

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
ECONOMIC DEVELOPMENT DEPARTMENT**

CONSENT AGENDA
ITEM NO. 22

TO: Mayor and City Council

FROM: Ramiro A. Cavazos, Director

THROUGH: Terry M. Brechtel, City Manager

COPIES: J. Rolando Bono, Deputy City Manager; Trey Jacobson, Assistant Director, Economic Development; Susan Rios, CPA, Economic Development Manager, Ed Davis, Economic Development Manager; File

SUBJECT: Amendment of Greater Kelly Development Authority Operating Agency Contract

DATE: September 23, 2004

SUMMARY AND RECOMMENDATIONS:

This ordinance authorizes an amendment to the General Operating Agency Contract between the City of San Antonio and the Greater Kelly Development Authority (GKDA) for five capital projects (Approved by Ordinance No. 98179 on September 18, 2003). Two of the five projects will not be completed by September 30, 2004 due to on-going master plan and land planning designs for KellyUSA redevelopment. This ordinance will extend the contract term one year to September 30, 2005.

Staff recommends approval.

BACKGROUND INFORMATION:

The GKDA General Operating Agency agreement (authorized by Ordinance No. 98179) provided funds for five capital projects at KellyUSA (List of five projects is provided as Exhibit A). Two of the five projects will not be completed by September 30, 2004, which is the expiration date of the current contract between the City and GKDA. Completion of the designs will occur during the coming fiscal year. Designs have not yet been completed for the Cupples Road and the New Luke Road projects due to on-going master plan designs and land planning for the overall KellyUSA redevelopment project which is a necessary precedent for completion of road designs.

The Cupples Road Project and the New Luke Road Project will not be completed by September 30, 2004 (See Exhibit B). GKDA will utilize \$491,000 for preliminary planning and engineering, design development, and production of final construction drawings and specification for the Cupples Road extension road project. The Cupples Road Project planning and design efforts will provide a four-lane arterial from Cupples Road as a City street connecting to New Laredo Highway on the southern boundary of East KellyUSA. In addition, GKDA is currently in the design process of New Luke Road.

The design will include the development of plans, specifications, and estimates for a roadway project that will link the City's 36th Street improvements to General Hudnell via a connection through Billy Mitchell Boulevard and continue through KellyUSA to connect with traffic arteries to be defined in the design process. The design will include new road sections defined by a 150-200 foot right-of-way to accommodate two lanes of traffic in each direction, with traffic control medians and access crossover features. Cost of this project is \$758,000. (Exhibit C provides further details).

POLICY ANALYSIS:

The City has provided financial assistance to GKDA since FY 1997. This assistance supports implementation of the City's strategic initiatives for economic development by promoting Kelly redevelopment. The extension of the contract allows for completion of previously funded projects.

FISCAL IMPACT:

There is no additional cost to the City or GKDA associated with this ordinance.

COORDINATION:

This item has been coordinated with GKDA, and the City Attorney's Office.

SUPPLEMENTARY COMMENTS:

Attached is a copy of the amended GKDA contract, a map of KellyUSA, and a status update on FY 2003 projects.

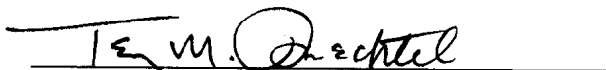


Ramiro A. Cavazos, Director
Economic Development Department



J. Rolando Bono
Deputy City Manager

Approved:



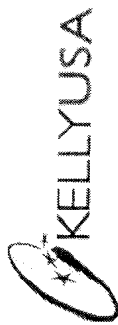
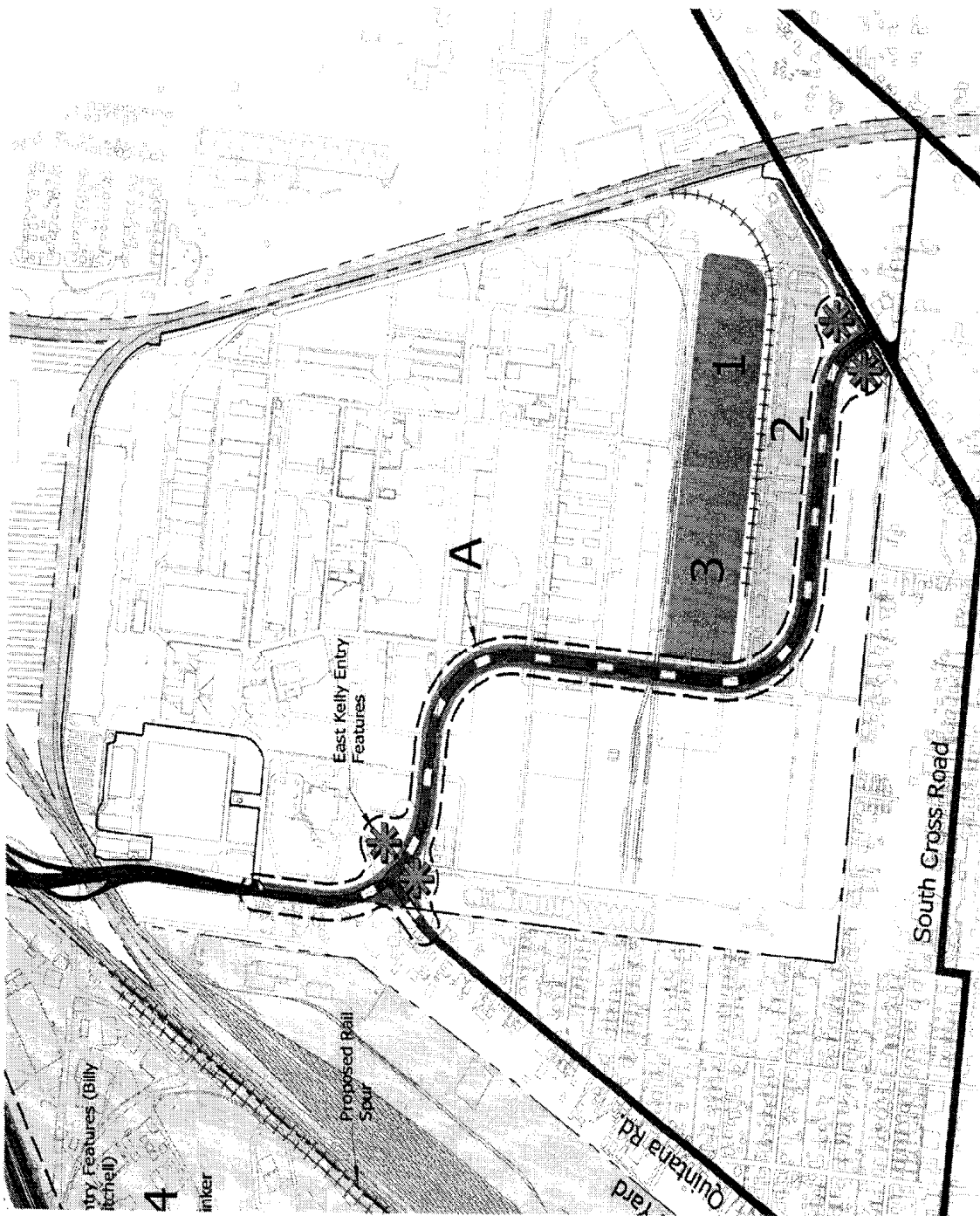
Terry M. Brechtel
City Manager

GKDA FY 2003 Project Status Update

Project	Funding	Status
New Luke Road Design	\$ 758,000	1% Complete
Cupples Road	\$ 491,000	Not started
Rail Upgrades	\$ 600,000	Completed
Transportation Planning	\$ 100,000	Completed
Watershed Modeling	\$ 200,000	Completed
Total FY 2003 Funding	\$ 2,149,000	

Exhibit A

EXHIBIT B



Starting Development

LEGEND

- A. Cupples Road Development**
 - 1. Warehouse Renovation
 - 2. Transload Facility
 - 3. Rail Served Warehouse
- B. Gen. Hudnell Dr./Spur 371 Upgrade**
 - 4. 90 Acre Manufacturing Site
 - 5. 12 Acre Office Development Site
 - 6. 50 Acre Multi-Use Development Site
 - 7. Technology Development Center
- C. Billy Mitchell Blvd.**
 - 8. 40 Acre Industrial Site
 - 9. Aeronautical Facility Development Site
 - 10. Downtown Kelly Historic Redevelopment
 - a. Day Lane
 - b. Office
 - c. Museum
- D. North-South Thoroughfare**
 - 11. Aerospace Facilities Development
 - 12. Aerospace Test Cell Development

GREATER KELLY DEVELOPMENT AUTHORITY
143 BILLY MITCHELL BLVD. #6
SAN ANTONIO, TEXAS 78226
TEL 210 362 7800



EXHIBIT C

CUPPLES ROAD PROJECT

- Design will include new road sections defined by an 86-120 foot right-of-way to accommodate two lanes of traffic in each direction, with traffic control medians and access crossover features.
- Traffic signals, road signage, road markings, sidewalks and American Disability Act pedestrian ramps will be provided for the entire roadway.
- Funds may be used to conduct traffic impact studies and analyses, if required.
- Drainage structures for the project will be designed to detain/connect into a storm water collection system.
- The design will provide utility corridors defining where water, electricity, sanitary sewer, telecommunications, gas, and drainage utilities will be located.
- Design will include the relocation of existing utilities, as well as utilities that will require protection to allow construction of the road improvements.
- Funds in excess of amounts required to pay for the services outlined above will be used to prepare the right of way for the new road alignment.

NEW LUKE ROAD PROJECT

- Traffic signals, road signage, road markings, sidewalks, and American Disability Act pedestrian ramps will be provided for the entire roadway.
- Drainage structures for the project will be designed to detain/connect into a storm water collection system.
- Design will provide utility corridors defining where water, electricity, sanitary sewer, telecommunications, gas, and drainage utilities will be located.
- Design will include the relocation of existing utilities, as well as utilities that will require protection to allow construction of the road improvements.
- Design of existing road sections will be improved to conform to the City's street standards. Landscaping and irrigation systems will be designed for the entire project area.

SECOND AMENDMENT TO OPERATING AGENCY CONTRACT

BETWEEN THE CITY OF SAN ANTONIO AND THE GREATER KELLY DEVELOPMENT AUTHORITY

This SECOND AMENDMENT TO OPERATING AGENCY CONTRACT (this "Amendment") is entered into, pursuant to Ordinance Number _____ passed and approved on September 23, 2004, by and between the CITY OF SAN ANTONIO ("COSA") and the GREATER KELLY DEVELOPMENT AUTHORITY ("GKDA"), together referred to as "the Parties."

RECITALS

- A. COSA and GKDA are parties to that certain Operating Agency Contract (the "Contract") entered into pursuant to Ordinance No. 96693 and the First Amendment entered into pursuant to Ordinance No. 98179 passed and approved on September 18, 2003.
- B. Prior to this Amendment, all obligations end in accordance with the First Amendment on September 30, 2004.
- C. COSA and GKDA desire to further amend the Contract as stated in this Second Amendment.
- D. In no case will additional funding be required of COSA.
- E. All other provisions of the Contract and the First Amendment remain in force.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Contract, the receipt and adequacy of which are hereby acknowledged, COSA and GKDA hereby agree as follows:

1. Definitions. All capitalized terms used in this Amendment without definition herein shall have the meanings assigned to such terms in the Contract.
2. Amendments. The Operating Agency Contract and the First Amendment are hereby amended as follows:

(A) Section I of the Contract, entitled General Provisions, Item Fourteen (14) is hereby amended as follows:

Except as otherwise provided for pursuant to the provisions hereof, this Amendment shall extend the period of the Contract until September 30,

2005. The amount of the Contract shall be reduced by that amount paid to Contractor during the initial Contract period and any amounts paid prior to the execution on this SECOND AMENDMENT.

3. Effective Date. This Amendment shall be effective as of October 1, 2004 insofar as funds expended prior to October 1, 2004 will be subtracted from the original amount of the Contract and the amount then remaining will become the amount of the contract that must be expended in the Fiscal Year 2005.
4. No Other Changes. Except as specifically set forth in Section 2 of this Amendment, all of the terms and conditions of the Operating Agency Agreement and the First Amendment shall remain the same and are hereby ratified and confirmed. The Contract and the First Amendment, as amended by this Amendment, shall continue in full force and effect, and the Contract, as amended by the First and Second Amendments, shall be read and construed as one instrument.
5. Choice of Law. This Amendment shall be construed in accordance with and governed by the laws of the State of Texas.
6. Counterparts. This Amendment may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this Amendment it shall not be necessary to produce or account for more than one counterpart signed by each party hereto by and against which enforcement hereof is sought.

Signatures appear on next page

IN WITNESS HEREOF, the parties hereto have executed in duplicate originals this Amendment on the _____ day of _____ 2004.

CITY OF SAN ANTONIO

By:

J. Rolando Bono
Deputy City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

Andrew Martin
City Attorney

GREATER KELLY DEVELOPMENT AUTHORITY

By:

Bruce E. Miller
Chief Executive Officer
Greater Kelly Development Authority

ATTEST:

Notary Public