

Hemisfair Park Area Redevelopment Corporation
Board of Directors Monthly Meeting
Executive Assembly Conference Center
San Antonio, TX 78205
June 13, 2014
8:00 a.m. – 10 a.m.

Board Attendance: Madison Smith, Bill Shown, Daniel Lopez, Sue Ann Pemberton, Rod Radle, Paul Foster, Carlos Contreras (Ex-Officio)

HPARC Staff/Volunteer Attendance: Andres Andujar, Anne Krause, Roger Tavares, Gary Boyd, Rachel Holland, Linda Deatrick, Karl Baker (Golden Steves)

Additional Attendance: Madeline Guyer (SA Conservation Society), Lance Aaron (Texas/Mexico Interests), Drew Hicks (Rackspace), Janet Pedrotti (Institute of Texan Cultures), Andi Rodriguez (SAISD)

A. Call to Order

HPARC Chair Madison Smith officially called the meeting to order at 8:19am.

B. Approval of the April 11, 2014 Meeting Notes

No changes were offered to the April 11, 2014 meeting minutes. HPARC Board Member Rod Radle made a motion to approve the minutes as written and Board Member Bill Shown seconded the motion. The motion passed unanimously.

C. Citizens to be Heard

There were none.

D. Chief Executive Officer Report

HPARC CEO Andres Andujar reported on the following activities:

- Emily Youngblood has returned as a summer intern for Hemisfair
- Staff is negotiating a Master Lease for the Hemisfair Public Facility Corporation property
- Board Members Dan Lopez and Rod Radle have been leading the effort to develop the Residential Mixed-Income Policy, which is close to completion
- The Hemisfair Conservancy has received a new Board member, and has executed a naming rights strategy for Yanaguana Garden, subject to City Council approval
- HPARC has publicly posted a Communications Manager position; interviews will be conducted in July
- HPARC received historic de-designation of the Solis House from THC after in depth historic assessments were conducted. While preserving the historic homes on site is one of HPARC's guiding principles, the Solis House was reconstructed from rubble during the 1968 Fair and located in the Water Street right-of-way
- Construction has begun on the emergency access driveway from E. Nueva to behind the Magik Theatre
- Based on feedback from the City, "Goliad Rd" will be named "E. Nueva Street" because (1) with the realignment, the street will be a continuation of E. Nueva Street and (2) the street name "Goliad" is already in use on a street not connected to Hemisfair
- The Operations, Maintenance, and Activation Report for Yanaguana Garden created by ETM has been finalized to incorporate staff and board member comments
- HPARC continues to meet with potential park-activating tenants for the historic structures
- The Public-Private-Partnership (P3) Request for Qualifications is in draft form and is expected to be released this summer

- GGN is making progress on research and fact-gathering in order to start design of the civic park. The next internal meeting is in July to review preliminary concepts, and a public design workshop will be held July 29th in the evening to gather public input and support. Details will follow.

Before moving on to the next agenda item, Board Member Sue Ann Pemberton described the Solis House as a building that should have never been historically designated in the first place.

E. Briefing on P3 Authority

HPARC Director of Planning, Operations, and Development Omar Gonzalez reported that HPARC is negotiating a Master Lease of the Hemisfair property with the City of San Antonio. HPARC is seeking the authority to issue Request for Qualifications (RFQs) from developers for two projects in the southwest corner (bordered by South Alamo, East Nueva, Water, and Cesar Chavez streets). Both of these developable sites are owned by the Hemisfair Public Facilities Corporation and are not part of designated parkland. One site includes the current Park Police parking lot, and the other site is north of the Magik Theatre. On June 19th, City Council will consider granting HPARC the authority to issue RFQs for public-private development on these sites.

Gonzalez described the RFQ timeline and oversight committees. The RFQ will be released in the July timeframe, and the oversight committee will review and recommend 2-3 firms to advance to the RFP stage. The selected private partner will become public once the contract is posted on the HPARC agenda for Board approval. HPARC staff has the option to visit developers to understand if there is a fit between the firms' philosophies and the Hemisfair vision.

HPARC is considering releasing RFQs for both sites simultaneously so that developers have the option to bid on one or both at the same time.

Gonzalez explained that the request today is for the Board to approve a minor amendment to the P3 Policy. After review by City staff, some edits were made to the P3 policy. Board Member Bill Shown motioned to approve the change and Board Member Sue Ann Pemberton seconded. All were in favor and the motion passed.

A second request was then made to approve the draft City Ordinance as presented. Board Member Bill Shown motioned to approve the draft City Ordinance, Board Member Rod Radle seconded the motion, and the motion was approved unanimously.

F. Briefing on Hemisfair Conservancy Naming Rights and Gift Acceptance Policies

Executive Director of the Hemisfair Conservancy, Anne Krause, delivered updates on the Hemisfair Conservancy. The Conservancy Board met and approved a Gift Acceptance Policy for Hemisfair which includes a Naming Rights Policy. The policy determines that naming rights for philanthropic donations will be based on a mathematical formula to ensure consistency throughout each park phase. The naming rights value for each of the three park sections will be 70% of total capital cost of the park section for a 25-year term. Naming rights for individual amenities and features within each park will cost 70% of total capital cost of the amenity for a 10-year term, with a minimum contribution of \$250,000. Donor recognition signage will be offered at 70% of total capital costs for a 10-year term, at a minimum of \$100,000.

Krause presented the application of this policy on Yanaguana Garden based on the actual capital costs of the project and its amenities. The goal of offering naming rights is to raise enough endowment investment to pay for the parks' operation in perpetuity. Up to 20% of a gift may be put into an endowment. The policy was developed based on benchmarks from other park projects nationwide.

There are 11 philanthropic naming rights opportunities in the four-plus acre Yanaguana Garden. Naming Rights are an integral component to financial sustainability of the parks.

G. Briefing on Semiannual Milestones

CEO Andres Andujar reported that every six months, the Performance Review Committee of the Board reviews the CEO's performance and develops new benchmarks for the next six months. Andujar walked through the next

semester's goals. They are:

1. Gain Finance Committee approval of financial strategic plan that includes staffing, activation, and development plans with a master proforma that forecasts sources and uses and outlines proactive steps to sustainability
2. Board approval of FY15 Budget and Staffing Plan
3. Obtain City Council approval of FY15 funding in amount of \$1.5 million or more
4. Make all hires pursuant to approved staffing plan on timely basis
5. Obtain Executive Committee approval of the amount and timing of all capital and endowment contributions necessary to achieve the vision for Hemisfair
6. Assemble strategic Board of Directors of at least five high-caliber community members to represent and lead the Hemisfair Conservancy
7. Obtain Executive Committee approval of an agreement between the Conservancy and HPARC that sets forth the operational and relational protocol between the two organizations
8. Raise \$2M or more for Yanaguana Garden Phase Two improvements, as evidenced by contributions or written pledges received
9. Finalize construction drawings for phases one and two, obtain all necessary entitlements, obtain final construction cost, and issue notice to proceed with construction of phase one
10. Finalize design of E. Nueva and Water Streets, and receive P&D approval; issue notice to proceed with construction
11. Obtain P&D committee approval of Leasing Plan and enter into two leases for activation of Historic Homes per the plan
12. Gain P&D approval of top two P3 partners for RFP stage for Water Street project
13. Complete the design of S. Alamo St. and obtain design approval from P&D Committee
14. Obtain public support for civic park design concepts as evidenced by outreach to over 500 residents of which 75% indicate "Agree or Strongly Agree"
15. Gain P&D and HDRC approval of Developmental Guidelines for edge conditions of civic park
16. Obtain civic/cultural committee approval of overall activation vision of Yanaguana Garden
17. Obtain Board approval of Mixed Income Residential Policy
18. Complete Master Lease and Management Agreement with City for control of HPFC and City properties
19. Submit draft of next period key milestones for consideration by the review committee
20. Receive Board and Council approval of Parking Enterprise District to obtain HPARC control of area parking
21. Finalize MOU with City addressing multi-year funding agreement, park management and operations, naming rights, control of River Building, and Hemisfair TIRZ; obtain approval by Hemisfair Board and City council
22. Finalize next period key milestones with Review committee

Bill Shown reminded the Board of the many tasks involved with completing each of the milestones.

H. Briefing on Yanaguana Garden Operations and Maintenance Report

Omar Gonzalez, Director of Planning, Operations, and Development reported on the recently completed O&M Report. ETM Associates was hired to complete the Report, coordinated with MIG, City staff, and the HPARC team. They began with a methodical review of the maintenance and operational tasks required at Yanaguana Garden, from cutting the grass to watering plants. ETM recommended a phased O&M approach taking into consideration different costs at different phases. The report also recommended a combination of City, Contract, and In-house resources be working together. The report recommended a budget of \$200,000-300,000 per acre/per year expense to keep Yanaguana Garden operating at the exemplary level expected at Hemisfair. The next steps will be for the City and HPARC to go through the budget allocation process, for HPARC to adapt their staffing plan, and to accommodate an activation plan.

Gonzalez reported on the phase one and phase two construction boundaries, the staffing timeline, and a yearly cost estimate to operate and maintain Yanaguana Garden. HPARC will begin hiring staff early next year to

prepare for the opening of Yanaguana Garden in Spring 2015. Yanaguana Garden will cost about \$1M per year to operate.

All implementation of City support is pursuant to City Council approval.

I. Committee Updates and Next Steps

- **Executive Committee** – Board Chair Madison Smith reported that the Master Lease & Management Agreement will go before Council in August, and that much time was devoted to establishing milestones this month. Additionally, Smith reported that the Hemisfair Conservancy is intended to become a stand-alone organization, with or without the presence of HPARC.

- **Communications Committee**

Hemisfair Communications Coordinator Rachel Holland reported that the project continues to attract media coverage, TCI set up a website for Hemisfair-related construction updates, and Hemisfair is looking for a full-time Communications Manager.

Hemisfair consultant, Drew Hicks, revealed the new Hemisfair tagline “Where San Antonio Meets.”

- **Art, Civic and Cultural Committee**

Art, Civic, and Cultural Committee Chair Rod Radle reported on the status of the Residential Mixed-Income Policy and proforma which is under review. Hopefully by late July, a policy will be finalized to go before the Board for approval.

Radle reported on the Public Art San Antonio initiative to install several art pieces paid for by the 2012 Bond into Yanaguana Garden. Eight local artists are fine-tuning their concepts and have identified locations for their installments. Some will be permanent and some will be temporary. The next step is a review by P&D and then concepts will go before HDRC in July. The concepts include a kite table, a mural, a series of natural sounds in the trees, moveable figurines, a play theatre, a miniature skeleton of a historic house, and several more. The artists have been fully coordinating with the park designers to create an extra layer of exploration.

- **Finance Committee**

Finance Committee Chair Daniel Lopez reported that parking is becoming a source and a use of funding that we will need to address.

- **Historic Committee**

Historic Committee Chair Sue Ann Pemberton reported that the construction documents for the historic structures are well underway. Asbestos abatement has been completed. Staff is still researching state historic tax credits. Pemberton is planning a tax credit workshop in October. HPARC Project Manager Gary Boyd reported that HPARC is developing some guidelines for the P3 portion of the Magik Theatre expansion.

- **Planning and Development Committee**

Planning & Development Committee Chair Bill Shown reported on working with GGN on design of the civic park. Shown reported that he has full confidence that GGN is thorough in its research and approach to design.

Project Manager Gary Boyd reported that Joeris should begin construction in July on Yanaguana Garden. The construction fence will be behind some of the historic buildings so tenants can remain until October. A new rendering of Yanaguana Garden was presented and the group was reminded that many other art pieces will be incorporated in the functionality of Yanaguana Garden’s features.

J. Board Member Comments

None

K. Executive Session

HPARC may meet in executive session pursuant to Chapter 551 of the Texas Govt Code to deliberate the purchase, exchange, lease, or value of certain real properties; personnel matters; or pending litigation. No executive session was held.

L. Adjournment

HPARC Chair Madison Smith adjourned the meeting at 10:09 AM.