

**State of Texas
County of Bexar
City of San Antonio**



**Meeting Minutes
City Council B Session**

Council Briefing Room
City Hall
100 Military Plaza
San Antonio, Texas 78205

2023 – 2025 Council Members

Mayor Ron Nirenberg
Dr. Sukh Kaur, Dist. 1 | Jalen McKee-Rodriguez, Dist. 2
Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4
Teri Castillo, Dist. 5 | Melissa Cabello Havrda, Dist. 6
Marina Alderete Gavito, Dist. 7 | Manny Pelaez, Dist. 8
John Courage, Dist. 9 | Marc Whyte, Dist. 10

Wednesday, June 4, 2025

2:00 PM

City Council Chambers

The City Council convened a B Session meeting in the Norma S. Rodriguez Council Chamber in the Municipal Plaza Building beginning at 2:10 p.m. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

PRESENT: 11 – Nirenberg, Kaur, McKee-Rodriguez, Viagran, Mungia, Castillo, Cabello Havrda, Alderete Gavito, Pelaez, Courage, Whyte

ABSENT: None

BRIEFING ONLY

1. Update on a potential Downtown Sports and Entertainment District with a focus on the funding framework, infrastructure, community benefits agreements, and community engagement. [Erik Walsh, City Manager; Ben Gorzell, Jr., Chief of Financial & Administrative Services; Lori Houston, Assistant City Manager]

City Manager Erik Walsh introduced the Item and Chief of Financial and Administrative Services, Ben Gorzell, who presented an overview of the Project including a map of the proposed Sports & Entertainment District (SED). Gorzell also presented financing options. Tom Carter, Vice President of Pape Dawson, presented the site master plan and updates to the streets and park areas. John Gary Herrera and Rod Sanchez, with VIA Metropolitan Transit, presented VIA's plans for public transportation related to the SED. Assistant City Manager Lori Houston presented an overview of the Community Planning Workshops for the District.

DISCUSSION:

Mayor Nirenberg acknowledged that a ton of work had been done on the feasibility to help ease the burden to future leaders and provide good information to the community so they could determine if they wanted this investment. Mayor Nirenberg noted that this was a big goal to make downtown a premiere location for visitors and residents. He asserted that only new development would create the value that would provide the funding for the District. He was pleased that there was a discussion on community benefit from the beginning.

Councilmember Viagran wanted to ensure that the City moved forward with a new Housing Bond to meet the goals of the Strategic Housing Implementation Plan (SHIP). She commented that under the proposal, growth would pay for growth and she was pleased to see the robust community engagement plan. Councilmember Viagran supported the creation of a new District that would include a new arena for the Spurs. She recommended strong public private partnerships for the SED and supported the Community Benefits Agreement model.

Councilmember Viagran expressed concern about traffic congestion and was pleased that Pape Dawson and VIA were working on this but cautioned that this was only the beginning of discussion about reliable public and alternate transit options. She hoped the new SED would be a destination for our residents and visitors that was more than the sum of its parts including authentic and unique experiences to San Antonio.

Councilmember Cabello Havrda commented that the Project was transformational and would allow San Antonio to compete with other major cities for economic opportunities that exceeded sports and entertainment. She wanted to ensure that City Council remained enthusiastic about its neighborhoods and history as well as the Project. Councilmember Cabello Havrda asked if the community engagement would continue beyond the planning phase. City Manager Walsh stated that there would be additional touchpoints throughout the Project.

Councilmember Cabello Havrda recommended inclusion of workers and industry groups in addition to residents and businesses in the conversation. She recommended hosting some meetings in Spanish or providing language interpretation services at every meeting.

Councilmember Cabello Havrda requested sample copies of Community Benefits Agreements (CBAs) used as models from other cities to help inform our agreements. Councilmember Cabello Havrda requested clarification on required financial guarantees.

Gorzell indicated that the guarantees would be in dollars as well as other metrics.

Councilmember Cabello Havrda wanted to ensure that a robust transportation plan would expand beyond the District and its events, to everything happening downtown and asked if VIA would fund the costs. City Manager Walsh reported that VIA was conducting some operational feasibility studies that would help inform the costs and there could be options for additional funding through designated parking fees.

Councilmember Cabello Havrda recommended a plan for monitoring pedestrian/cyclist safety after the District was in place.

Councilmember Pelaez requested more information about management of the Project Financing Zone (PFZ). Gorzell stated that the PFZ was a geographic designation by State Law and the Texas Comptroller would collect the revenue to be used for the Project and send it to the City.

Councilmember Pelaez asked which source was best positioned to fund the Spurs Arena. Gorzell noted that none of the sources by themselves would be sufficient, but the PFZ would need to be used in conjunction with the new development. City Manager Walsh added that the Spurs and the Bexar County Venue Tax were an important component to fund the Arena.

Councilmember Pelaez noted that the Venue Tax required a public vote and would be critical to the Project and there were 400,000 registered voters that could not vote in City elections because they were not City of San Antonio residents; he recommended a plan to speak to Bexar County residents about the Project as they would also be voting on the Venue Tax. Assistant City Manager, Lori Houston commented that community workshops would begin next week in each council district and there would be robust outreach through partners and stakeholders as well as social media posts. City Manager Walsh added that the City would need to work in collaboration with Bexar County on the outreach and communications for the District.

Councilmember Pelaez warned that there would be an uphill battle for voters that felt betrayed over 20 years ago plus a faction of those who were disengaged and did not care. He recommended a review of lessons learned from other big projects. Houston provided the Alamo Master Plan as an example of a process that included changes to the Plan after public input. City Manager Walsh recommended robust reporting of the outcomes from the CBA to create trust.

Councilmember Whyte read a statement from Councilmember Alderete Gavito who urged partnerships with locally headquartered companies. She supported community meetings and recommended clear, consistent communication and transparency in the process. Councilmember Alderete Gavito's concern was transportation and parking but overall, she supported the Project.

Councilmember Whyte agreed that the Project had the potential to elevate San Antonio and was supportive of the Project because it would improve the quality of life for our residents

and produce revenue to help with other community needs. Councilmember Whyte continued to be disappointed with a lack of hard numbers on the cost and financing for the Spurs Arena and other District amenities, particularly for the community meetings. He urged the City, Bexar County, and the Spurs to develop a specific plan and provide it to the citizens so they could vote in November 2025 on the Venue Tax. Councilmember Whyte questioned why the City would start meeting with the community without answers. City Manager Walsh recommended collecting community feedback now even without specific commitments to be transparent and get input but committed to working toward clarity from the partners.

Councilmember Whyte urged incorporation of community thoughts into the plans. He expressed concern with the level of debt that was accumulating in the City, which was \$14,209 per capita according to the Texas Public Policy Commission (TPPC).

Councilmember Whyte requested a public safety impact analysis for the Project. He overall supported the project so long as it was done in a fiscally responsible and fair manner. City Manager Walsh indicated that public safety and traffic would be included in the feasibility of the Project and would carry throughout design and construction.

Councilmember Whyte agreed that issuing debt was important, but the developer guarantees would be critical to the City in managing financial risk and commented that the Texas Public Policy Analysis also included Electric and Water/wastewater, so it was not an apples-to-apples comparison with other Texas cities that did not own their utility companies. City Manager Walsh commented that every community engagement process was meant to collect input and provide that feedback to the City Council and incorporate it into the staff's recommendations.

Councilmember Courage noted that while he supported the San Antonio Spurs, he expressed concern with the cost of the overall Project. He asked when the Spurs' lease with the Frost Bank Center expired and when a new arena would open. City Manager Walsh stated that the lease would expire in 2032 and that would drive the opening date of the new arena.

Councilmember Courage suggested that there was more to consider than the Spurs Arena such as lighting, pedestrian mobility, traffic, public transportation, and even highway infrastructure. He asked if TxDOT had the money to make changes to the highway system. City Manager Walsh explained that TxDOT projects typically included a 20% local cost share if it was funded but there was a process for placement on the State Highway Budget.

Councilmember Courage asked what would happen if the Venue Tax or City Bond failed and suggested that talking with the community in June and July 2025 would give the voters enough time or information to decide at the November 2025 election. He noted that everything always cost more than initially anticipated and the return on investment was historically over anticipated. Councilmember Courage recommended more time since the lease would not be up for seven more years. He cautioned against moving the Project forward so quickly during a poor economy, budget cuts from Federal and State grants as well as rising energy costs and climate change, the need for affordable housing and other

basic needs amid a potential deficit in the City's General Fund. Councilmember Courage urged delay on the Project to allow the next City Council more time to learn about their roles, City Government, and the Project.

Mayor Nirenberg interjected that it was early in the project timeline, and it was important to have open debates about issues and not be afraid to talk to the public about our concerns when we did not have all the answers, we would never be able to accomplish big goals like we did with housing and other needs of the City, which did not wait for Mayors and Councilmembers to advance along the learning curve.

Councilmember McKee-Rodriguez expressed that everyone wanted to live in a vibrant community where families could thrive and visitors wanted to come, however, many of our residents still lived in poverty, particularly Black people. He noted that 34% of the City's roads were rated C, D, or F and residents waited for an hour for a bus at a stop without shade.

Councilmember McKee-Rodriguez noted the polluted air on the East Side due to the industrial zoning, food deserts, lack of access to medical care, and rampant needs for animal control. Councilmember McKee-Rodriguez stated that while he saw the benefit of the SED, he wanted to ensure that these investments allowed workers in the District to have competitive wages and for facilities to really be able to attract businesses and conventions and not be quickly outgrown so the City was stuck with adding more dollars to the District.

Councilmember McKee-Rodriguez wanted to ensure that new venues did not compete with the Frost Bank Center and the Coliseum on the East Side and while he was most excited for the land bridge, he was cautious that this was the most unlikely outcome from the Project.

Councilmember McKee-Rodriguez noted that when residents opposed the Project, they mainly were opposing the Spurs Arena and suggested that the Spurs could fund an arena on their own while the City focused on housing. Councilmember McKee-Rodriguez stated that the community would want to know which of the individual projects could not be completed without the new arena and these should be the most important aspects of a CBA. Councilmember McKee-Rodriguez supported Bexar County Venue Tax funding investment in the East Side Frost Bank Center and did not think that the money should be diverted to a new Spurs arena.

Councilmember Castillo did not feel comfortable using public dollars to support private interests and asked how much private money was expected to be received. Gorzell reported that his team had run mathematical models but needed firm commitments from partners. She noted without actual commitments of private investments, she could not support public investment of the General Fund or revenues from Ad Valorem Property Tax.

Councilmember Castillo noted that San Antonio taxpayers were responsible to fund General Obligation Bonds if those private developer guarantees fell through. She prioritized the needs of local families, basic infrastructure, and ways to improve the quality of lives for residents such as the need for affordable housing and homeless services, particularly when

the City was needing to cut budgets.

Councilmember Castillo asked whether using the Hotel Occupancy Tax (HOT) would impact funding of the Arts and suggested that this should provide more funding to the Department of Arts and Culture. Gorzell stated that HOT funded debt service on the convention center, Arts, Historic Preservation and Visit San Antonio (VSA) and as the HOT grew, so would those other funding pots. She recommended the need to support our arts nonprofits since they were being cut from other funders.

Councilmember Castillo reviewed the 2012 Hemisfair Plan and noted that it did not include a new Spurs Arena, a new music venue, or land bridge. City Manager Walsh noted that development along the eastern side of Hemisfair Park was planned back in 2012 but agreed that these items were not included. Councilmember Castillo expected fair wages, full time jobs, freedom to join unions, higher education funding, and ensuring that an affordable housing component was tied to the program, and she supported a new Housing Bond even if there was not a downtown SED. Councilmember Castillo requested information on how much had already been paid to Pape Dawson and the procurement process for their contract.

Councilmember Castillo supported the work of VIA to get more riders on the bus system. She expressed concern with congestion and the inhibition of emergency vehicles downtown.

Councilmember Kaur was excited for the community engagement plan and suggested that it should have been developed a long time ago. She agreed that community feedback should be real and there should be a large and diverse conversation to include neighborhood associations, businesses, employees, and residents. Councilmember Kaur asked Mario Pena, an Architect with Able City, about the community engagement experience. Pena stated that he wanted to ensure that it was not too late to provide meaningful feedback and that the input would be accepted; so, he recommended an immediate start of community engagement to provide guidance before key decision-makers went into negotiations. Pena mentioned that there was room to discuss topics such as housing, parking, transportation, or any other concern that the community might voice at the workshops.

Councilmember Kaur asked if the investment would really have a good return from conventions. She wanted to use VIA in a more coordinated way and wanted to see more residents use public transit such as the new Green Line to come downtown. Councilmember Kaur asked how big the new garage would be. Carter replied that the garage would hold 2,500 cars and 750 to 1,000 cars could exit per hour. Councilmember Kaur recommended more garages with diverse options for last mile transportation. She recommended extending street improvements down IH-35 to meet the needs of the residents and neighborhoods.

Councilmember Kaur asked what it might look like if the Mid-Town Tax Increment Reinvestment Zone (TIRZ) was not used to purchase the land from UTSA for the Arena. Gorzell stated that the money would have to come from somewhere to purchase the land. Councilmember Kaur recommended using various models for leases to ensure the best return for the City.

Councilmember Mungia asked about the Alamodome financing 30 years ago. Gorzell reported that it was paid through a half cent sales tax approved by voters and some Certificates of Obligation and did not include private funding. Councilmember Mungia noted that at that time there were discussions about parking, the Robert Thompson Transit Center, and commercial development such as a grocery store in the area and much of it never materialized. Councilmember Mungia recommended robust community input because most of his residents thought the SED was only a new Spurs Arena and his residents were more concerned with their neighborhoods.

Councilmember Mungia was interested in expansion of the VIA Kel-Lac Transit Center to a true park-and-ride site because there was not much nearby parking. Sanchez agreed that this was a goal but noted that the shopping center owner had not been interested.

Councilmember Mungia recommended more robust conversations as the process continued and asked City Manager Walsh what was planned beyond the community workshops. City Manager Walsh stated that there would be more City Council discussion, Bexar County would be meeting, and the State Comptroller was reviewing the Project Financing Zone (PFZ), however, any ballot measure would need to be ordered by City Council by August 18, 2025, to make it on the November ballot.

Councilmember Mungia asked about the Single Point Urban Interchange (SPUI) intersection plans on Cesar Chavez. Peterek explained that the rendering showed the intersection below IH-37. Councilmember Mungia asked how the proposed bond would impact the 2027 General Obligation Bond capacity noting that a decrease in capacity would not be acceptable to the residents of Council District 4.

Councilmember Pelaez commented that the Hemisfair ParkArea Redevelopment Corporation (HPARC) Plan, Alamodome, Alamo, Baseball Stadium, Hardberger Park Landbridge, Convention Center creation and expansion were all difficult projects, but all were developed in conjunction with a robust public engagement process while the City Council addressed other needs of the community. He noted that these projects were painful during construction in terms of traffic but were worth it. He did not want to diminish the need to improve housing, crime, and neighborhood infrastructure, which would still be addressed by the City and the City would be able to carry out this one-time stadium deal without jeopardizing other priorities.

Councilmember Kaur thanked the Spurs for coming up with a first draft of a CBA. She noted that during the Final Four, residents were able to experience incredible downtown events for free. Councilmember Kaur wanted to ensure that affordable housing was not only included but ensured to be built. Pena noted that the guiding principles would ensure robust community engagement and it was up to the City to ensure that those requests were included in the CBA.

Councilmember Kaur noted that there was a lot of work to do to help the community and the community wanted to know what the return on investment would be. Gorzell explained that the City had asked a consultant to perform an economic impact analysis of the District, which would be performed in the next three weeks. Councilmember Kaur encouraged

innovative thinking about the project.

Councilmember Castillo echoed the importance of community benefits that the community set the expectations for. She wanted to know exactly how much from the General Fund would be returned and was hopeful that this would be included in the economic impact study.

Councilmember Castillo asked where the lease for the arena funding would go. Gorzell stated that it would go to pay the bond. Councilmember Castillo requested a timeline and next steps.

Councilmember Castillo asked how the streets were identified for the Bond Program. Houston explained that these were the adjacent streets that were expected to experience the most impact in traffic from the District. Councilmember Castillo noted that there was a misconception that everyone in the PFZ radius would have to pay more taxes and their money would be redirected to the SED. She asked if any runoff candidates had been briefed. City Manager Walsh indicated that they had not.

Councilmember McKee-Rodriguez expressed support for Ready to Work, PreK 4 SA, SHIP, Vision Zero and the countless other plans. He supported a housing and infrastructure bond, and recommended that the Spurs contribute more than just the arena. Councilmember McKee-Rodriguez wanted to ensure that the CBA included what the community wanted.

Mayor Nirenberg stated that the proposal was a comprehensive and cohesive growth plan for downtown San Antonio as many of these projects were already underway. He noted that the question was the opportunity cost and if it would offset other needs or detract from them. He felt that this was a strong financial plan that only would work if the new development existed to support it.

EXECUTIVE SESSION

Executive Session was not held.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 5:10 p.m.

Approved

**Ron Nirenberg
Mayor**

**Debbie Racca-Sittre
City Clerk**