

28

**CITY OF SAN ANTONIO** AGENDA ITEM NO. \_\_\_\_\_  
**INTERDEPARTMENTAL MEMORANDUM**  
**ECONOMIC DEVELOPMENT DEPARTMENT**

**TO:** Mayor and City Council

**FROM:** Ramiro A. Cavazos, Director, Economic Development Department

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES:** J. Rolando Bono; Milo Nitschke; Andrew Martin; Trey Jacobson; Veronica Zertuche; Orlando Rodriguez; Ed Davis; File

**SUBJECT:** A Loan and/or Grant to the Brooks Development Authority (BDA) for Road Infrastructure Improvements

**DATE:** September 9, 2004

**SUMMARY AND RECOMMENDATIONS:**

This ordinance authorizes the City Manager to negotiate and execute an Agreement with the Brooks Development Authority ("BDA") for a loan or a combination loan and grant in an amount not to exceed \$1.5 million in support of road and related infrastructure improvements at Brooks City-Base. These infrastructure improvements will support the economic development efforts of the City and the BDA in attracting companies and jobs to Brooks City-Base. The source of funding for this loan and/or grant will be from the Economic Development Incentive Fund ("EDIF").

Staff recommends approval of this resolution.

**BACKGROUND INFORMATION:**

Brooks City-Base was officially established on July 22, 2002, with the transfer of the 1,310 acres of land and improvements comprising Brooks Air Force Base to the Brooks Development Authority which was established by City Council on September 27, 2001. The Air Force then became the major tenant by leasing back facilities from the BDA to continue operating their military missions at Brooks City-Base. This unique partnership is a collaborative effort between the Air Force, the City and the BDA designed to retain the Air Force missions and jobs, improve the military value of Air Force missions, assist the Air Force in reducing its support operating costs, and promote and enhance economic development on Brooks City-Base and in the surrounding community. To do this, the BDA and the City are leveraging the physical and intellectual assets at Brooks to help attract companies and jobs in the biotechnology and related industry sectors, such as health services. The City is also providing municipal services to Brooks City-Base and has been providing fire and police services since October 2001. Base electric, gas, and water utilities were transferred by the BDA to the City-owned utilities, CPS and SAWS, respectively.

There are currently 3,900 jobs at Brooks City-Base with the Air Force as the major tenant occupying 95% of marketable lease space. The Air Force provides 3,659 of these jobs, with the remainder provided mostly by contractors supporting Air Force operations. Without new construction and infrastructure to support new development projects, there is currently no lease space available for attracting new commercial tenants and adding jobs. However, the BDA is currently negotiating three significant economic development projects that include a pharmaceutical manufacturer, a School of Pharmacy and a major retail development. These projects could potentially provide up to 500 new jobs at Brooks City-Base over the next 12-18 months.

The BDA has requested \$1.5 million in funding from the City to support road and related infrastructure in support of these development projects and the attraction of other future tenants. This ordinance will allow the staff to negotiate and execute an Agreement with the BDA to provide them up to \$750,000 in grant funds and a loan up to \$750,000 from the Economic Development Incentive Fund. The loan would be for no more than 15 years with a negotiated interest rate and security pledge. The BDA could be allowed to pay back the loan with cash, in-kind services, property or any other asset of equal value to the loan balance.

**POLICY ANALYSIS:**


This project supports the Strategic Plan for Enhanced Economic Development by supporting the attraction and retention of targeted industries and promoting economic development in targeted area.

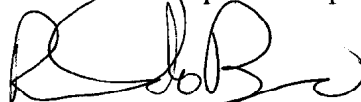
**FISCAL IMPACT:**

With this loan and/or grant from EDIF, there will be \$9 million in unreserved funds remaining.

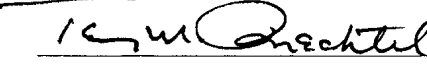
**COORDINATION:**

The Economic Development Department staff has coordinated this ordinance with the City Attorney's Office, the Finance Department, and the BDA.

  
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Ramiro A. Cavazos, Director  
Economic Development Department

  
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J. Rolando Bono  
Deputy City Manager

Approved:

  
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Terry M. Brechtel  
City Manager