

2017 GREATER CHAMBER

STATE OF THE COUNTY

OCTOBER 23, 2017

Thank you, for that warm introduction.

As Mayor Nirenberg stated, economic development and job creation are at the top of our agenda. And we are making very good progress.

We are on pace to add 30,000 jobs this year.

Our unemployment rate is lower than the average in Texas and the United States.

But we must keep moving forward, work harder in the good times to not lose our momentum.

Through EDF we need to continue to be aggressive in seeking companies to come to San Antonio and local companies to grow. This year, we have used incentives to successfully recruit 13 companies and expansions of local companies.

HULU, Indo-Mim manufacturing, an Indian Manufacture, Bakkovar, a German manufacture, Takumi, a Japanese manufacture, GM Financial and T.J. Maxx and Marshall. These companies are bringing over 3000 jobs and a \$250-million-dollar investment.

We have several more, hot prospects. Thank you to Economic Development Foundation President Jenna Saucedo-Herrera and Chairman Wayne Peacock.

But we need to be smart in how we offer tax incentives. We have an obligation to tax payers to be prudent and thoughtful and not gamble with their funds.

While Mayor Ron Nirenberg and I wrote a very nice letter to Amazon CEO Jeff Bezos that we would be honored to have his second headquarters in San Antonio, we also told him we were not going to enter into a frenzied and expensive incentive bidding war that risks our taxpayer dollars.

For example, Wisconsin gave up \$3 billion for Foxcom. That will cost taxpayers \$15,000.00 each year for every job created. The bidding war for Amazon has resulted in proposals as high as \$7 billion from New Jersey. We are not going to mortgage our future playing a game like that.

In reviewing Amazon's criteria, we found a number of issues we need to address that will require additional investments:

1. Workforce
2. Air Passenger Service
3. Public Transit
4. Top Tier Research Universities & Facilities
5. Road Infrastructure
6. Public safety
7. Culture amenities

We cannot make those investments and at the same time throw taxpayer dollars after Amazon.

So, I ask you to join Mayor Nirenberg and me in a public-private partnership to take our city to the next level. Joining us are the 26 mayors of suburban cities who also play a critical role.

Educating and training our workforce

Let's invest in educating our workforce, emphasizing skill training.

Through employer driven SA works:

1. Support programs whereby high school students can earn **dual credits** while finishing high school as well as industry certificates.
2. Help fund Southwest Independent High School's Advance Manufacturing Center. Toyota earlier announced a \$1.5 million grant for this program
3. Create **high school PAID internships** in your company-
4. Establish a **job shadow day**
5. **Invest in upgrading your employee skills.**
6. Support the **CAST** high school in SAISD School district and Southwest high school.
7. **Create apprenticeships for young people-** pay them much like Germany companies that assist trainees toward high paying jobs.
8. Work with local school districts to create more career and skill training classes.
9. Working on plan for a military transition center to prepare outgoing service personal to enter our work force.

We need the private sector to step up and double the number of internships, apprenticeships, job shadowing days, industry certificates, and dual credit programs.

Bexar County has stepped up to fund apprenticeship programs with Code Up and Open Cloud training. We have created paid internships and a Job Shadow day. We have contributed \$250,000.00 to CAST High School in the San Antonio Independent School District.

Through Bibliotech, the nation's first all-digital public library, we assist our patrons in developing technology skills through problem solving and hands-on learning. This year we have focused on digital equity and strategic technology. We are making available Wi-Fi hot spots by free check out to our patrons. We will be opening a third location on the east side in February.

THANK YOU COMMISSIONER TOMMY CALVERT.

Air Transit

Mayor Nirenberg is working to create better air passenger service. I say let's help him.

Mayor Nirenberg announced that he will appoint an independent air service task force chaired by John Dickson to make recommendations on how to improve our air service.

17% of our air passengers drive to Houston and Austin because of with cheaper and more frequent flights.

One consideration is creating an independent regional airport authority using the assets: Stinson, Port San Antonio, and the San Antonio International Airport. Port San Antonio can change the dynamics of air service. It has a tremendous asset in the 11,500 ft. long landing runway and the capacity to add another runway. This compares to only 8,500 ft. of runways at the San Antonio Airport. The runway has the capacity for general aviation and for larger international aircraft including passenger service, and air cargo.

The idea is to create an entity that develops, manages, and operates our three airport assets in a fully coordinated manner.

It should be noted that state statute regarding airports gives counties – not just cities – broad authority regarding the planning, establishment, construction, etc., of an airport. If the task force makes meaningful recommendations, the county would be willing to consider helping.

Public Transit

The transportation needs of Bexar County will dramatically change in the next decade. Our community will need a consumer and choice-driven public transit system focused on mobility, innovation, efficiency, and decongestion.

To improve service delivery and reduce system costs, the current fixed-route bus system must evolve into a truly multi-modal system that integrates the following:

- Light rail
- Partnerships with transportation networking companies and traditional taxis
- Bicycles

- Car sharing
- Driverless cars
- Demand-driven bus, van and car routes

It will take additional funding to develop a first-class transit system and a forward-looking board of directors and management team to accomplish the above. Mayor Nierenberg and I will be addressing these issues early next year.

INVEST IN Road Infrastructure

The Alamo Regional Mobility Authority, appointed by the Commissioners Court, has provided \$70 million in funding to expand Loop 1604. The project is currently under construction with expected completion by November of 2019.

The RMA has also partnered with Texas Department of Transportation to deliver 14 other regional projects totaling \$179 million.

Bexar County has a \$262 million investment in Hwy. 281, 1604 and IH10, all non-tolled projects.

US Hwy 281 from Loop 1604 to Stone Oak is under construction and should be open to traffic in 2020. The second segment will go all the way to the County line and should be open by 2022.

Construction is underway on the IH 10 project. The project will add an additional general-purpose lane and High Occupancy Vehicle lane in each direction essentially doubling the existing size from 4 lanes to 8 total.

But those investments are not enough. Within the next 25 years we will have 1 million more people living in our area. Based on the Alamo Metropolitan Planning Organization estimates, we will need to invest

\$17 billion in road infrastructure. But based on revenue streams, we will have \$7 billion. We all need to lobby the legislature to step up funding for highways.

THANK COMMISSIONER KEVIN WOLFF, CHAIRMAN OF THE MPO.

TOP TIER RESEARCH

Let's help University of Texas at San Antonio and Texas A&M University develop top tier universities in San Antonio, the only city in Texas to have both institutions.

UTSA new president Thomas Taylor Eighmy has hit the ground running as he seeks to reach a tier one research status. Prior to arriving at UTSA, Eighmy served as the Chief Research Officer at the University of Tennessee in Knoxville.

He also developing an exciting vision for the downtown campus that would among other improvements, create a connection to the downtown tech district.

Texas A&M University President Cynthia Teniente-Matson is building a \$63 million Science and Technology Building to open in the Fall 2018 and is growing enrollment yearly by 20%.

Let's support UT Health Science Center President Bill Heinrich and Bexar County Hospital District president George Hernandez in building the best health care system in town along with great research programs.

In 2008, Commissioners Court invested \$900 million in the Bexar County Hospital dba as University hospital. The new 1 million 20-story sq. ft. Sky Tower and our new downtown 6-story clinic are state of the art buildings with the best in equipment and technology. President Heinrich is now able, because of our new facilities and equipment and our 7,000 employee-dedicate staff, to attract some of the best doctors across the nation. He now has over 800 physicians practicing in our hospital.

One month ago, Commissioners court authorized \$309 million in bonds to build a new Women and Children's hospital. It will be the only Women and Children's hospital in our city.

Public Safety

For the last 16 years we have concentrated on Therapeutic Justice, helping non-violent offenders with mental health issues and drug addiction. We have established a Re-Entry Center to help returning inmates to our society.

The Commissioners Court appointed a Joint Opioid Task Force with the to address the growing opioid epidemic. Opioid addiction and misuse has become a national crisis.

The task force will address treatment, educate the public, train first responders and educate physicians about of the danger of over-prescribing.

Last week, the Task Force announced it is the recipient of a \$3.2 million grant. The grant will expand the availability of Naloxone, that counteracts the effects of opioid overdose, and provide training for first responders to use it.

On April 4, 2017, Commissioners Court approved the build-out of the County's new Justice Intake and Assessment Center that allows the Sheriff's Office to consolidate services and increase effectiveness. Scheduled to open in July 2018. This approach will allow for better mental health and substance abuse assessments of inmates and will increase use of diversion programs for non-violent inmates.

Commissioners Court approved two permanent patrol substations for the Bexar County Sheriff's Office. The two substations will allow deputies to move closer to the communities they serve. One is southwest on Cagnon Road near Loop 1604 and U.S. 90 and the other is northeast on 1604 and Rocket Lane. They will be completed by 2018.

THANK YOU TO SHERIFF JAVIER SALAZAR AND DISTRICT ATTORNEY NICO LAHOOD.

Culture amenities

Next week, Bexar County and Texas A&M University San Antonio will open the doors to our new home for the Alamo Collection of the Daughters of the Republic of Texas. The collection includes 38,000 historical artifacts. It will be co-located with Bexar County's Spanish Archives. This offers research opportunities for students and historians.

Bexar County is partnering with the City of San Antonio, the Alameda Theater Conservancy, and Texas Public Radio (TPR) on a plan that will renovate the historic Alameda Theater in downtown San Antonio. Located on West Houston Street along the San Pedro Creek, the iconic Theater is poised to reclaim its place as a cultural treasure of the community. The City has approved the financing plan and we are scheduled to take it up at our next court meeting.

Next year the County will be opening our first historic park. The historic Hot Wells resort, a popular spa, hotel, bathhouse, and health resort is located on the Mission Reach of the San Antonio River. It is currently under construction.

The San Antonio River Foundation will open Confluence Park next year in January, located on a confluence of San Pedro Creek and the Mission Reach of the river. It will include an education pavilion, a large-scale water catchment system, and eco-type demonstration areas. The \$10-million project will provide a unique learning environment for everyone. The County is proud to have contributed \$1.7 million toward the project.

THANK YOU COMMISSIONER RODRIGUEZ.

Just this Saturday I attended the grand opening of the expanded Botanical Gardens that includes the growing of plant based eatable foods and the preparation of them.

NAFTA

During my term as mayor the NAFTA documents were initialed in San Antonio by Presidents Bush and Salinas, and Canadian Prime Minister

Brian Mulroney. We became the most pro-NAFTA city in nation and finally on November 17, 1993, the House passed NAFTA 234-200. We were successful in bringing North American Development Bank headquarters to San Antonio.

NAFTA works spectacularly well. Today NAFTA is the largest and most successful free trade agreement in the world. Last year, the combined NAFTA Gross Domestic Product was approximately 22 trillion dollars. That compares to the European Union at 21 trillion dollars.

Why are we discussing a 20-year old trade agreement that is, by all measures, an unmitigated success? Our two trade partners buy \$600 billion in U.S. manufactured goods every year. Mexico is the 3rd largest importer of American goods, and Canada is the 2nd.

Since 1994, two-way trade with Mexico is up 6 times.

Call the president and your legislators and tell them you support NAFTA.

300th Anniversary

Bexar County is funding several events celebrating our 300th Anniversary but our most important will be the County's restoration of San Pedro Creek where the Spanish first settled. Bexar County is investing \$125 million in the Creek. City voters just approved \$19 million to help out. The project begins at the San Pedro Creek Tunnel inlet near Fox Tech High School and stretches through downtown.

The revitalized San Pedro Creek will improve flood control, restore natural habitat, improve water quality, stimulate economic development, and celebrate San Antonio's unique history and culture.

The County is transforming the creek into a world-class linear park
The revitalized creek will include many public arts projects that tell the story of the creek and our heritage.

Next year on our 300th Anniversary, May 5, 2018, we will open the first phase of the creek, from the tunnel inlet to Houston Street. The water quality and aquatic habitat will be revitalized and 10,950 aquatic plants and 17,436 trees, shrubs and grasses will be planted.

Local artists will also tell the culture of Bexar County through 19 tile benches and 4 murals by local artists and artwork on bridge railings.

Plethora, a 60-foot sculpture by the renowned Cuban artist Jorge Rodriguez-Gerada will also celebrate our culture.

On the night of our 300th birthday an original opera commissioned by Commissioners Court performed first act at the Tobin center.

San Pedro Creek is already igniting development all along the Westside of downtown. The \$142 million Frost Tower broke ground in March of this year and the \$16 million Linda Pace Foundation Museum, known as Ruby City and the \$132.5 million new U.S. Federal Courthouse.

**THANK COMMISSIONER PAUL ELIZONDO AND SUZANNE SCOTT,
GENERAL MANAGER OF THE SAN ANTONIO RIVER AUTHORITY WHO IS
SUPERVISING THE CONSTRUCTION WORK.**

I challenge you to work with Mayor Nierenberg and me on Workforce, Air Passenger Service, Public Transit, Top Tier Research Universities & Facilities, Road Infrastructure, Public safety and Culture amenities.