

**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 | Michael Gallagher, Dist. 10

Wednesday, January 11, 2023

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 9:00 AM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

PRESENT: 11 – Nirenberg, Bravo, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Sandoval, Pelaez, Courage, Gallagher

ABSENT: None

ITEMS

1. Briefing on the COVID/ Construction Recovery Grants Program. [Alejandra Lopez, Assistant City Manager; Brenda Hicks-Sorensen, Director, Economic Development]

City Manager Erik Walsh introduced the Item and Director of Economic Development Brenda Hicks-Sorensen who provided an overview of the \$400,000 Construction Mitigation Program and the COVID/Construction Recovery Grants Program for small businesses. City Manager Walsh commented that the City was tasked with delivering much needed construction projects to our community which could include challenges for residents and businesses during the construction project. City Manager Walsh outlined the following capital project priorities: hold the City's

contractors accountable, offer incentives for early completion, coordinate with utilities, and keep stakeholders informed. City Manager Walsh noted that there was an Item on the January 26, 2023 agenda to create a new Streets, Bridges & Sidewalks Advisory Board to oversee the projects.

Director of Economic Development Brenda Hicks-Sorensen provided background information on the impact of the COVID-19 Pandemic on small businesses and construction projects related to staffing shortages, inflation, and supply chain issues. Hicks-Sorensen stated that \$400,000 was allocated in the FY 2023 Budget to create a Construction Mitigation Pilot Program that would identify direct and indirect assistance measures for small businesses along City-initiated construction projects lasting longer than 12 months.

Hicks-Sorensen listed a unified branding strategy, marketing and promotion of small business, small business toolkit and technology improvements as a part of the program and described previous efforts. Hicks-Sorensen reported that small businesses had received financial assistance from the COVID Impact Grant Program, and proposed using an additional \$2.25 million to fund one-time cash assistance to eligible small businesses recovering from COVID-19 in commercial corridors impacted by long-term City-initiated construction projects in 15 identified corridors. Hicks-Sorensen outlined eligibility criteria, scoring criteria, grant amounts, and eligible grant uses. She provided a timeline and noted that the non-profit micro lending institution, LiftFund, would be contracted to deliver the program.

City Manager Walsh clarified that the timeline and program was within the ARPA Framework approved by City Council which meant that she was authorized to implement the program immediately if City Council provided favorable feedback during the meeting.

Mayor Nirenberg stressed that the most important task would be to get the projects completed timely and efficiently but recognized that many local businesses were impacted by those projects and spoke in support of the program and its swift implementation.

Councilmember Rocha Garcia spoke in support of overcommunication with affected businesses, the incentives to complete the project early but cautioned that some smaller contractors might not be able to access those incentives. Councilmember Rocha Garcia stated that she had previously requested grants for impacted small businesses and expressed support that this was finally included as a component of the program. Councilmember Rocha Garcia clarified that the COVID Impact Grants of \$10,000 were for losses related to COVID-19 and provided clarification on the Growth Fund. Hicks-Sorensen stated that the Growth Fund was to support those small businesses that were growing to help them access capital.

Councilmember Rocha Garcia commented that there was significant investment in small businesses in the various ARPA categories and asked how much had already been spent on the small business plan. Hicks-Sorensen stated that \$17.6 million had been spent and the rest were in the planning stages. Councilmember Rocha Garcia recommended a dashboard and updated quarterly reports. Deputy City Manager Maria Villagomez stated that the City Council would receive an update on January 26, 2023. Councilmember Rocha Garcia recommended strong coordination between the Public Works and Economic Development Departments and requested a report on upcoming projects.

Councilmember McKee-Rodriguez noted that construction improvements were overdue and necessary but wanted to ensure that businesses who had been waiting for the investment were able to survive during the construction period and requested that the North New Braunfels corridor be included in the program. Councilmember McKee-Rodriguez recommended that the program be included in the Public Works project budgets in the future to help small businesses as construction continued in the future.

Councilmember McKee-Rodriguez requested the equity scores for all 15 corridors and recommended prioritizing businesses who employ formerly incarcerated individuals. Hicks-Sorensen commented that incorporating those additional considerations might create an undue burden on the small businesses in the application process for the grants. Councilmember McKee-Rodriguez recommended more equity to be built into any future programs.

Councilmember Pelaez, Chair of the Economic & Workforce Development Committee (EWDC), thanked the Committee for their work and commended the work of the Small Business Advisory Committee (SBAC). Councilmember Pelaez noted that maintenance of City infrastructure and improving the lives of our residents and businesses was a responsibility of the city government reflected in its charter. Councilmember Pelaez noted that the City had allocated not only City funds but also Federal and State funds to help small businesses over the past few years and fully supported the new program and the recommendation of Councilmember McKee-Rodriguez for a permanent grant fund in the future.

Councilmember Bravo commented that North St. Mary's and Broadway were two of the most adversely impacted business corridors due to City construction projects and noted that he had asked for the recommended \$10,000 grants but recalled that some types of businesses such as bars and live music venues fell through the cracks. Councilmember Bravo spoke in support of the new program, thanked EWDC members for prioritizing the program and staff for being creative in finding funding within the current budget. Councilmember Bravo lauded the program as a good start to make sure no businesses had to close as a result of City construction projects but also recommended a quick implementation and flexibility in the program.

Councilmember Cabello Havrda thanked all the small business owners for their patience and feedback. She spoke in support of the program noting that access to capital for small businesses provided access to opportunity. Councilmember Cabello Havrda recommended streamlining the process to get the grants out more quickly and a robust business outreach. Hicks-Sorensen stated that the recommended three month timeline was optimum to allow LiftFund to be ready to manage the program and give the businesses enough time to learn about the opportunity and apply.

Councilmember Castillo commented that over \$1 billion in projects were in the pipeline so this program was sorely needed for our small businesses, noting that the SBAC had advocated for the grants. Councilmember Castillo recommended that the local Business Development Organizations assist with outreach and intake for the grants on the business site using tablets and mobile devices. Councilmember Castillo requested clarification on the contractor scorecard on their schedule.

Razi Hosseini, Director of Public Works, described the contractual requirements for contractors to provide liquidated damages for each day's delay on a construction project schedule. City Manager

Walsh stated that the new scorecard would help the City declare a bidder to be non-responsive if they failed to meet schedule requirements on a contract.

Councilmember Viagran commented that EWDC had requested the program back in December 2022 and stated that it was overdue. Councilmember Viagran noted that Goliad Road and S. Presa Street projects were not on the list and requested the scores for the corridors.

Hicks-Sorensen stated that the projects were not included because they were completed outside of the timeline. Councilmember Viagran expressed concern about the cutoff dates for the projects that were included because many small businesses in Council District 3 had already closed due to construction and these were not included.

Councilmember Courage commended staff for moving the program forward but commented that it was not a final solution as impacts to local businesses were significant not just for city-initiated construction but also due to private development projects. Councilmember Courage recommended a partnership with the development community and suggested that public improvement districts in development in the extraterritorial jurisdiction could be a model for the program.

Councilmember Courage expressed concern that there might not be enough money and suggested a review of the program with the mid-year Budget to help support more grants. City Manager Walsh noted that in late February 2023, staff would provide an ARPA update and City Council could decide to move money at that time.

Councilmember Sandoval supported more frequent communication and the grants but asked how incentives for completing projects early could be accomplished but recommended a review of best practices related to incentives. City Manager Walsh stated the incentive terms would need to be included in future contracts. Councilmember Sandoval challenged staff to find a better way to make the businesses more accessible during construction. Councilmember Sandoval recommended providing grant applicants with technical assistance to help navigate the application and process.

Mayor Nirenberg summarized that the consensus of the City Council was to move forward with the program as businesses needed the relief immediately. City Manager Walsh added that he would evaluate the timeline and criteria for eligibility date to ensure projects were not left behind.

2. Briefing on the proposed Federal Legislative Program for the 118th Congress. [Jeff Coyle, Assistant City Manager; Sally Basurto, Director, Government Affairs]

City Manager Erik Walsh introduced the Item and Sally Basurto, Director of Intergovernmental Relations who provided an overview of the 118th Federal Legislative Program. Basurto stated that the two-year program guided staff and their consultants in their advocacy on behalf of the City before Congress, the Administration and Federal Agencies.

Basurto listed the seven pillars of the program: 1) Infrastructure, resiliency, and transportation, 2) Housing, 3) Workforce and training, 4) Public health and human services, 5) Economic and community development, 6) Military protection, and 7) Public safety. Basurto listed numerous local

partners which the City coordinated in support of their legislative agendas that enhanced the health, safety and vitality of the community, provided it did not conflict with the City's own legislative agenda.

Mayor Nirenberg opened the discussion and spoke in support of the program.

Councilmember Rocha Garcia highlighted specific housing strategies to create more opportunities for permanent supportive housing that had been hailed as a model by the President to help end homelessness. Chief Housing Officer Mark Carmona reported that the President's strategies aligned with ours and was hopeful that there would be funding planned to help improve communication, outreach, and reporting. Councilmember Rocha Garcia expressed support for more assistance for small businesses impacted by construction at the State and Federal level.

Councilmember Pelaez, Chair of the Intergovernmental Relations Committee, spoke in support of the Legislative Program and thanked staff for their work in creating a bipartisan delegation noting that there had been some good wins for our community in the past. Councilmember Pelaez asked if the city's finances such as bonding or other investments were impacted by the Federal government stalemate on raising the debt ceiling or threats of a government shutdown. City Manager Walsh stated that our finances had not been impacted in the past by the Federal Budget except for our grants.

Councilmember Cabello Havrda recommended coordination with the San Antonio Food Bank on bills that might help provide food assistance and especially to our military families. She also supported including help for military spouses who might have transferrable licenses. General Juan Ayala, Director of the Office of Military Affairs, stated that they were currently working on this type of legislation related to licensing. Councilmember Cabello Havrda recommended that housing for former foster children be included in the Housing Pillar.

Councilmember Viagran recommended more funding for broadband expansion, help for seniors and traction on the conversation about Deferred Action for Childhood Arrivals (DACA) immigrants.

Councilmember Castillo recommended more support for housing, particularly funds to retrofit buildings and preserve older housing stock. Councilmember Castillo supported more Federal funding for drainage projects and overall supported the Legislative Program.

Councilmember Gallagher thanked staff for the briefing and was pleased that the program included support for our military bases, service members and their families.

Mayor Nirenberg thanked staff for the briefing and closed the discussion.

EXECUTIVE SESSION

Mayor Nirenberg convened the meeting into Executive Session at 4:32 PM to deliberate the following:

- A. Economic development negotiations pursuant to Texas Government Code Section 551.087 (economic development).
- B. The purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072 (real property).
- C. Legal issues related to litigation involving the City pursuant to Texas Government Code Section 551.71 (consultation with attorney).
- D. Legal issues relating to COVID-19 preparedness pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Mayor Nirenberg reconvened the City Council in Open Session at 5:17 PM and announced that no official action was taken in Executive Session.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 5:21 PM.

Approved

**Ron Nirenberg
Mayor**

**Debbie Racca-Sittre
City Clerk**