

ECONOMIC AND HUMAN DEVELOPMENT COUNCIL COMMITTEE MEETING MINUTES

MAY 3, 2016

1:30 PM

MEDIA BRIEFING ROOM, CITY HALL

Members Present:	Councilmember Joe Krier, <i>Chair, District 9</i> Councilmember Roberto Treviño, <i>District 1</i> Councilmember Rebecca Viagran, <i>District 3</i> Councilmember Ray Lopez, <i>District 6</i> Councilmember Mike Gallagher, <i>District 10</i>
Staff Present:	Carlos Contreras, <i>Assistant City Manager</i> ; Tom Jones, <i>Director of Aviation</i> ; Rene Dominguez, <i>Director of Economic Development</i> ; Tim O'Krongley, <i>Deputy Director of Aviation</i> ; Veronica Zertuche, <i>Deputy City Attorney</i> ; Lisa Biediger, <i>Assistant City Attorney</i> ; Nancy Reyes, <i>Assistant City Attorney</i> ; Katinka Howell, <i>Assistant City Attorney</i> ; M'kynzi Newbold, <i>Executive Management Assistant</i> ; Nicole E. Fowles, <i>Sr. Special Projects Manager</i> ; Tania Sanchez, <i>Management Analyst</i> ; Steven Milburn, <i>Management Analyst</i> ; Paul Jimenez, <i>District 10</i> ; Denice F. Treviño, <i>Office of the City Clerk</i>
Others Present:	Councilmember Shirley Gonzales, <i>District 5</i> ; Ed Torres, <i>City Tours Inc.</i> ; Marco Barros, <i>Tourism Council</i> ; George Mery, <i>Elegant Limousine & Charter</i> ; Liza Barratachea, <i>San Antonio Hotel & Lodging</i> ; Tevyn Mevy, <i>Mevy & Associates</i> ; Lauren Ferrero, <i>Norton Rose</i> ; Christine Miller, <i>Unite Here</i>

Call to Order

Chairman Krier called the meeting to order.

1. Approval of the Minutes from the March 1, 2016 Economic and Human Development Committee Meeting

Councilmember Lopez moved to approve the Minutes of the March 1, 2016 Economic and Human Development Council Committee Meeting. Councilmember Treviño seconded the motion. Motion carried unanimously.

2. Briefing on Convention & Visitors Bureau Structure – Articles and Bylaws

Ms. Cassandra Matej presented a briefing regarding the process to transition the San Antonio Convention and Visitors Bureau (CVB) to a non-profit corporation. She reported that Mayor Taylor had appointed a 13 member CVB Structure Task Force in May 2015 that was charged with identifying the ideal CVB Structure. She noted that said Task Force was chaired by Dan Decker, SeaWorld President at that time. She added that a recommendation to transition the CVB to a Public Private 501 C6 was presented to the City Council at a B Session Meeting in

December 2015. She highlighted benefits of the proposed transition including greater competitive advantages, sustained growth for the tourism industry, and greater opportunities for to diversify the organization's revenue sources. She stated that a Resolution was approved to initiate the process to transition the CVB from a Municipal Entity to an independent non-profit corporation. She explained that City Staff had formulated the Articles and Bylaws for the non-profit corporation and identified key areas for consideration such as transparency, accountability, and composition of the Board. She added that input was collected from City Council, the City Manager's Office, and local businesses and corporations.

Ms. Matej reported that because the majority of the funding would be provided by the Hotel Occupancy Tax; the new entity would be required to comply with all Local and State Laws pertaining to the Open Records Act. She added that the Board of Directors would hold an open meeting annually to coincide with budget input and adoption. She detailed the initial composition of the proposed Board to include two Mayor or City Council Appointments, one appointment by City Manager or designee, and up to three ex-officio City Staff (Directors or Assistant Directors of Convention & Sports Facilities and Aviation Departments, and Office of Military Affairs). She explained that the Board would be required to provide annual briefings to City Council on any proposed changes to Articles or Bylaws. She stated that the Management Agreement Contract would include an annual review of the use of the Hotel Occupancy Tax, Quarterly Reporting Requirements, and Annual Audits, with the addition of a Code of Ethics based on applicable provisions of the City's Ethics Code.

Ms. Matej stated that the primary role of the initial Board Members would be to nominate and approve the full 21-Member Board as well as the Chair and the CEO/President. She reported that the Articles and Bylaws had been filed with the Texas Secretary of State's Office on May 6, 2016 and that a Management Agreement Presentation was scheduled to be presented to City Council in Summer 2016.

Chairman Krier asked for detail regarding City Council fiscal oversight. Ms. Matej replied that City Council would receive an annual presentation over Hotel Occupancy Tax spending for consideration and approval.

Councilmember Lopez requested information on how Economic Development Foundation Initiatives would be incorporated into the new entity. Ms. Matej noted that the President & CEO of the Economic Development Foundation would have a voting position on the Board of Directors.

Councilmember Gallagher asked for clarification regarding Chamber of Commerce representation. Ms. Matej noted that the single Chamber position on the Board would be selected on a rotating basis, allowing all Chambers a chance to serve. She added that Chamber representatives could serve as any of the at-large positions.

Councilmember Viagran requested detail on the role of the Director of Convention and Sports Facilities as a voting member of the Board. Mr. Carlos Contreras reported that the role was based on Best Practices observed from other privatized CVBs.

Chairman Krier asked if an Executive Committee would be included in the CVB Structure. Ms. Matej replied that said Committee would be included in the CVB Structure per the Bylaws. She provided examples of Committees that are mandated by the Bylaws.

No action was required for Item 2.

3. Briefing and Possible Action on a Gas Station Concession Agreement for the San Antonio International Airport

Mr. Tom Jones reported that the Gas Station Concession Agreement would improve customer experience, provide unleaded and diesel fuel at a Phillips 66 Gas Station, provide a Q Mart Convenience Store and Burger King Restaurant at the San Antonio International Airport. He stated that the proposed ordinance leases and initiates a Concession Agreement with Northwest Petroleum and would be presented to the City Council for consideration later this month. He explained that the Firm would develop and finance the Project including the design, construction, operation, and maintenance of the Facility. He noted that the Contract had previously been presented to the Audit Council Committee due to its designation as a High Profile Contract and that the Project would help raise revenue and provide enhancements to airport customers and the general public.

Mr. Jones provided an overview of the Solicitation background including the Implementation Schedule and Project Scope. He reported that Northwest Petroleum was the sole respondent and was evaluated by Consensus Method based on experience, background, qualifications, proposed plan, proposed minimal annual guarantee, and Airport Concessions Disadvantaged Business Enterprise (ACDBE). He presented background on the selection of the Gas Station, Convenience Store, and Fast Food Restaurant and noted that the Process was lengthy, requiring Due Diligence, FAA Authorization, and business negotiations. He explained that the Term of Agreement could be up to 40 years with the Primary Term consisting of 20 years and requiring a minimum of \$2 million in capital investment. He described the first and second 10-year options, which would be contingent on the approval of the Aviation Director as well as an additional \$600,000 capital investment before the end of the Primary Term and an additional \$200,000 capital investment before the end of the 1st 10-year extension.

Mr. Jones presented information on the Fiscal Impact including Rent and Concession. He reported that the Airport would receive \$81,889 in annual rent following the construction period. He stated that City Staff recommended the approval of the Lease and Concession Agreement.

Chairman Krier asked for clarification regarding the timeline of the Project. Mr. Carlos Contreras reported that the Item was scheduled for consideration May 12, 2016 by the City Council.

Councilmember Treviño expressed concern for the location and interruption of the Front Entrance of the Site Plan. He asked that the Site Plans not be included or approved as part of the Contract. He moved to approve the Item without inclusion of said Site Plans. Councilmember Lopez seconded the motion.

Mr. Jones noted that the Site Plan drawings were presented as examples and would not be included as part of the Contract.

Councilmember Gallagher asked for clarification regarding FAA oversight. Ms. Nicole E. Fowles replied the FAA retained oversight based on the purchase of land using Federal Grants.

Councilmember Viagran asked how the cost of the Project was defined. Mr. Jones replied that the cost was defined by a Ground Study conducted recently.

Councilmember Lopez asked for explanation regarding the selection of Q Mart Convenience Store, Burger King, and Phillips 66. Mr. Contreras reported that selection was based on the respondent.

The motion by Councilmember Treviño to forward the Item to City Council with conditions and seconded by Councilmember Lopez carried unanimously.

4. Briefing and Possible Action on a Concession Agreement for Shuttle Service at the San Antonio International Airport

Mr. Jones presented an update on the Downtown Shuttle Service at the San Antonio International Airport. He stated that the Economic and Human Development Committee requested that the Aviation Department explore alternatives related to Downtown Shuttle Services and examine the transportation environment at the Airport as well as the current Shuttle Service Contract and customer satisfaction. He highlighted some of the Airport Transportation options available to passengers including car rentals, taxis, hotel shuttles, VIA, and Transportation Network Companies (TNCs) such as Uber and Lyft. He added that said services are governed by Chapter 3 and Chapter 33 of the City Code. He detailed the current Shuttle Contract which was awarded March 3, 2011 with operations beginning June 1, 2011 for a term of 5 years. He stated that the current Contract will expire on May 31, 2016 with a possible 6 month extension. He discussed Airport revenue and reported on Airport Shuttle comparisons done with the cities of Austin, Dallas, Houston, Los Angeles, Salt Lake City, Minneapolis, Savannah, Jacksonville, Oklahoma City, Omaha, and Orlando. He reviewed the impact of TNCs on the Commercial Transportation Industry and noted that future agreements should reflect the new environment.

Councilmember Gonzales spoke of the importance of small-minority owned businesses and the impact of TNCs on Commercial Transportation Businesses.

Mr. Ed Torres provided background on the Shuttle Service at the Airport. He stated that the TNCs had impacted business operations and discussed additional requirements levied on the Shuttle Service based on Contractual Terms. He petitioned the Committee to consider extending the Contract Terms by two years.

Executive Session

Chairman Krier recessed the Economic and Human Development Council Committee into Executive Session at 3:04 p.m. to discuss legal issues pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Chairman Krier reconvened the meeting at 3:26 p.m. and stated that no action was taken during the Executive Session.

Councilmember Treviño moved to extend the Contract for one year with negotiated terms for the current vendor. Councilmember Gallagher seconded the motion. The motion carried unanimously.

Adjourn

There being no further discussion, the meeting was adjourned at 3:26 p.m.

Respectfully Submitted,



Alexander J. Pytel,
Office of the City Clerk



for Joe Krier, Chairman

