

JOHN F. COOK  
MAYOR



JOYCE WILSON  
CITY MANAGER

CITY COUNCIL  
ANN MORGAN LILLY, DISTRICT 1  
SUSANNAH M. BYRD, DISTRICT 2  
EMMA ACOSTA, DISTRICT 3  
CARL ROBINSON, DISTRICT 4  
MICHIEL NOE, DISTRICT 5  
EDDIE HOLGUIN JR., DISTRICT 6  
STEVE ORTEGA, DISTRICT 7  
CORTNEY NILAND, DISTRICT 8

SPECIAL MEETING OF THE CITY COUNCIL MINUTES  
LIBRARY AUDITORIUM  
April 25, 2013

The City Council met at the above place and date. Meeting was called to order at 9:10 a.m. Mayor John Cook present and presiding and the following Council Members answered roll call: Susannah M. Byrd, Emma Acosta, Carl Robinson, Michiel Noe, Eddie Holguin, Jr., and Cortney Niland. Late arrivals: Ann Morgan Lilly and Steve Ortega at 9:15 a.m.

1. Discussion and action on a presentation of the El Paso International Airport Air Service Development Program and New Airline Service Incentive Program.

Industry concentration – less capacity.

High fuel cost – less long range or low yield flying unwilling to pay higher fares.

Tight revenue management – higher fare inventory management.

Business model refinement – carrier and market differentiation airlines becoming more specialized.

Consolidation/Integration – substantial merges and acquisitions in the industry; which creates less seats.

US airlines severely reduced capacity during the Great Recession number of seats available to public.

During WW2 – 16.2, largest reduction since WW2 (6.9).

US airlines have carefully calibrated capacity with demand which is beginning to stabilize.

Airlines are looking for:

- Strategic markets
- Growing markets
- High revenue markets
- Strong community support and incentives

Mayor Cook questioned, "Do we fit into any of these categories?"

Mr. Barney Parrella, InterVistas replied "Yes."

ELP has non-stop service to 13 destinations by 5 airlines, significant deficiencies in the map.

ELP passenger traffic peaked in 2008 and has since declined as air fares have risen. This has happened across the country. However, overall land factor has remained stable at ELP.

Representative Robinson asked is this has been testified before Congress.

Mr. Parrella replied "Yes."

Representative Robinson commented discussion about capacity during merge of airlines.

Mr. Parrella replied, "Yes, analysis is done."

Representative Robinson questioned, "Opposition?"

Mr. Parrella commented price or consumer groups this leads to higher fares. Reduction in one way seats capacity is happening across the country.

Representative Niland commented no direct flights to larger cities.

Need for services to Mexico destinations adequate demand for this. El Paso should be positioned for new services.

ELP is aggressively pursuing all air service opportunities that are sustainable and suitable for this market.

Maintenance of contacts and relationships with airlines are very good and sound. Build on this relationship.

Recognition of ELP position in challenging air service environment, geography is a factor, plus.

Expanded outreach to air service users and stakeholders in the region military communication.

Focus on Mexico market opportunities and the relationship between ELP and Ciudad Juarez International Airport.

Development of new presentation materials for airline meetings.

ELP is among the most cost-effective US airports (small hub airports).

Proposed air service incentive program, give airlines assistance when needed.

- Key features
  - Non-discriminatory
  - No impact on fees of incumbent airlines

ELP is in discussions with business community. Opportunity for private sector to help.

Non- stop service largest unserved market is Washington, DC due in part to Fort Bliss.

Representative Niland commented difference in data.

Mr. Parrella commented El Paso based on current data. This is from demand standpoint.

Airlines that are being targeted for opportunity and enhance service to El Paso.

Representative Ortega commented direct to New York City compared to Albuquerque success.

Mr. Parrella commented airlines in discussion and showing that it is possible to travel direct. Indicates willingness to fly and growth in ELP market.

Representative Ortega commented branding community with other cities in the area.

- Juarez
- Las Cruces

2.5 million within driving range of Airport.

Mr. Parrella commented marketing to airlines as a regional airport.

Ms. Monica Lombrana, Director of Aviation, commented not beneficial at this time already market with regional airport.

Representative Ortega questioned, "So we should see results in future?"

Ms. Lombrana replied, "Income level is substantially different when compared to others."

Representative Robinson questioned, "Fort Bliss traveling to Washington, DC?"

Mr. Parrella replied, "El Paso will get to that."

Have to educate the airlines on the benefits of the City.

- 21<sup>st</sup> largest city in the US.
- #1 Best midsize city for job growth.
- #1 Safest Large City in the U.S.

The region's location on the US/Mexico border facilitates enormous manufacturing, trade and logistics activity.

Fort Bliss is a Major Driver of Economic Activity for El Paso.

Expansion at Fort Bliss has increased the military population and the potential for additional inbound and outbound air travel.

The major Federal law enforcement agencies in El Paso have strong linkages to the Washington DC area.

Ms. Lombrana stated incentives program \$25K will be up to \$50K. Under served markets; want to attract and define.

Representative Niland questioned, "Incentives with private sector, what needs to be done?"

Ms. Lombrana replied, "Incentive program is competitive. Private sector is lacking continuing to work with them."

Representative Niland commented develop partnerships.

Representative Noe commented negotiate with carriers in formal manner.

Ms. Lombrana replied, "Market match, reduction in landing firms, marketing."

Representative Noe questioned, "Did these incentives affect the bottom line?"

Ms. Lombrana replied, "No."

Representative Lilly questioned, "No rail, direct bus service or special shuttle service for individuals needing to get to Airport."

Ms. Lombrana replied, "Yes."

**NO ACTION** taken on this item.

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**2. Discussion and action on recommendations for the location of the proposed soccer complex.**

Three sites proposed

- Ranchos Real
- County
- PSB

Ranchos Real 80 acres outside city limits 2.5m east of Zaragoza. City responsible for developing.

Representative Byrd questioned, "Individual parcels are owned?"

Ms. Liza Ramirez-Tobias, Capital Assets Manager replied "Yes."

Representative Noe commented development plan currently planned for area.

Ms. Ramirez-Tobias presented video of proposed site.

Representative Byrd questioned "Subdivision annex?"

Ms. Ramirez- Tobias replied "No, cost to acquire."

Ms. Nanette Smejkal, Director of Parks and Recreation, commented City has to pick up cost from developer however, can enter into agreement with developer.

Representative Holguin commented just land no build out 1.2 for land with addition 2.2 million.

Representative Acosta questioned, Annexation cost, what will it take to connect to Loop 375?"

Ms. Smejkal replied, "Must work with developer."

Ms. Kimberly Forsyth, Lead Planner for City Development stated developer or City can do annexation. Site is eligible for annexation.

Mayor Cook commented Council can amend annexation policy.

Ms. Smejkal commented land owner responsible for cost of expanding Montwood. Expansion is not a requirement.

Representative Byrd commented 90 acres for ponding and commercial.

Mr. Kurt Fenstermacher, Interim Director for Environmental Services, commented commercial at seven acres rest is residential.

Representative Holguin commented move from current policy to build site.

Ms. Smejkal replied, "Yes, amended land study and code amendments."

County 80 acres R3 – RF 76.96 acres.

Representative Noe questioned, "Site still on table?"

Ms. Ramirez- Tobias replied, "Yes."

Ms. Ramirez- Tobias presented video of proposed site, \$10.9 million of street improvements.

Representative Noe questioned, "2007 appraisal?"

Ms. Ramirez-Tobias replied, "County currently getting appraisal. Cost of land will consume budget. City – PSB managed 80 acres."

Representative Noe questioned, "Required to build street? Winn

Ms. Ramirez-Tobias replied "Yes."

Ms. Ramirez-Tobias presented video of proposed site.

Ms. Ramirez-Tobias commented \$964.5k – 2.5 million to acquire and street improvements. Technical review with all departments.

1.5 cost (extra) to purchase land.

Representative Acosta commented not ready to select site, need exact cost. Including street cost. Annexation process not disclosed as well.

Representative Noe questioned "Time frame on extra 1.5 million PSB land process, existing water?"

Ms. Smejkal replied, "Yes."

Ms. Lupe Cuellar, El Paso Water Utilities replied "No idea."

Representative Noe questioned, "Any located in flood zone, PSB."

Mr. Felipe Lopez, El Paso Water Utilities commented on water and sewer mains for sites.

Ms. Smejkal commented was not put into the presentation.

Representative Acosta commented need actual cost of each site, not ready to make decision.

Representative Byrd commented for reclaimed vs. regular water .96 cents vs. \$1.49.

Ms. Smejkal commented intent is to pursue synthetic turf, not natural grass on all fields.

Representative Byrd commented Rancho site outside of City limits; does not make good business sense.

Representative Holguin commented increase capacity for reclaimed water.

Mr. Lopez commented study is on-going.

Ms. Smejkal summarized Ranchos Real least costly, PSB is second."

Representative Noe questioned, "Flood zone?"

Ms. Smejkal commented issue is clean-up.

Representative Noe commented 80 acres Soccer complex is what people have asked for.

Representative Acosta commented need the full cost Rancho Real including full connectivity, street cost and utility cost.

Representative Holguin questioned, Can waive land acquisition cost.

Ms. Marcela Navarette, El Paso Water Utilities, Land MOU City would have to pay.

City staff recommendation is Rancho Real.

	Rancho Real	City	PSB
Best Price	1 <sup>st</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>
Best Visibility Access	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>
Best Timing	1 <sup>st</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>

Motion made by Representative Noe, seconded by Representative Ortega, and carried to **ACCEPT** the Montwood Ranchos Real for the location of the proposed soccer complex. **THE MOTION PASSED.**

AYES: Mayor Cook and Representatives Lilly, Noe, Ortega, and Niland

NAYS: Representative Byrd, Acosta, Robinson, and Holguin

Mayor Cook broke the tie, voting Aye.

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Motion made by Representative Noe, seconded by Representative Byrd, and unanimously carried to **ADJOURN** this meeting at 11:14 a.m.  
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APPROVED AS TO CONTENT:

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John K. Glendon, Deputy City Clerk