



# City of San Antonio

## Agenda Memorandum

**File Number:**17-3257

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**Agenda Item Number:** 10.

**Agenda Date:** 6/1/2017

**In Control:** City Council A Session

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**DEPARTMENT:** Development Services

**DEPARTMENT HEAD:** Michael Shannon

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Port Authority of San Antonio (PortSA) ILA

**SUMMARY:**

The final extension of the Interlocal Agreement (ILA) between the City's Development Services Department and the Port San Antonio USA (Port Authority) will expire June 21, 2017. The current agreement requires that a continued arrangement between the Port and City will necessitate City Council consideration and approval. The Development Services Department is scheduling this item for Council's consideration and authorization of the new ILA for June 8, 2017 in order to continue the terms of this agreement through June 2027.

**BACKGROUND INFORMATION:**

May 17, 2007, City Council approved Ordinance No. 2007-05-27-0564 and again on June 21, 2012 City Council approved Ordinance No. 2012-06-21-0506 granting certain permissions to the (Port) related to plan review and construction activities. This authority was limited to land parameters of the Port Authority previously known as Greater Kelly Development Authority.

The purpose for entering into an interlocal agreement was to authorize the Port Authority to conduct building plans reviews, issue building and trade permits, conduct inspections and issue temporary C of O's for those projects that had no historical, fire review, health association or storm water concerns.

During this period, the Development Services Department was undergoing extreme budget cutbacks and redirection of plan reviewers and other personnel to different City Departments. Granting authority to the Port Authority to handle their construction related activities expedited their reviews and approvals, and relieved Development Services of the tasks to handle this added responsibility with limited staff and resources.

Although this agreement was created due to budgetary constraints, the process has proven to be an efficient and effective business practice. Both the Port Authority and City are in agreement that this relationship is worth

continuing for both practical and economic reasoning.

The initial agreement, which became effective August 7, 2007, and the follow up agreement which became effective June 21, 2012, were both approved for a three (3) year term, with two additional one (1) year terms, required that the Port Authority and its tenant (s) comply with City Code associated with building related activities. This included ensuring that the design and new construction or renovation activities complied with all provisions of the City's current technical and building codes.

The Port Authority would also be required to abide by the City's demolition ordinance and to review and issue permits for demolition of buildings. All construction activities involving health, historic, and storm water reviews, or fire inspections, would continue to be handled through the appropriate City Departments.

This proposed agreement will be for a four (4) year term, with two (2) additional three (3) year terms.

#### **ISSUE:**

The Port Authority is organized for the purpose of formulating, adopting and implementing objectives associated with the conversion and redevelopment of the property formerly known as Kelly Air Force Base. The purpose of the conversion and redevelopment is to promote and encourage new businesses to locate and to increase local employment opportunities as well as developing the facility as a multi-use, commercial, industrial and technology center known as "Port San Antonio." By allowing the Port Authority to oversee the plans review and permitting of construction activity within this area, the Port Authority is able to streamline their processes, develop solutions to challenging projects associated with existing buildings initially constructed and occupied under Federal Guidelines and allow them to negotiate potential tenant agreements and quickly begin construction activities, if applicable.

#### **ALTERNATIVES:**

In the event that Council disapproves the execution of this Agreement, then the Development Services Department would resume processing and handling of construction plans and related activities for the Port Authority. The submitted plans would be processed and conducted as other customers. The intake of their plans would be handled on a first come-first serve basis in the order as they are received. This would effectively result in a delayed plan review process and issuance of construction permits.

#### **FISCAL IMPACT:**

The Port Authority shall be required to continue paying costs associated with Storm Water Drainage Review fees and other related reviews. Over the past eight years, an escrow account was established in order to cover these costs and funds were automatically debited from the account upon submission of relevant plans. Fire, Health and Historic fees were debited from the established escrow account, however, Stormwater fees have been typically paid separately by the Port Authority upon submission of plans associated with these types of reviews.

#### **RECOMMENDATION:**

Staff recommends approval of the Interlocal Agreement between the City of San Antonio and the Port Authority of San Antonio.