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**CITY OF SAN ANTONIO
ECONOMIC DEVELOPMENT DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Ramiro A. Cavazos, Director

SUBJECT: Amendment of Greater Kelly Development Authority Operating Agency Contract

DATE: September 22, 2005

SUMMARY AND RECOMMENDATIONS:

This ordinance authorizes the amendment of Ordinance No. 99762 dated September 23, 2004 for the extension of the General Operating Agency Contract between the City of San Antonio and the Greater Kelly Development Authority (GKDA). Specifically, this ordinance will extend the completion date of the contract from September 30, 2005 to September 30, 2006.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION:

The GKDA agreement with the City authorized \$2,149,000 in FY 2003 funds for five projects at KellyUSA (Exhibit A). Two of the five City-funded projects will not be completed by September 30, 2005, which is the expiration date of the current contract between the City and GKDA.

One project includes \$491,000 for GKDA to plan, engineer and design an extension to Cupples Road through East KellyUSA (see attached map). Once completed, this project will provide a four-lane city street connecting Cupples Road to New Laredo Highway on the southern boundary of East KellyUSA. City funds may also be used to conduct traffic impact studies and analyses, if required. The design will provide utility corridors defining where water, electricity, sanitary sewer, telecommunications, gas, and drainage utilities will be located. GKDA originally expected to complete the plans and specifications by September 2005, however, completion has been delayed due to the evaluation of alternative security options for the new access point into KellyUSA East. The new secure access must provide for high volume truck inspections critical for efficient cargo terminal management. It must also be configured to accommodate public traffic needing access to non-secure activities located on the property. Project design is 45% complete with an anticipated construction completion date of June 2006.

The second project includes \$758,000 for GKDA to plan, engineer and design New Luke Road (see attached map) which will link the city's 36th Street improvements at the intersection of Highway 90, through KellyUSA, across the Union Pacific rail yard with a connection to Bynum. 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. The design of existing road sections will be improved to conform to the city's street standards. Design and completion has been delayed due to changes made to the original road alignment. These improvements will avoid spending approximately \$1,600,000 of non-federal dollars to relocate Air Force medical facilities that were in the original road right of way. The new design concept will split the dual traffic lanes in each direction around existing structures. Impacts to adjacent land parcels and connecting transportation access resulting from the changed alignment had to be evaluated. The project design is 50% complete with an anticipated construction completion date of March 2008.

POLICY ANALYSIS:

The City has provided financial assistance to GKDA since FY 1997. This assistance supports implementation of the City's *Strategic Plan for Enhanced Economic Development* by promoting KellyUSA infrastructure improvements. The extension of the contract allows for completion of previously funded projects.

FISCAL IMPACT:

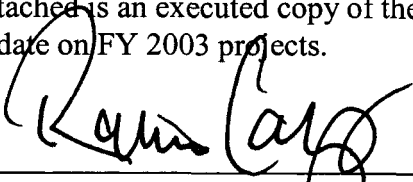
There is no additional cost to the City or GKDA associated with this ordinance.

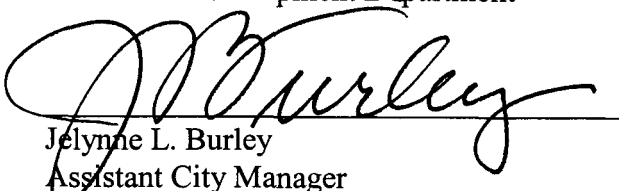
COORDINATION:

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

SUPPLEMENTARY COMMENTS:

Attached is an executed 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

Jelynn L. Burley
Assistant City Manager

J. Rolando Bono
City Manager

GKDA FY 2003 Project Status Update

Project	Funding	Status
New Luke Road Design	\$ 758,000	2%
Cupples Road	\$ 491,000	8%
Rail Upgrades	\$ 600,000	Completed
Transportation Planning	\$ 100,000	Completed
Watershed Modeling	\$ 200,000	Completed
Total FY 2003 Funding	\$ 2,149,000	

Exhibit A



Starting Development

LEGEND

A. Cupples Road Development

B. North-South Thoroughfare
(New Luke Rd Project)

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



**THIRD AMENDMENT TO GENERAL OPERATING AGENCY
CONTRACT**

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

This THIRD AMENDMENT TO THE GENERAL OPERATING AGENCY CONTRACT (this "Amendment") is entered into, pursuant to Ordinance Number _____ passed and approved on August 25, 2005, 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 General Operating Agency Agreement (the "Agreement") entered into pursuant to Ordinance No. 96693, the First Amendment entered into pursuant to Ordinance No. 98179 passed and approved on September 18, 2003, and the Second Amendment entered into pursuant to Ordinance No. 99762 passed and approved on September 23, 2004.
- B. Prior to this Amendment, all obligations end in accordance with the Second Amendment on September 30, 2005.
- C. COSA and GKDA desire to further amend the Agreement as stated in this Third Amendment.
- D. In no case will additional funding be required of COSA.
- E. All other provisions of the Agreement, as amended, remain in force.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Agreement, 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 Agreement.
- 2. Amendments. The General Operating Agency Agreement is hereby amended as follows:

(A) Section I of the Agreement, 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 Agreement until September 30, 2006. The amount of the Agreement shall be reduced by that amount paid to Contractor during the initial Agreement period and any amounts paid prior to the execution on this THIRD AMENDMENT.

3. Effective Date. This Amendment shall be effective as of September 29, 2005 insofar as funds expended prior to September 29, 2005 will be subtracted from the original amount of the Agreement and the amount then remaining will become the amount of the contract that must be expended in the Fiscal Year 2006.
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 shall remain the same and are hereby ratified and confirmed. The Agreement, as amended by this Amendment, shall continue in full force and effect, and the Agreement, as amended, 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 _____ 2005.

CITY OF SAN ANTONIO

By:

J. Rolando Bono
City Manager

ATTEST:


City Clerk

APPROVED AS TO FORM:

Martha G. Sepeda
Acting City Attorney

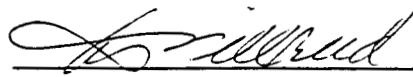
GREATER KELLY DEVELOPMENT AUTHORITY

By:



Bruce E. Miller
Chief Executive Officer
Greater Kelly Development Authority

ATTEST:

 FOR ALAN S. CLARK

Notary Public