

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
EXTERNAL RELATIONS DEPARTMENT**

TO: Mayor and City Council

FROM: Jim Campbell, External Relations Director

THROUGH: Terry M. Brechtel, City Manager

COPIES: Veronica M. Zertuche, Deputy City Attorney; File

SUBJECT: 2003 Federal Initiatives Program – 108th Congress, 1st Session

DATE: February 6, 2003

SUMMARY AND RECOMMENDATION

An ordinance approving the City's 2003 Federal Initiatives Program for the 108th Congress – 1st Session. The program includes ten (10) initiatives, both legislative and regulatory, to be addressed by Congress and various agencies of the federal government.

Staff recommends approval of this resolution.

BACKGROUND

The 1st Session of the 108th Congress convened on January 7, 2003. Preparation for the new Congress began in November 2002 with a solicitation for federal initiative recommendations by the External Relations Department. Recommendations were received from the Mayor and City Council, City departments, and local public agencies, such as Brooks City-Base, City Public Service, KellyUSA, San Antonio Housing Authority, University of Texas at San Antonio and the University of Texas Health Science Center.

The recommendations were reviewed by the City's Federal Government Affairs Team, which is comprised of staff from the External Relations Department and the City's federal lobby team. The team proposed a list of priorities to the City Council Intergovernmental Relations Committee, which, in turn, finalized and recommended adoption of the legislative program to the full Council. The Council Intergovernmental Relations Committee is chaired by Councilwoman Bonnie Conner, and includes councilmembers David Carpenter, Antoinette Moorhouse, Bobby Perez and Carroll Schubert.

The City's 2003 Federal Initiatives Program consists of ten (10) initiatives. In order for an initiative to be included in the City's federal program, it must meet one of the following three criteria: (1) it must be San Antonio-specific, (2) it must address an issue where San

Antonio is disproportionately affected, or (3) it must be universal in effect, but to ensure success, San Antonio must take primary responsibility and play a leading role in its passage.

POLICY ANALYSIS

The 2003 Federal Initiatives Program for the 1st Session of the 108th Congress addresses legislative and regulatory issues related to the funding and development of a comprehensive homeland security plan for San Antonio, obtaining an \$81 million Letter of Intent (LOI) from the Federal Aviation Administration for the San Antonio International Airport; supporting a national energy policy that promotes the increased production, supply, transportation, and conservation of domestic energy resources as well as safeguarding the interests of municipally-owned electric utilities; advocating initiatives that will maximize the economic value of San Antonio's current and former military bases in preparation for the 2005 Base Closure and Realignment process; obtaining a two-year "port of entry" designation for the San Antonio International Airport; and supporting legislation to enhance logistics/distribution and trade promotion capabilities related to the Inland Port San Antonio initiative.

Appropriations and grant-based initiatives include securing \$63.9 million to enhance the City's Emergency Operations Center and to carry out the objectives of the *Anti-Terrorism Plan for Bexar County and San Antonio*; \$18.8 million from the U.S. Department of Housing and Urban Development to assist in the redevelopment of the Victoria Courts; \$5 million to support the educational research and development efforts at the Center for Infrastructure Assurance and Security at UTSA; \$3.52 million in federal funding for phases IV and V to complete the Mission Trails Project; \$3 million in financial support to plug abandoned water wells in Bexar County; \$2.8 million in continued funding to support facilities and research at the Brooks City-Base Center of Excellence in Biotechnology/Bioprocessing Education and Research; \$2.5 million in federal assistance to establish the KellyUSA Material Science and Engineering Lab & Center of Excellence; \$1.7 million in direct funding to the San Antonio Water System to upgrade security infrastructure and develop security and threat assessment training for its employees; securing available funding from the federal Departments of Defense and Transportation to expand San Antonio's existing Intelligent Transportation System infrastructure; and supporting significant funding increases in federal surface transportation programs through the reauthorization of the Transportation Equity Act of the 21st Century.

The government affairs team of *Loeffler, Jonas & Tuggey, L.L.P.* will play a lead role in representing, advising and consulting on behalf of the City. Additionally, the City will continue to work closely with the U.S. Conference of Mayors and the National League of Cities on a variety of municipal issues pending before Congress and the Administration.

FINANCIAL IMPACT

There is no financial impact with the approval of the 2003 Federal Initiatives Program for the 108th Congress – 1st Session.


COORDINATION

This item has been coordinated with the City Attorney's Office as well as each City department that submitted an initiative for consideration.

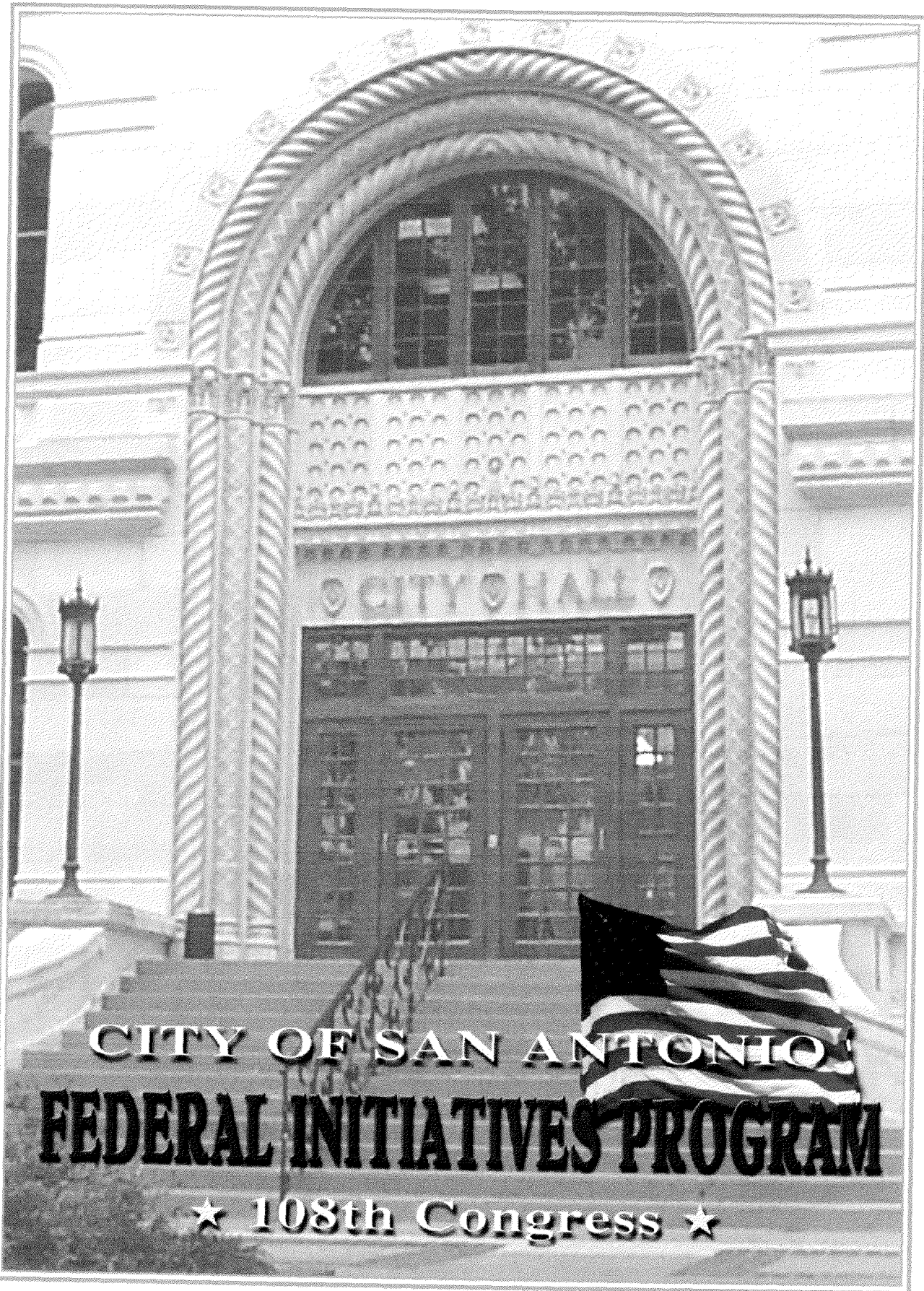


Jim Campbell, Director
External Relations

Approved by:



Terry M. Brechtel
City Manager



CITY OF SAN ANTONIO
FEDERAL INITIATIVES PROGRAM

★ 108th Congress ★

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Homeland Security Appropriations

PROPOSAL

To support block grants or direct appropriations in the amount of \$63.9 million, which will be utilized to implement the training, equipment, enforcement strategies and related goals and objectives of the *Anti-Terrorism Plan for Bexar County and San Antonio*.

BACKGROUND

Since the tragic events of September 11, 2001 the City of San Antonio and Bexar County have joined forces to develop a framework for building on their existing local governance partnerships for emergency management. Working with currently available resources, they have strengthened their existing systems, made them more efficient and insured that the best emergency response services will be delivered to its citizens. However, to address the pressing need for improving homeland security, both governments have analyzed their future needs and have formulated a needs assessment that is addressed in the following anti-terrorism strategic plan.

The *Anti-Terrorism Plan for Bexar County and San Antonio* is divided into 11 distinct categories that separately addresses a specific need, but collectively, provides both Bexar County and San Antonio a seamless, comprehensive, coordinated emergency operating system, capable of responding to all natural disasters or attacks by chemical, biological, or nuclear agents, or any other terrorist actions. These categories are as follows:

Category 1 - Emergency Operations:

City of San Antonio

- Emergency Operations Center, remodeling, enhanced communication equipment;
- Fire, command vehicle, rescue equipment;
- Haz-mat, equipment and training;
- Police, command vehicle and equipment; and
- Emergency Medical Service, equipment and training.

Bexar County

- EOC, Sheriffs, Medical Examiner, fire, equipment and training.

Total \$8,100,684

Category - 2 Terrorist Investigations:

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- Create a full-time anti-terrorism investigator assigned to the Bexar County District Attorney's Office anti-terrorism task force.

Total \$61,210

Category 3 - 911 System

Virtual Emergency\Event Management System (VEEMS)

- Multiple jurisdiction access;
- Multiple incident capability;
- Call-back notification system;
- Web-based incident management; and
- Mapping and plumbing software.

Total \$793,798

Category 4 - Public Health:

- Lab upgrades;
- Technological/communications;
- Pharmaceuticals;
- Personal Protective Equipment; and
- Training.

Total \$497,835

Category 5 - Public Education:

- Child/Day Care education program; and
- Shelter-in-place public education program.

Total \$204,743

Category 6 - Hospitals:

- Communications;
- Surveillance;
- Personal Protective Equipment;
- Facilities;
- Decontamination; and
- Training.

San Antonio has 14 major Hospitals (Baptist system 5, Methodist system 4, Christus Santa Rosa System 2, Nix, SWG, University).

Total \$49,055,486

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Category 7 - Emergency Operations Center:

- Combined City/County Emergency Operations Center Facility;
- Medical Operations Center included in facility;
- Military Liaison capability; and
- Additional personnel.

Total \$7,221,500

Category 8 - School Districts:

- Review and revise Crisis Response Plans; and
- Disaster planning education.

Total \$208,600

Category 9 - Medical Preparedness:

Working Committees

- National Pharmaceutical Stockpile;
- Public Health;
- Education; and
- Hospital-EMS.

Total \$144,500

Category 10 - Research and Development:

- Identification of threats;
- Identification of more effective responses;
- Partners; and
- City of San Antonio, Bexar County Office of Applied Solutions, Texas Engineering Experiment Station (TEES), University of Texas San Antonio Center for Infrastructure and Assurance, Air Intelligence Agency at Lackland Air Force Base.

Funding from sources outside of this request

Category 11 - Private Sector Development:

Enhancement of biotech, technology support and education

This effort will be coordinated through:

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- San Antonio Institutional and Military Partners Accelerating the Commercialization of Technologies for Security (SA IMPACTS); and
- As well as over 200 other participants.

Brooks City-Base Center of Excellence in Biotechnology/Bioprocessing Education & Research

To secure a one-year \$2.8 million federal appropriation for the facility renovation of a building at Brooks City-Base as well as to fund related educational research that will help prepare the city, state and country for a possible bio-terrorism attack.

The University of Texas at San Antonio (UTSA), in conjunction with Brooks City-Base, has been working to create a Center of Excellence in Biotechnology/Bioprocessing Education and Research (CEBBER) to be located at Brooks City-Base. A total of \$3.1 million has been already been appropriated by Congress to renovate and equip an existing building, which will be used in the research of cell and tissue culture and bacterial growth. The state-of-the-art equipment will be used to purify materials used in vaccine development, biosensor production and biological pharmaceuticals, all of which address urgent national needs and, in particular, address possible terrorist biological attacks with biological and chemical weapons. Additional non-federal funding will be sought. In December 2002, a Texas foundation donated \$700,000 to purchase additional equipment.

The funding request of \$2.8 million will be utilized for start-up costs, such as staffing, research and development and operational support of the facility. The goal is to bring this facility to full operation in a minimal amount of time so that the development of biosensors, vaccines, related scientific discoveries and the training of personnel, is done in a timely manner for use in our national defense.

Center for Infrastructure Assurance and Security (CIAS)

To secure a one-year \$10 million federal appropriation from the Department of Defense Appropriations bill to support the research and development efforts of the Center for Infrastructure Assurance and Security (CIAS).

The CIAS would leverage San Antonio's assurance infrastructure and security strengths by helping to overcome the nation's shortage of IAS talent and resources. The CIAS would serve as the anchor for a collaborative, multi-tiered program, coordinating its efforts between the Air Intelligence Agency at Lackland AFB, private sector IAS companies, local colleges and universities, and other related training and research institutions. The hope is that CIAS would become the funding source to support undergraduate as well as graduate research to develop San Antonio's base of IAS talent, positioning the city to make significant contributions to homeland security.

Vaccine Production Facility

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To support the creation of a Department of Defense (DOD) vaccine production facility in San Antonio, preferably at the Brooks Technology and Business Park, and to support the development of San Antonio as a recognized center for homeland security research and development.

With the federal government's increased emphasis on homeland security, it is anticipated that there will be renewed efforts to accelerate the research, development and testing of new medical countermeasures to protect citizens from biological warfare agents. Recently, the Secretary of Defense received authority under the 2002 National Defense Authorization Act to design and construct a vaccine production facility to prevent and mitigate the effects from exposure to chemical and biological agents. In response, the City of San Antonio, in partnership with academic institutions, bio-medical organizations, utility providers and other stakeholders, began leveraging its broad-based research, medical and biotechnology assets to pursue homeland security research and development grants. Securing these types of grants will greatly enhance the city's ability to attract a federal vaccine production facility as well as facilitate the success of Brooks City-Base, spur growth in San Antonio's strong bioscience and information technology sectors, and provide new good paying high-tech jobs for the local area.

Water Quality & Infrastructure Security

To secure \$3 million to plug abandoned water wells in Bexar County and \$1.7 million to meet the San Antonio Water System's (SAWS) infrastructure security needs.

Abandoned water wells pose a serious threat to groundwater resources, a liability risk to landowners, and a safety hazard to children and animals. Additionally, they allow water runoff to flow directly into the Edwards Aquifer, often carrying fertilizers, pesticides, herbicides, urban pollutants and waste from both wildlife and livestock. Abandoned wells are also susceptible to intentional terrorists acts of contamination. Currently, no mechanism exists to fund the plugging of abandoned wells located on land for which the owner cannot be located or does not have sufficient funds.

As for SAWS' security needs, the City's municipal water utility has taken aggressive steps to safeguard the community's water supply in the wake of September 11th. It is currently looking to fund its proposed security improvements by targeting funding opportunities aimed at protecting municipal water systems. If SAWS is successful in gaining federal assistance, these funds will be used to implement a chemical-biological contaminant monitoring system, conduct security audits and threat assessments, enhance its "first responder" training, and strengthen employee screening.

FINANCIAL IMPACT

The financial impact of this initiative cannot be determined at this time. It is anticipated that the full appropriations request will be received over several years. There may be increased operational costs to the City for the successful completion of enhancements to the Emergency Operations Center, but these costs will only be known as funding is secured.

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HOPE VI

PROPOSAL

To secure \$18.8 million in HOPE VI funding from the federal Department of Housing and Urban Development to assist with the redevelopment of the Victoria Courts.

BACKGROUND

HOPE VI

Revitalization of Severely Distressed Public Housing – The City supports the reauthorization of the HOPE VI program at the proposed funding level of \$625 million for FY 2003. In addition, the City will advocate that the definition of “severely distressed public housing” be amended to: enable local housing agencies to serve all public housing populations, including families; give equal emphasis to physical and social or community distress; and (3) reduce the emphasis on, or requirement for, demolition of public housing units as a criteria for approving an application or redevelopment plan.

Revitalization of the Victoria Courts – The City envisions utilizing federal grant funds to build a new 602-unit mixed-income residential community. The revitalization plan for the Victoria Courts will be comprised of 430 mixed-income rental units and 172 home ownership units of varying types – stacked duplex, town home, condominium and single-family units. Twenty five percent of the new housing will be public housing units integrated throughout the development, 66 percent will be targeted to market rate families and nine percent will be aimed at low-income families. The existing community center is slated to be renovated and will serve both new and neighborhood residents. Victoria Courts will have integrated green space, including a six-acre park with pedestrian walkways and a dual-use sports field. In keeping with the character of the historic Lavaca neighborhood, the building architecture will utilize materials found throughout the area, such as limestone facades, tin roof and prevailing Victoria color schemes. The net result will be a development that provides affordable housing and helps to revitalize the downtown area economy with retail stores and recreation sites for the residents and community in and around the Victoria Courts.

FINANCIAL IMPACT

If the San Antonio Housing Authority is successful in obtaining an \$18.8 million grant award to complete its proposed revitalization plan of the Victoria Courts, it will revitalize an important part of San Antonio’s “inner city” by preserving the area’s local heritage, providing affordable housing and improving the quality of life for community residents.

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Inland Port San Antonio

PROPOSAL

To support federal legislation and/or regulatory action that will enhance the logistics, distribution and trade promotion capabilities related to the Inland Port San Antonio initiative, specifically those that involve the deployment of the International Trade Data System (ITDS) and the implementation of cross border trucking.

BACKGROUND

The Inland Port San Antonio concept promotes all of the transportation and logistics facilities and services related to international trade processing in San Antonio. More than 50 percent of all goods flowing between the United States and Mexico travel through San Antonio before reaching their final destinations. San Antonio's strategic logistics and transportation assets include its direct access to Interstates 10, 35, and 37 and an additional four U.S. highways; its coast-to-coast rail links; a Union Pacific intermodal rail facility adjacent to KellyUSA; and two airports with air cargo capability (KellyUSA and San Antonio International Airport).

Specific federal legislative/administrative items to address in 2003 include:

International Trade Data System (ITDS) Deployment/Demonstration Project for San Antonio – ITDS is a federal government information technology initiative (Initiative IT06) of the National Performance Review. The goal of ITDS is to implement an integrated government-wide system for the electronic collection, use, and dissemination of international trade data. ITDS facilitates information processing for businesses and over 100 federal agencies involved in international trade.

With ITDS, traders will submit standard electronic data for import or exports only once to ITDS. ITDS will then distribute this standard data to the pertinent federal agencies that have an interest in the transaction for their selectivity and risk assessment. Shippers using ITDS will be able to use special expedited lanes at border crossings dedicated to ITDS traffic. ITDS is designed to improve the efficiency and security of U.S. border ports of entry. Implementation of ITDS is critical to the long-term viability of San Antonio as an inland port and center for trade processing. An efficient and congestion-free border is necessary for San Antonio to become an economical option for distribution logistics activities vis-à-vis Mexico. ITDS was tested through a prototype program called the North American Trade Automation Prototype (NATAP), in several locations including San Antonio. The San Antonio test, conducted by Ryder Integrated Logistics at KellyUSA, demonstrated that the system could work effectively from off-border locations such as San Antonio.

According to officials with the U.S. Department of Transportation (US DOT), ITDS is scheduled to be deployed in late 2003. Because ITDS has built-in security enhancement

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features, the Office of Homeland Security, US DOT, and federal Customs officials have placed ITDS on a fast track for implementation. However, in order for the expedited schedule for ITDS deployment to be maintained, it must be fully funded by Congress. In addition, it is vital that Laredo be one of the first ports of entry to have ITDS deployment. Laredo is the busiest port along the U.S.-Mexico border. As such, it is important to ensure that it continues to operate as efficiently as possible. It is also the primary border crossing for trade with Mexico moving in and out of the San Antonio region. Officials in Laredo have expressed their support for the implementation of ITDS and its deployment in Laredo. It is an initiative strongly supported by the new Laredo-San Antonio Corridor Coalition.

Because ITDS is designed to allow shippers to use the system from near and remote locations, it is essential to demonstrate that the system can work efficiently for shippers located far away from the border. It is also important that San Antonio begin benefiting from the ITDS deployment in Laredo immediately. To this end, San Antonio is seeking to have a demonstration project established between itself and the city of Monterrey, Nuevo Leon as part of the Laredo deployment of the system, which will show the capability of ITDS for shippers located in both two cities.

To implement ITDS, the following objectives must be achieved: (1) obtain support from the San Antonio congressional delegation for the full funding of ITDS; (2) request that Congressman Henry Bonilla place language in the appropriations bill to fund ITDS as well as requiring that Laredo become one of the first two border ports of entry to where the system will be first deployed; and (3) insert additional language that requires Customs and the US DOT to establish a demonstration project between San Antonio and Monterrey as part of the Laredo deployment of ITDS, with a \$500,000 earmark in the appropriations bill to fund it.

Implementation of Cross Border Trucking - With President Bush's recent announcement that Mexican trucks will be allowed beyond the 20-mile commercial zones of the 27 border cities, San Antonio's Free Trade Alliance will be working to train and prepare Mexican carriers so they can begin operations as soon as the border opens. Cross border trucking will allow shippers in the U.S. and Mexico to transport their products from destinations in the interior of Mexico to destinations in the interior of the U.S. (or vice versa). Because the success of cross border trucking is an essential element of the Inland Port San Antonio concept, it is very important that local, state and federal officials closely monitor its implementation in order to address any regulatory or logistical impediments that may arise.

FINANCIAL IMPACT

The fiscal impact on the City of San Antonio's budget is contingent upon the success of this initiative. Although increased demand on the City's infrastructure is anticipated, the economic benefit is expected to create a net positive result.

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International Airport Letter of Intent Funding

PROPOSAL

To obtain an \$81 million Letter of Intent (LOI) for airport grant funding from the Federal Aviation Administration (FAA) to supplement the San Antonio International Airport's capital improvement plan.

BACKGROUND

A LOI is a multi-year Airport Improvement Program discretionary grant commitment (typically over ten years) that is awarded by the FAA to fund airport capital improvement costs "for airside development projects with significant capacity benefits."¹ The City plans to use the proceeds from the LOI grant to fund a portion of the costs of needed airfield capital projects, including runway and taxiway improvements that are designed to increase the airport's operations capacity.

Airports requesting LOI grant funds must demonstrate the importance of their projects in terms of expected capacity enhancements. Grants are awarded on a competitive basis. Therefore, the City of San Antonio will be competing against other airports for limited LOI funds.

FINANCIAL IMPACT

The City plans to apply for approximately \$81 million in LOI funds, which hopes to receive during fiscal years Fiscal Year 2002 through FY 2011.² These funds would amount to approximately 23 percent of the airport's \$350 million projected capital improvement costs over the next ten years.

The proposed improvements will increase the airport's capacity by approximately 30 percent, helping to avoiding unnecessary flight delays. Without the LOI grant funds, the City's Aviation Department would have to issue additional debt and likely postpone the completion of its capital improvement plan.

¹ U.S. DOT FAA, "Policy for Letter of Intent Approvals Under the Airport Improvement Program." *Federal Register*, Vol. 59, October 31, 1994.

KellyUSA
Material Science and Engineering Laboratory
and Center of Excellence

Proposal

To secure \$2.5 million in federal funding to establish the Material Science and Engineering Laboratory and Center of Excellence at KellyUSA.

Background

The Greater Kelly Development Authority (GKDA) has been vigorously working to convert KellyUSA into a recognized center of excellence for transportation-related matters. The authority already has Boeing, Lockheed Martin, Standard Aero, General Electric, Pratt & Whitney, and several other companies doing aviation-related repair work on aircraft and engines. KellyUSA has joint use of an 11,500-foot runway and is ideally suited to become an international air cargo hub. With regard to rail service, the GKDA has a memorandum of understanding with Union Pacific Railway and the Port of Corpus Christi to jointly pursue rail-related projects that will jointly meet the business needs of each of the entities. In addition, KellyUSA is centrally located at the intersection of three interstate highway systems – IH-10, IH-35 and IH-37. KellyUSA is expected to play a major role in cross border trucking with its development into an international logistics and distribution center. The collective impact of these various modes of transportation places KellyUSA in a unique position to be a leader in transportation issues.

The Material Science and Engineering Laboratory and Center of Excellence will help KellyUSA establish and support deployment of internationally-recognized transportation industry standards for maintenance, repair and overhaul (MRO) of vehicles and systems, with an emphasis on assured safety. It will also be a focal point for the development of scientific and engineering solutions regarding national transportation issues. Additionally, this project is part of the GKDA's effort to take advantage of several million dollars of Air Force equipment, whose ownership was transferred to the authority.

Financial Impact

Federal funding would allow this nationally significant project to overcome initial funding shortfalls, take advantage of several million dollars of Air Force equipment that was transferred to the GKDA, and become a resource for the resolution of significant transportation-related material issues. If funded, the Material Science and Engineering Laboratory would establish a core program of education and research for advanced degrees in material sciences and engineering at the University of Texas at San Antonio as well as develop opportunities for

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individuals to participate in aviation industry jobs that will prepare them for rewarding and lucrative careers in the transportation industry.

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Military Affairs

PROPOSAL

To promote legislative and regulatory initiatives that will enhance the economic value of our current and former military installations as well as to assist the community's efforts in preparing for the 2005 Base Closure and Realignment process.

BACKGROUND

Once the home of five active military installations, San Antonio is now home to three active installations, with the closure of Kelly Air Force Base and the transfer of Brooks Air Force Base to the Brooks Development Authority. In total, there are more than 73,000 defense jobs in the community generating a direct economic impact to the local economy of almost \$5 billion. In preparing for BRAC 2005, the San Antonio community must continue partnering with the armed services on initiatives that will help increase the military value of its bases and missions here, while also assisting them in achieving efficiencies to reduce infrastructure support costs. The focus will not be just on the retention of existing missions, but on making local installations more competitive sites for attracting new military missions and jobs.

The San Antonio Military Missions Task Force (SAMM), established by the City, in partnership with Bexar County and the Greater San Antonio Chamber of Commerce, is serving as a community-wide forum to prepare for BRAC 2005. SAMM is currently developing a BRAC 2005 strategy that will require community-wide support for funding and implementation beginning in 2003. In addition, the City Council Military Affairs Committee, established in June 2001, has been visiting each of the local military installations to discuss potential partnership initiatives and BRAC-related issues with local commanders.

Since the last round of BRAC in 1995, the City has been proactive in partnering with its military installations and leveraging the assets of its military installations to promote economic development. Two major initiatives are the Brooks City-Base project and the Fort Sam Houston public-private leasing partnership. Both of these projects are unique, pace-setting Department of Defense (DOD) initiatives.

Under the **Brooks City-Base** project, the Air Force transferred its base property to the Brooks Development Authority (BDA) on July 22, 2002. The BDA then executed a long-term leaseback contract with the Air Force for almost all of the transferred property. As a result, the City is now providing municipal services to Brooks City-Base, while the BDA is providing property management and development services for the park. Brooks City-Base has helped the Air Force significantly reduce infrastructure support costs. The City expects to benefit by retaining the Air Force missions and jobs and leveraging the unique physical and intellectual Air Force assets at Brooks to promote development in and around the base through establishment of the Brooks Technology and Business Park. One additional development initiative the

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community is pursuing is the potential establishment of a DOD vaccine production facility at Brooks.

At **Fort Sam Houston**, the Army has signed a fifty-year lease with Orion Partners, Inc., and Roy F. Weston, Inc. for 502,196 square feet of space in three historic buildings--the old Brooks Army Medical Center and two wings of the Beach Pavilion Complex. Orion/Weston expects to finance approximately \$50 million in renovations secured through long-term leases with commercial and public sector tenants. The success of this unique partnership is critical to assisting the Army in reducing infrastructure support costs and generating net cash flow for both the Army and Orion/Weston. The City and community, therefore, should assist Orion/Weston in finding tenants for these facilities. One of the new tenants for the leasing initiative will be the U.S. Army South Headquarters, which is relocating from Puerto Rico to Fort Sam Houston in 2003 and bringing 500 new jobs to San Antonio. Furthermore, in response to the events of September 11th, Fort Sam Houston is currently constructing eight new permanent gates around the installation and has closed off another entrance to the installation. This entrance previously served as a major thoroughfare used by the public and the City's public safety agencies. As a result of these security measures, the City is working with the Army to assess the impact on the community, particularly with regard to public safety, traffic and businesses around the base.

The City of San Antonio is also fortunate to have two major military medical centers (**Brooke Army Medical Center** and **Wilford Hall Medical Center**) that participate in a number of unique projects with our local research, educational and health institutions. These medical centers also participate in the City's Level 1 trauma network in partnership with the County's University Health System. While the military services obtain valuable training through this partnership and wish to continue their participation, they are incurring losses exceeding \$30 million annually. This excessive cost could become an issue during BRAC 2005 threatening the continued presence of these invaluable facilities in our community. As a minimum, legislation is needed to legitimize the military's participation in providing trauma care to non-DOD beneficiaries and to accept funds from state/local agencies for providing such care. This unique military-community relationship can also be viewed as a Homeland Security demonstration project where DOD is partnering with the community in exploring, developing and implementing methods of cooperating on medical preparedness and disaster response.

At **KellyUSA**, the Greater Kelly Development Authority (GKDA) continues implementation of the community's 1995 Initial Base Adjustment Strategy Committee strategic plan. To date, GKDA has successfully created over 5,400 new commercial jobs and has leased out 70% of the available space. New tenants include major aerospace industry players such as Boeing, Lockheed-Martin, Chromalloy, Standard Aero and Pratt & Whitney. In the past 12 months GKDA has completed over \$70 million in new construction and facility upgrades, to include the building of a new hangar facility to accommodate Boeing's expansion. With the City's Air Cargo Study nearing completion, planning is underway to establish air cargo operations at KellyUSA. GKDA is also partnering with the City, the Port of Corpus Christi, the Texas Department of Transportation and major railroad companies to establish inter-modal operations at KellyUSA with critical linkage for truck traffic being provided by the planned Kelly Parkway. The success of this partnership and funding of this transportation initiative is key to creating Inland Port San Antonio.

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The future of our military installations is a high priority for San Antonio. The community must remain focused on preserving and enhancing our existing defense establishments and continuing the successful redevelopment of KellyUSA. Specifically, the following goals and initiatives should be pursued with both the Administration and Congress:

Support initiatives that will help make Brooks City-Base a success. Of highest priority is acquiring military construction (MILCON) funding in the FY 2004 budget for a \$22.5 million Tri-Service Research Facility at Brooks City-Base (see attached papers).

Support language in the Defense Authorization and Appropriations Act that will authorize the Brooke Army Medical Center and Wilford Hall Medical Center to participate in the City's Level 1 Trauma Network and provide care to non-DOD beneficiaries. Also, secure top line funding in the Defense Health Program in support of this participation as a Homeland Security Demonstration Project.

Support federal funding to assist the City in mitigating and responding to the impacts on the community from the closure of the New Braunfels gate entering/exiting Fort Sam Houston and the new gate construction around the installation.

Support relocation of federal organizations and agencies to government facilities on KellyUSA, Brooks AFB and Fort Sam Houston to use space being vacated by departing DOD missions. All three installations are excellent candidates for Customs, Drug Enforcement Agency and relocating DOD missions.

Support for continued Military Construction (MILCON) for projects on all military installations, as well as on Brooks City-Base and KellyUSA. Specifically support funding for Military Construction (MILCON) Projects on Lackland AFB for a Mobility Center and the Inter-American Air Force Academy. Such construction will allow the Air Force to move these operations from the east side to the west side of the Kelly runway, thus making additional facilities and property available for KellyUSA development efforts. For Brooks City-Base, see the first bullet listed above.

Continue support for the U.S. Economic Development Administration (EDA) programs and increased funding for the EDA Austin Regional Office. The City intends to seek additional EDA grants for KellyUSA development, Brooks City-Base implementation, and other targeted economic development projects.

Support DOD efforts to streamline and simplify regulatory initiatives for reducing infrastructure support costs at military bases, such as outsourcing and privatization.

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FINANCIAL IMPACT

By expanding and enhancing the missions of San Antonio's military installations, through the formation of community and military partnerships and the reduction of infrastructure support costs, it is less likely that San Antonio will be negatively impacted from another base realignment or closing and the resulting economic disruption from such an action. The successful redevelopment and commercialization of KellyUSA, continued establishment of Brooks City-Base, and the implementation of a business/leasing plan for Fort Sam Houston will result in the creation of new jobs and promote the diversification and expansion of the local economy.

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Mission Trails Project

Proposal:

To secure \$3.52 million in federal funding for phases IV and V to complete the Mission Trails Project, which would be used for road and walkway improvements, hike and bike trails and other related infrastructure, stretching from the Alamo to Mission Espada.

Background:

The Mission Trails Project provides for drainage, street, and park improvements to connect the five historic missions. Package IV provides for street and drainage improvements and enhancements on Mission Road from Mitchell to Roosevelt and on Roosevelt from Mission Road to St. Mary's Street. Also included are enhancements on Alamo from Durango to Alamo Plaza and hike and bike trails along the San Antonio River from IH 10 north to Eagleland. Package V provides for signage and delineation features for the entire length of the project.

During the 2nd Session of the 107th Congress, Congressman Ciro Rodriguez requested, on behalf of the Mission Trails Project, a \$3.52 million appropriation. The request for funding was placed in the FY 2003 Transportation Appropriations Bill, under the "Transportation and Community and System Preservation Pilot Program." However, only two of the 13 regular appropriations bills (Defense and Military Construction) were enacted when the new fiscal year began (October 1, 2002). During the 108th Congress, the City of San Antonio will continue working with Congressman Rodriguez to secure funding for the Mission Trails Project.

Financial Impact

Should the funding request be approved, the City would receive up to \$3.52 million of federal funds. This federal appropriation would be matched with local funds in the amount of \$880,000. Future council action may be requested to appropriate these funds for the Mission Trails Project.

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National Energy Policy

Proposal

To support energy policy legislation that promotes the increased production, supply, transportation, and conservation of domestic energy resources.

To support electricity legislation that does not preempt state law regarding the implementation of retail competition and that protects the interests of San Antonio electric and gas customers.

To support a multi-pollutant/integrated approach that emphasizes the need to develop energy and air quality policies that assures achievement of both environmental quality and energy security goals.

To support a greenhouse gas strategy that is based on sound science and takes into account that emissions that might affect climate change are distinct from emissions characterized as pollutants, which have a clearly defined and well understood effect on public health. CPS is not supportive of any attempt to regulate carbon dioxide (CO₂ - a greenhouse gas) under the Clear Air Act or as part of a multi-pollutant control strategy.

Background

Energy Policy - Energy supply has increasingly become a topic of consideration relevant to the debate over national security. Scarcity of supply and transportation capability puts the United States at risk for significant disturbances in availability and affordability should a crisis occur.

The country must update and coordinate the nation's energy policy to provide for increased production of domestic energy sources. The 107th Congress took significant steps toward completing the development of a new national energy policy. These efforts fell short as the Congress adjourned without providing congressional leaders the opportunity to finish the job. The 108th Congress is expected to take an early look at existing federal policy and consider significant changes.

Electricity - During 1999, Texas passed legislation to transition the State to competition on January 1, 2002. Expected as part of the federal legislative initiative in the 108th Congress to reform energy policy will be changes to existing electricity law. These changes will have the potential to affect the Texas electricity market.

Energy and Air Quality Policies - Air quality and other environmental issues will play a prominent role in the 108th Congress. In addressing air quality, there is considerable discussion

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over taking a comprehensive, incentives-based approach to tougher regulation of air emissions. Key elements include an integrated program for controlling multiple air pollutants (NO_x, SO₂, and mercury), using market-based mechanisms, and reform of existing regulations to achieve emission reductions at lower costs while assuring electric reliability, reasonable electric costs, and energy security.

Greenhouse Gas Strategy - Some advocate the inclusion of greenhouse gas (Carbon Dioxide) emission controls as part of a multi-pollutant emissions reduction approach. In contrast, CPS believes that a greenhouse gas strategy should be developed as a separate program that considers both the discrete characteristics of greenhouse gases (as distinct from identifiable public health consequences of pollutants) and the need to address greenhouse gases. Unlike health-based pollutants that have measurable cost/benefit ratios and emissions reduction technologies that take these into account, there are no similar benchmarks by which to measure the costs and benefits of carbon capture technologies available to assist industry and policy makers in establishing policies for the reduction of gases.

Financial Impact

The financial impact of this initiative on the City of San Antonio cannot be determined at this time.

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Port of Entry Designation for the San Antonio International Airport

PROPOSAL

To obtain at least a two-year extension of the Port of Entry designation for San Antonio International Airport.

BACKGROUND

On November 9, 2000, President Clinton signed H.R. 4868, The Miscellaneous Trade and Technical Corrections Act of 2000 into law. This legislation included a provision to designate San Antonio International Airport as a U.S. Port of Entry where private aircraft may land for processing by the U.S. Customs Service. As a result of this designation, general aviation aircraft operators no longer must stop in Laredo or Brownsville to clear Customs if San Antonio is their final destination. The designation was for a two-year term that expired November 9, 2002.

In an effort to continue this program, language was included in H. R. 5835, the Miscellaneous Trade and Technical Corrections Act of 2002, to extend the designation for two more years. The House passed this bill on October 7, 2002. The Senate was working on its version of this trade bill, which had included the same language for designating the San Antonio International Airport that was in the House version. However, the Senate's bill was not completed before the 107th Congress adjourned, and as a result the designation has lapsed.

The Port of Entry designation has been very successful and overwhelming supported by San Antonio's businesses. Over 125 letters from supporters and area businesses such as HEB, Valero, SBC, H. B. Zachry and USAA were sent to our legislators backing continuation of this program.

San Antonio International Airport provides facilities and security and law enforcement support services for processing general aviation aircraft at no charge to U.S. Customs. During the two years that the designation was in place at the Airport, Customs reported no incidents that would negate continuation of the Port of Entry designation for San Antonio.

FINANCIAL IMPACT

The airport designation is an important component of economic development for the City of San Antonio, which includes the expansion of international trade as a result of NAFTA. San Antonio's Customs' clearance of general aviation aircraft has increased 67% since the program's inception in 2001.

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TEA-21 Reauthorization

Proposal

To support the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21).

Background

The Transportation Equity Act for the 21st Century (TEA21) provided for a significant increase in funding for federal surface transportation programs. This was in large part the result of a successful effort to link the revenue stream for the highway trust fund to significant increases in spending for the highway, highway safety, and transit programs. TEA-21 has allowed states greater flexibility in how they use their transportation funds; retention of the existing highway trust fund funding framework established by TEA21; financial assistance for physical infrastructure security; streamlining of environmental evaluations required by the project approval process; a new categorical grant program for highway safety; and an increased focus on reducing drunk driving and increasing seat belt use.

The City of San Antonio supports the following "high priority" San Antonio area projects:

Bus Rapid Transit

The proposed project consists of enhanced bus service along Fredericksburg Road extending from the San Antonio Central Business District to the South Texas Medical Center for a distance of approximately 8.7 miles. Total Project Cost: \$ 24 million. Federal Funds Requested: \$ 12 million.

New Luke Road Trade Corridor

The project consists of a divided, four lane boulevard, with landscaped medians, and access management. The project limits start at the intersection of 36th Street at Growden Road and end at the intersection of Billy Mitchell Boulevard at Spur 371. The improvements will provide truck access to develop air cargo, aircraft maintenance, repair, and overhaul and logistics distribution for KellyUSA. Total Project Cost: \$ 12.7 million. Federal Funds Requested: \$ 8 million.

Loop 410 Ramp Project

The project includes the construction of two bridges over the Union Pacific Railroad that will provide entrance/exit ramps to Freeport Road (Freeport Business Center) from Interstate 410

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in southwest San Antonio. Total Project Cost: \$ 5 million. Federal Funds Requested: \$ 3.5 million.

Kelly Parkway Right of Way

This request for federal demonstration funds is for the first phase in developing the Kelly Parkway. This project involves the acquisition of railroad right of way from the Union Pacific Railroad Company from north of US 90 To Leon Creek. Total Project Cost: \$ 12 million. Federal Funds Requested: \$ 9.6 million.

ITS Linkage to Corpus Christi

The ITS Linkage to Corpus Christi project will expand the San Antonio region's existing ITS infrastructure. The expansion of the system will enhance commercial vehicle operations activities and emergency evacuation in the IH 37 corridor. Total Project Cost: \$4 million. Federal Funds Requested: \$ 3.2 million.

San Pedro Hike and Bike Trail

The project is phase one of a larger system of bicycle and pedestrian facilities that would use San Pedro Creek from its headwaters at the springs in San Pedro Park to its confluence with the San Antonio River. The phase one project would provide a bicycle and pedestrian trail traversing downtown San Antonio via San Pedro Creek from the San Pedro Creek inlet tunnel near Cameron Street and IH 35 to Durango Street. Total Project Cost: \$ 5 million. Federal Funds Requested: \$ 4 million.

ITS Technologies

The project consists of four elements: Communication Systems, Traffic Plan Development, Control and Monitoring Systems, and System Modeling. The overall project objective is to provide significant and measurable improvements to the movement of traffic in San Antonio. Total Project Cost: \$ 4 million. Federal Funds Requested: \$ 3.2 million.

Fredericksburg Road/Medical Parkway Grade Separation

The project will includes the construction of a bridge over Fredericksburg Road carrying the traffic entering and exiting the South Texas Medical Center from IH 10 using Medical Parkway. The project will also include the reconstruction of Medical Parkway and Fredericksburg Road in the vicinity of the intersection. Total Project Cost: \$ 17 million. Federal Funds Requested: \$ 8 million.

The total project costs for these "high priority" projects is \$83.7 million. Of this amount, \$51.5 million in federal funding will be needed with \$12 million coming from the Transit Title and \$ 39.5 million from the Highway Title.

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Financial Impact

An efficient, safe and reliable public transportation infrastructure is critical to a community's social and economic health, stability. Texas communities are fundamentally dependent on an efficient, interconnected, and balanced transportation network. Increased capacity of our roadways, public transportation infrastructure, airports, railroads, and port facilities will be critical to our ability to sustain strong economic growth in future years. The enhancements and construction of our public transportation system has a positive direct effect on a community's economic development and strength. The "high priority" projects listed above will do much to increase San Antonio's public transportation system and economic growth.

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Omnibus Legislative Policy

PROPOSAL

To support federal regulations or legislation which would clearly benefit the City and oppose any regulations or legislation that would clearly be detrimental to the City's interests.

BACKGROUND

In 1995 Congress created a mechanism that would place obstacles in the path of imposing new, unfunded federal mandates on the taxpayers of the nation's cities and towns. The law created a mechanism to force Congress and the White House to acknowledge the impact of proposed unfunded mandates on state and local governments. However, it left untouched federal authority to preempt traditional municipal rights, responsibilities and revenue resources.

The City of San Antonio has historically endorsed legislation that would clearly benefit the City and opposed all bills that met one or more of the following criteria:

- Undermine the principles of self-government;
- Mandate increased cost to cities, including environmental mandates;
- Result in the loss of revenue to cities or change the authority of the City to generate revenues;
- Diminish the fundamental authority of cities to operate in a manner consistent with the best interest of the health, safety and welfare of the general public; and/or
- Preempt municipal authority, such as franchising, zoning, permits, licenses and municipal code development, and interfere with municipal control over the rate and nature of local taxation.

FINANCIAL IMPACT

This policy will assist the City staff and government affairs consultants in expediting measures to defeat detrimental legislation and play a pro-active role in passing beneficial legislation.