

State of Texas County of
Bexar City of San
Antonio



Meeting Minutes City
Council B Session
City Hall Complex
San Antonio, Texas 78205

2021 – 2023 Council Members

Mayor Ron Nirenberg

Mario Bravo, 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
Ana Sandoval, Dist. 7 | Manny Pelaez, Dist. 8
John Courage, Dist. 9 | Clayton Perry, Dist. 10

Wednesday, September 28, 2022

2:00 PM

Municipal Plaza Building

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

PRESENT: 10 – Nirenberg, Bravo, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Sandoval, Courage, Perry

ABSENT: 1 - Pelaez

ITEMS

1. Briefing regarding the City's Economic Development Department Strategic Framework.
[Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

City Manager Erik Walsh provided an overview of the Item and introduced Economic Development Department (EDD) Director Brenda Hicks-Sorensen who presented the draft Economic Development Strategic Framework with the purpose of soliciting feedback from the City Council. Hicks-Sorensen introduced consultant John Karras with TIP Strategies who provided a timeline of the input sessions and listed the data that was gathered to inform the Framework.

Karras mentioned five Guiding Principles that led to the creation of four Goals: 1) Innovation & Industry - Retain, expand, and attract businesses within each strategic industry cluster, provide more effective small business support, and facilitate innovation-centered entrepreneurship, 2) Placemaking & Real Estate – Accelerate place-based real estate development projects that create quality spaces for new jobs and investment in San Antonio’s regional centers and neighborhood economic nodes, 3) Talent and Workforce – Ensure San Antonio residents have accessible pathways to well-paying jobs and employers have access to a robust pipeline of talent, and 4) Capacity & Resources – Align the City’s economic development tools around strategic growth and coordinate with local organizations on shared goals and actions that benefit San Antonio as a whole.

Hicks-Sorensen outlined the FY 2023 priority implementation areas including: Business Intelligence, Data Analytics, Business Recruitment/Retention/Expansion (BRRE), Partnerships, Incentive Policies and Processes, San Antonio Economic Development Corporation (SAEDC), and Tax Increment Reinvestment Zones (TIRZ). The FY 2024 workplan included implementation of a robust BRRE program, focused on recruitment and retention of talent, implementation of the Disparity Study, and continued work from FY 2023. The FY 2025 workplan included evaluation of strategies implemented in the prior years.

DISCUSSION:

Mayor Nirenberg opened the discussion by encouraging Councilmembers to review the draft and commented that this was a framework, and more details would be added as the Implementation Plan was developed. He stated that this was an effort that began in 2017 and the discussion was related to incentives and equity, so he felt this comprehensive approach was important. Mayor Nirenberg suggested that the incentives discussion, partnership with outside entities, and the ability to look at City contracting opportunities in a significant way to help our local small businesses expand, focus our BRRE more and the SAEDC’s role to help lead the strategies. He stressed that the metrics were extremely important because what we measured would be the objectives accomplished and added that improving the economic health of our community while creating equity and reducing disparities was key. He called for a look at the big picture to include vibrancy indicators such as arts and culture.

Councilmember Rocha Garcia recommended highlighting what made San Antonio unique beyond Military City USA and other slogans, and noted that San Antonio was full of opportunities especially with investments in affordable housing, infrastructure, education, job training and public health and telling the unique story of San Antonio as well as touting our institutions of higher education was crucial. Councilmember Rocha Garcia suggested reviewing the composition of the San Antonio Economic Development Corporation (SAEDC) to ensure diversity. She also recommended coordination with Visit San Antonio on marketing and branding including measurable data to be able to determine the return on investment and recommended using information gained from other cities and prior San Antonio initiatives.

Councilmember Rocha Garcia recommended that disparity needed to be reviewed using disaggregated data including separating the economic status of long-term residents versus new residents, and areas of concentrated poverty to align with the principles of equity by looking at infrastructure, including digital infrastructure. Councilmember Rocha Garcia suggested that having one City Department manage and track the TIRZ would help show impact and potential disparities.

Councilmember Rocha Garcia suggested the use of apprenticeships, providing more educational opportunities for even the youngest children in childcare centers. She commented that data should include the impact of remote workers and cost of income tax for those who lived in other states as well as Port San Antonio, Brooks and other organizations committed to upscaling to provide need.

Councilmember Cabello Havrda stated that she was excited to see a comprehensive framework and noted the important work which had positioned our City for success. She supported business corridor development including Historic Old Highway 90 which deserved investment and protection of the area's culture and suggested that in addition to working with the Planning Department and Arts & Culture Department, she recommended coordination with Metro Health and Greater SATX. Hicks-Sorenson stated that as a part of the framework, they would focus on working with the neighborhoods and the Council District Offices including collaborations with other departments and economic development partners.

Councilmember Cabello Havrda requested clarification on the purpose of the Disparity Study. Hicks-Sorenson stated that the Disparity Study was updated regularly and informed the Small Business Economic Development Advocacy Program (SBEDA) policy. Councilmember Cabello Havrda agreed that measuring success and telling the San Antonio story was vital.

Councilmember Sandoval suggested that the recommended economic development strategies could also fight poverty if they focused on low-income communities and communities of color. She commented that Council District 7 had no regional centers, nor TIRZ, as it was mostly residential, but added that identifying the strategic corridors such as Fredericksburg Road, Culebra Road and Bandera Road could benefit from the Plan. Councilmember Sandoval mentioned that these roads were focused on transportation and safety but could use more of an economic development program. Hicks-Sorensen stated that placemaking could be a mega site development of industry but also cultural and resident-based.

Councilmember Sandoval supported creating more opportunities for local and small businesses such as the Bonding Assistance Program. Hicks-Sorensen noted that other cities had used some of their sales tax revenues for revitalization, real estate development, placemaking and job creation. Councilmember Sandoval suggested promoting new industries and unique opportunities for renewable energy.

Councilmember Perry requested more metrics on the return on investment and recommended

including the Military as an Industry in the Framework as there were 83,000 people employed by the military with a \$40 billion economic impact in San Antonio.

Councilmember Bravo asked how this Framework was different today because of the pandemic. Karras stated that the supply-chain restructuring and rapid rise of e-commerce, remote work and hybrid work, Federal funding, climate resiliency/climate change, and the Bond Program were considered within the Plan. Councilmember Bravo wanted to ensure that the most vulnerable populations were not left behind and recommended assistance with childcare and using TIRZ to help with placemaking.

Councilmember Viagran commented that sometimes we were too conservative with our revenue estimates which made our City's plans and strategies more conservative and commented that there were competing priorities and interests. Councilmember Viagran stated that long-forgotten corridors could use placemaking efforts and also suggested that government jobs at the Federal and State level should be considered as driver industries.

Councilmember Viagran recommended a focus on job training, university partnerships, and quality childcare through Educare. She recommended more definitions about what constituted a large, mid-size and small business. Councilmember Viagran thought there was too much focus on Greater SATX and suggested a partnership with the Chambers of Commerce instead and strategy of telling our story. She recommended measuring median wages by census tract, and changes in wages broken down by demographics to be able to develop strategies specific to those underserved areas.

Councilmember McKee-Rodriguez commented that residents would want to know what kind of amenities and investment would be brought to the East Side under the Plan. He noted that there was a disparity between white people and people of color regarding the ability to remote work. Councilmember McKee-Rodriguez expressed concern that areas on the East Side seemed to be perceived as having low potential but also had the greatest need and asked what actions could be taken to improve the situation. Karras responded that the focus groups ranked the different areas and acknowledged that the survey was nonscientific but raised an important question. Hicks-Sorensen added that there would be focus on the area within the Implementation Plan to identify specific investments.

Councilmember McKee-Rodriguez stated that every threat identified in the SWOT analysis existed on the East Side and asked how these could be overcome and suggested use of the equity matrix. Hicks-Sorensen recommended a wholistic approach to developing the Implementation Plan to move the needle and stated that EDD would coordinate with the Office of Diversity Equity and Inclusion (DEI). City Attorney Andy Segovia confirmed that DEI would work with EDD. Councilmember McKee-Rodriguez recommended focused investments in home-grown small businesses like the barbershops.

Councilmember Courage stated that business retention and assisting small businesses was critical to economic development and stated that businesses were attracted to opportunities and growth. He suggested that businesses were looking for: reliable energy and water resources, transportation including public transportation and the airport, financial

resources, quality of life, and a skilled workforce which would be accomplished through a strong education system from primary, to secondary to the college and university systems. Councilmember Courage stated that if we were going to overcome misperceptions about the aspects of our community that he previously listed, incentives might be necessary even though he generally disliked incentives.

Councilmember Castillo mentioned that she had some reservations about the framework because it did not recognize unionized labor as a major component to help workers earn more and improve the quality of life for all and reduce poverty. She supported some of the strategies such as the establishment of community benefits agreement when incentives or tax abatements were offered, more inner-city economic development, land trust for small businesses who were vulnerable to increasing property taxes and taking care of renters and homeowners to keep them safe from gentrification. She recommended more help for small businesses and language access, targeted broadband expansion and digital literacy programs and leveraging partnerships with the Business Development Organizations (BDO).

Councilmember Sandoval recommended standardizing incentive packages and coordination with Bexar County. Hicks-Sorensen stated that the plan was to better align the City's incentive policy with Bexar County, and they were anticipating to update the policy in late 2023. She also highlighted arts and cultural activities not just Fiesta, but other cultural events such as the MLK March and Dream Week. Councilmember Sandoval cautioned the expanded use of TIRZ because it shifted the tax burden to others that were not benefitting from the TIRZ, but suggested that TIRZ could be used in places where real estate and property tax wasn't the driver but the sales tax could be improved with investment.

Councilmember Sandoval asked about ways to change the status quo and how Union Labor could help eliminate some of the threats. Hicks-Sorensen stated that many stakeholders commented that San Antonio tended to be more conservative with economic development policies, thus keeping the status quo, and stated that union representatives were given the opportunity to review the Plan and they had recommended a focus on creating high-paying jobs and inclusion of apprenticeships in training.

City Manager Walsh closed the conversation by commenting that the SAEDC was a tool utilized throughout the State and stated that staff would look at other potential revenue options including, but not limited to, TIRZ.

2. Briefing on the release of a solicitation for parking optimization services at the San Antonio International Airport to elevate the parking experience and generate additional revenue for Airport operations and the Terminal Development Program. [Jeff Coyle, Assistant City Manager, Jesus Saenz, Director, Aviation]

City Manager Erik Walsh introduced the Item, mentioned the importance of the Terminal Development Program and stated that parking optimizations would not impact any of the parking employees. Director of Aviation, Jesus Saenz, presented an update on the Airport Infrastructure Grant, Airport Improvement Program Grant, other funding opportunities, the San Antonio International Airport (SAIA) Terminal Development Program and its contract opportunities, and a pre-solicitation briefing on parking optimization. Saenz provided a timeline, goals, and objectives

for each of the initiatives.

DISCUSSION:

Mayor Nirenberg supported the improvements and looked forward to the solutions which would improve our Airport.

Councilmember Viagran asked if this presentation had been made to the Transportation and Mobility Committee before the taxicab rates were increased and recommended consideration of the taxi rates. Saenz stated that State Legislation required operators to pay a fee for the airport and those fees had not changed even if there was an increase to the Taxi Rates.

Councilmember Cabello Havrda requested the amount of revenue generated by the Airport parking lots and what happened when the garages were full. Saenz stated that the revenues were \$26 million in 2019 pre-pandemic, revenues declined in 2020 and 2021 due to the COVID-19 Pandemic and were up to \$25 million in 2022, and were projected to be \$26.7 million for FY 2023 adding that although the garage had closed because it was full, SAIA offered valet service and surface lots as parking options.

Councilmember Cabello Havrda recommended that taxi services be readily available for persons with disabilities. Saenz confirmed that there was a dedicated handicapped accessible staging area for Taxis and SAIA had ground transportation staff available to assist individuals with disabilities. Councilmember Cabello Havrda asked about the plan to add new airport capacity. Saenz replied that additional gates, runways and roadways would be expanded commensurate with the demand.

Councilmember Courage requested the rates for each type of parking in comparison to Austin and how a reservation system might work related to premium spaces. Saenz stated that parking optimization could increase revenues by 30% to 50% and could even decrease the cost to the airport if run privately but it would depend on how and what vendors proposed. Councilmember Courage expressed concern that increasing the prices of parking could cause disparities for persons not willing/able to spend a lot of money or might even price them out of our Airport and force them to drive.

Councilmember Sandoval asked for the total value of the parking optimization contract. Saenz stated that it was dependent on the proposals that might be received but stated that the solicitation would favor the best value that SAIA could get. Councilmember Sandoval asked how long the parking garage was closed due to being at capacity. Saenz stated that garage closures had been as short as 10 minutes, but that they had documented 50 closures, and committed to providing the total cumulative number of hours the parking garage was closed this year after the meeting. Saenz added that people were encouraged to use the Guaranteed Parking Program, surface lots and Valet Program.

Councilmember Sandoval commented that an adverse experience with parking could cause a loss of customers and suggested alternative options like more shuttles including advertising VIA Metropolitan Transit (VIA) services through the SAIA website. Saenz stated that the entire purpose of the solicitation was to create optimization and leverage partnerships with ground

transportation and other resources, and they would explore partnerships with VIA as their shuttle program was new. Assistant City Manager Jeff Coyle confirmed that the City's website included VIA as an option.

Councilmember Sandoval requested the annual amount of revenue generated per parking space.

EXECUTIVE SESSION

Executive Session was not held.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 4:28 PM.

Approved

**Ron Nirenberg
Mayor**

**Debbie Racca-Sittre
City Clerk**