

**INTERGOVERNMENTAL RELATIONS SUBCOMMITTEE
MEETING MINUTES
WEDNESDAY, AUGUST 9, 2017
12:00 PM
MEDIA BRIEFING ROOM**

Members Present:	Councilmember Rey Saldaña, Chair, <i>District 4</i> Councilmember Rebecca Viagran, <i>District 3</i> Councilmember Manny Pelaez, <i>District 8</i> Councilmember Clayton Perry, <i>District 10</i>
Members Absent:	Mayor Ron Nirenberg
Staff Present:	Carlos Contreras, <i>Assistant City Manager</i> ; Jeff Coyle, <i>Director of Government & Public Affairs</i> ; Rene Dominguez, <i>Director of Economic Development Department</i> ; Megan Dodge, <i>Assistant Director of Government & Public Affairs</i> ; Christine Wright, <i>Sr. Management Analyst</i> ; Alicia K. Beckham, <i>Office of the City Clerk</i>
Other Present:	Walter Serna, <i>Serna & Serna</i> ; Alex Hinojosa, <i>NADBank</i> ; Tom Downs (by teleconference), <i>Venable</i>

1. Update on the proposed legislation from the 85th State Legislative Special Session [Jeff Coyle, Director, Government & Public Affairs]

Jeff Coyle reported that the Governor called a Special Session that began July 18, 2017 and would end August 18, 2017. He noted that the Session ended August 2017. He stated that 8 of 20 agenda items were directly related to the City:

1. Property tax reform
2. Caps on state and local spending
3. Tree Ordinance
4. Construction projects
5. Building permit process
6. Municipal annexation reform
7. Wireless devices
8. Municipal annexation reform

Mr. Coyle provided an overview of the eight agenda items. He stated that the cap on state and local spending would reduce the rate from 8% to 4%. He noted that if local government were to exceed revenue growth of 4%; there would be an election to roll back the revenue growth rate. He added that the Bathroom Bill passed the full Senate. He stated that it was referred to the House State of Affairs Committee and that the Committee Chair would not be holding a hearing on the matter. He mentioned that the Annex Bill had language that included a five-mile safeguard around military bases; and that an election would not be required to annex as long as a city council passed a resolution to provide land use regulations compatible to the military.

Megan Dodge stated that the City would be opposed to the Expedited Permitting Bill because it would set a timeline to approve building permits.

Mr. Coyle stated that the Tree Mitigation Bill was vetoed by the Governor because he wanted additional language added to the bill. He noted that the additional language prohibited regulation of trees in the Extraterritorial Jurisdiction (ETJ); it prohibited regulating trees less than 24 inches; and the fee to cut a tree would be capped at \$400. He added that the House Bill was acceptable to the City but the Senate Bill was not.

Mr. Coyle reported that the legislature passed a statewide texting ban and that the Governor called for a preemption of all local texting ordinances. He stated that it passed the Senate but was pending in the House. He noted that staff from Development Services testified against the Permit Vesting Bill. He added that the bill would provide that a city not enforce an ordinance related to land use or business regulation if the ordinance was not in effect on the date the property owner acquired the title to the property.

In response to Councilmember Viagran, Mr. Coyle stated that in his interpretation, the revenue cap change was determined by the population bracket that was applied to cities that have property tax revenues more than \$25 million a year.

Councilmember Pelaez acknowledged staff for testifying at the State Capitol. He suggested that the City convey the message that the City was not against property rights. He stated that tree preservation was not a choice but that military jobs and private property laws can coexist.

Chairman Saldaña stated that the City had a lot to lose if the Annexation Bill were to pass without a five-mile buffer added to the bill. He added that applying patch work at the State Capitol would not work if the diversity of geography, municipalities, and urban concerns were not taken into consideration.

No action was required for Item 1.

2. Briefing and update on the 115th U.S. Congress and the Federal Legislative Program. [Jeff Coyle, Director, Government and Public Affairs]

2a. 115th Congress Federal Legislative Program update [Jeff Coyle, Director, Government and Public Affairs]

Jeff Coyle reported that in August 2016, staff issued a request to all City Departments and community partners for their federal priorities. He stated that in December 2016, staff presented on the City's Proposed Federal Agenda to the IGR Committee and to the full City Council. He noted that in January 2017, the City Council approved the City's Federal Agenda.

Mr. Coyle stated that the Federal Aviation Administration (FAA) Reauthorization was a federal priority for the City. He noted that the City supported the increase of the Passenger Facility Charge (PFC) cap to \$8.50 to provide the same purchasing power as in 2000 to fund the Airport Improvement Program (AIP). He added that the City was in support of increasing AIP Funding and would allow airports greater flexibility in the use of AIP Funds. He stated that the City would back the full implementation of the FAA's Noise Mitigation Program to assist homeowners affected by flight paths of landing aircraft in consideration of the continued implementation of Next Generation Air Transportation System (NextGen). He mentioned that the City would seek action to permit nonstop flight service between San Antonio International Airport and Ronald Reagan Washington National Airport.

Mr. Coyle stated that for years the Department of Defense had been calling for a Base Realignment and Closure (BRAC) because they could save \$2 billion. He noted that there was language in the State

Defense Bill that would not allow the State to spend any resources on a BRAC and that the bill was in conflict with the Presidential Administration that would be calling for a BRAC by year 2021.

Mr. Coyle reported that the City would continue to support funding for the Transportation Investment Generation Economic Recovery (TIGER) Grant. He stated that the TIGER Grant would benefit VIA and all modes of transportation. He noted that the House Appropriations Bill had eliminated the TIGER Grant at the request of the President but that the Senate had increased TIGER Funding to \$550 million. He added the Grant was competitive.

Mr. Coyle stated that the City had applied for funding to expand local public safety. He noted that the City wanted to protect municipal bonds from changes to the tax-exempt status. He added that the City supported the expansion of tax credits for businesses that hire in economically distressed areas. He mentioned that the City was seeking a historic designation of San Antonio's Urban Core to leverage tax incentives that would help preserve and protect the area.

Mr. Coyle provided an overview of the legislative issues. He stated that the City would benefit from an increase in federal funding for operations and maintenance of the San Antonio Missions National Historical Park. He noted that the City's Missions had deferred maintenance needs of a minimum of \$2.3 million and that Congressman Will Hurd coauthored a bill that enhanced funding to all the State's National Parks. He added that the City was in support of the Marketplace Fairness Act because it granted the state the authority to collect sales tax from online remote sellers despite their geographical location. He reported that the City encouraged change to the Telecommunications Act that allowed Public Education and Government Access (PEG) Funds for operational costs. He stated that the City supported restoring funding for the Teen Pregnancy Prevention Program.

Mr. Coyle stated that the City would align its priorities with federal agencies and local partners in support of the legislative agenda that would enhance the health, safety, and vitality of the community; provided it did not conflict with the City's legislative agenda. He noted that the City would collaborate with federal agencies in the areas of workforce, education, and training; Smart Cities implementation; San Antonio Tricentennial; homeless services for individuals with mental health issues; and air quality.

Mr. Coyle presented the timeline of the Appropriations Bill. He stated that the White House released a proposed budget in March 2017 and a full budget in May 2017. He noted that there were a total of 12 Appropriations Bills that made up the Federal Budget. He added that the House passed all of them and that the Senate had passed half of them. He stated that the fiscal year would end September 30, 2017 and that it was not likely that Congress would pass a full Omnibus Federal Budget.

Mr. Coyle reported on the key budget items that staff would be looking out for. He stated that the House and Senate sought to increase funding over Fiscal Year 2017 for the hiring of police officers. He noted the decrease in Choice Program Funding.

Councilmember Pelaez encouraged staff to focus on the connection between resiliency and Smart Cities. He stated that there was funding available for resiliency under the Smart Cities umbrella. He asked how involved the City was in assisting local agencies with their federal agendas. Mr. Coyle responded that there was a regularly scheduled round table meeting that involved City staff and delegate agencies to communicate their federal programs. He stated that not all local agencies would be at the table but that they were equally welcomed to communicate their needs. Councilmember Pelaez suggested that staff become proactive in assuring that local agencies' agendas would be presented at the State Capitol. Mr.

Coyle replied that if the City backed an outside agency, the City would allow that agency to take the lead on their cause with a letter of support from the Mayor or Chairman.

Councilmember Perry suggested that staff communicate with the military on the cost avoidance of them being located in San Antonio.

Councilmember Pelaez encouraged staff to utilize the SABÉR Research Institute to work on the cost avoidance that Councilmember Perry suggested.

No action was required for Item 2a.

2b. Update on the current status and the City's response to the NAFTA renegotiations [Rene Dominguez, Director, Economic Development Department]

Rene Dominguez presented on the City's response to the NAFTA renegotiations and direction of NAFTA and acknowledged the City's partners that collaborated to work on the issues. He reported that Dr. Steve Nivin and Dr. Belinda Roman conducted a study on the economic impact of NAFTA in San Antonio; they found that 63,000 jobs were created since 1994. He stated that increased trading activity added \$10 billion in gross regional products. He noted that in 2016, \$16 billion of distribution was exported from San Antonio. He added that over the past 10 years, the City's annual growth rate of exports were at 21%.

Mr. Dominguez stated that formal negotiations on NAFTA would start August 16, 2017 and that there would be seven rounds of negotiations until December 2017. He mentioned that the City was in support of modernizing NAFTA. He stated that staff would continue to collaborate with community partners and the Texas Mexico Border Coalition to advocate for the City's needs. He noted that staff traveled to DC to promote San Antonio as a site to ceremonially sign the NAFTA Agreement. He added that on September 29, 2017, the City would be partnering with St. Mary's University, Texas Mexico Border Coalition, and Rivard Report on a conference event to discuss efforts that would be important to San Antonio.

Councilmember Pelaez suggested that staff included the United States Hispanic Chambers in the NAFTA discussion.

Councilmember Viagran suggested that staff keep in mind the human trafficking aspect of NAFTA.

No action was required for Item 2b.

2c. Briefing on status of the 2015 Ozone National Ambient Air Quality Standards (NAAQS) and consideration of H.R. 806 Ozone Standards Implementation Act of 2017 (115th Congress (2017-2018) [Roderick Sanchez, Assistant City Manager; Douglas Melnick, Chief Sustainability Officer]

Jeff Coyle reported that the City's issues with air quality included ozone standards. He stated that the City's population had grown 24% since the early 90's and that ozone measures have gone down 10%. He noted that the 2008 National Ambient Air Quality Standard (NAAQS) was at 75 parts per billion (ppb) and that the City was in attainment at 72 ppb. He added that as of 2015, the NAAQS would be decreased to 70 ppb and that placed the City in nonattainment at 72 ppb.

Mr. Coyle stated that for the first time, the Governor submitted the City as nonattainment for air quality. He added that the any imposition of any regulation would only apply to the County and that air quality

was a regional concern. He mentioned that the City would be receiving a letter from the Environmental Protection Agency (EPA) in October 2017 that it would be in violation of ozone standards.

Mr. Coyle reported that Congress passed a bill that would delay the implementation of the new standards to 2025. He stated that the bill would put off the public health and environmental benefits of lowering the standards. He noted that the timeline for reviewing the standards every five years would change to every 10 years. He added that it would make the EPA consider the feasibility of a nonattainment region meeting the standard and mentioned that the bill would study the foreign sources of air pollution.

No action was required for Item 2c.

Adjourn

There being no further discussion, the meeting was adjourned at 1:40 P.M.

Respectfully Submitted,



Rey Saldaña, Chairperson



Alicia K. Beckham
Office of the City Clerk

