VSA Board to ensure its goals were met. She noted the ongoing homelessness initiatives that VSA was active in. She expressed support for the proposed TPID. Mayor Nirenberg thanked everyone for the discussion and noted that the sustainability of existing homelessness initiatives would be addressed by staff and the City Council in the near future.

RECESSED

The Executive Session was not held. Mayor Nirenberg announced that it would be addressed the following day after the Business Portion of the City Council Meeting. He recessed the meeting at 5:18 pm and announced that they would reconvene at 5:30 pm for Ceremonials.

- 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. Deliberate the appointment, evaluation and duties of public officers and discuss legal issues pursuant to Texas Government Code Section 551.074 (personnel matters) and Texas Government Code Section 551.071 (consultation with attorney).
- D. Legal issues related to charter amendments pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- E. Legal issues related to contemplated litigation related to real property pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- F. Discuss legal issues relating to Senate Bill 4 litigation pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Mayor Nirenberg reconvened the meeting at 5:30 pm and addressed the Ceremonial Item.

CEREMONIALS

City Clerk Leticia Vacek administered the Oath of Office to the Youth Commissioners in attendance. The City Council presented the San Antonio Youth Commissioners their Certificates of Appointment and Board Lapel Pins. It was noted that the Youth Commission is made up of students from local high schools. The goals and objectives of the Youth Commission are to respond to current situations affecting young persons and to develop solutions for problems.

Mayor Nirenberg excused himself from the meeting and Councilmember Saldaña presided.

CITIZENS TO BE HEARD

Councilmember Saldaña called upon the citizens registered to speak.

Joleen Garcia spoke on behalf of Working Texans for Paid Sick Time and asked the City Council not to repeal the Paid Sick Time Ordinance as requested by local Chambers of Commerce. Several local workers shared their struggles without paid sick time and asked the City Council for their support.

Mark Perez expressed concern with transparency, permitting processes, and environmental protections.

Nazirite Ruben Flores Perez spoke of the origins of Santa Claus and expressed concern with the use of Christmas Trees.

ADJOURNMENT

There being no further discussion, Councilmember Saldaña recessed the meeting at 6:21 pm.

APPROVED

RON NIRENBERG
MAYOR

ATTEST:

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