

City Council

...the issues begin to take shape...

by Kat Rowoldt

This was the first full council meeting (June 6th) for the newly elected councilmen and mayor. It had an interesting beginning. During public comment, we began hearing the Council wanted to shut down the Railroad Museum. Where did this information come from?



Several people went to the podium and asked, pleaded, and challenged the Council to maintain this historic landmark for our city. They touted the number of school buses that bring students to experience the landmark each year. They also mentioned tourists from all over the world traveling to visit the site.

When public comment was finished, you would have thought the Council was nothing but a group of heartless people based on what the people were sharing. Since the subject was not on the regular agenda, the Council could not comment on what was being stated, they could only listen, and listen they did.

I later learned David Wood, I believe he is the President of the Railroad Museum board, had met with members of the Council and city staff the day before the Council meeting and together they had negotiated a contract for the Railroad Museum. Perhaps that is what was scheduled for Executive Session that morning. Somewhere between that meeting and the City Council meeting the next day, many museum supporters apparently were told the Council wanted to close them down. Rumors were swirling in the chambers, including one that someone else wanting the property for another use. Crazy stuff!

The Railroad Museum was on the Executive Session agenda, listed as 703 S. Chadbourne. When they returned to open session, one of the things brought up was a newly scheduled meeting/workshop to work on a contract with the Railroad Museum. That meeting will be held on June 15th, 3:30 p.m. in the Council chambers. This will be open to the public. It just might be interesting.

The Council seemed to be working in harmony during this session/meeting, as every vote taken was unanimous. We will see how long this lasts.

The other interesting thing from the meeting was item 6.f. *Update on Industrial Park activity and performance (Requested by Mayor Gunter, Presentation by Economic Development Director Roland Pena).*

Tina Dierschke presented slides reporting:

- In 1982, the City purchased land at \$300 per acre (5500 acres)
- In 2000, the City conveyed 406.74 acres to COSADC
- The initial investment by the City was \$122,022

Industrial Park Financial Performance

Revenues

• Federal HUD Grant	864,415
• Sale to Taylor Publishing (10 acres)	2,397,932
• Sale to Angelo Archives (3.35 acres)	10,650
• Sale to Cased Hole Solutions (20 acres)	396,602
• Sale to Grimes Land Co. (10.5 acres)	260,530
• Sale to 42 San Angelo LP (8.997 acres)	223,008
• Sale to Wornat-Abilene LLC (2.00 acres)	57,208
• Sale to Warren CAT (14.850 acres)	371,250
• Sale to AEP (52 acres)	1,196,000
• Sale to Invermex (4.25 acres)	123,033
Total Revenues	\$5,900,628

Expenditures

• Improvements Phase 1	1,013,908
• Improvements Phase 2	51,609
• Improvements Phase 3	2,389,967
Total Expenditures	\$3,475,861

Recap

Revenue	5,900,628
Expenditures	3,475,861
Revenue Over(Under) Expenditures	2,424,767

The COSADC is the entity that oversees the Industrial Park. This positive gain would give the appearance that all is well with the COSADC, but it has certainly had its challenges.

While the numbers above may appear positive, I have to put it in a different perspective. These are the numbers being presented for the Industrial Park, which is what was requested, but it's not the full picture of the COSADC. You could say this is a partial profit/loss statement for the COSADC. Even this report leaves lots of questions to be answered on the various properties, such

as Taylor Publishing which the city built the building that was only used a couple of years.

Mayor Gunter only requested a report on the Industrial Park, both activity and performance, and that is what is being addressed here. Keep in mind, the COSADC's primary purpose is to oversee the 1/2 cent Sales Tax allocation. I guess you could say this is the left hand of COSADC, but how is the right hand doing?

There was no mention of Med-Hab or the Mortifier-Hirschfeld debacles, since these were not in the Industrial Park. There may have been other financial losses which are not coming to mind at the moment. The loss to the city on Mortifier-Hirschfeld I believe was close to \$2,000,000.00. If you put the correct totals for the losses against this profitable number above, we're given a very different perspective on the profitability of the COSADC.

But the issue that strikes my heart is something that was never mentioned. Do we think that the city should be operating as a real estate developer? Are they not competing against genuine real estate developers who work in the city, not for the city? Is this not one of the problems that continues to grow - that being the lack of understanding of what the city should be doing and when it's putting its fingers into things that it shouldn't?

Roland Pena touted the recent sales of property in the Industrial Park, but reality is, for the most part, they simply pulled current businesses in San Angelo from other properties to their location. Where is the new development? Where are the new businesses being brought to town? That doesn't appear to be the focus. They will celebrate filling a property in the Industrial Park, while in fact it created vacant property in other parts of our city. That to me isn't development, isn't success.

If my understanding is correct, the Industrial Park was created as a means to attract new businesses to San Angelo to create jobs for our citizens. Today it's become a means to retain jobs in our community. The COSADC has allowed itself to get into a position where local businesses threaten to leave (possibly only bluffing) in order to milk the city for financial gain in order to stay. Instead of bringing in new jobs to our community, they are tangled up trying to keep what we have here by offering very lucrative incentives. What is that costing us? I don't think that is a positive step forward, nor a good precedent having been set.

And so the story begins for this new Council. They scheduled several workshops for a variety of things: water, railroad museum, water board/TCEQ, and MPO 101. It's going to be a busy summer.

Until next time....

Kat Rowoldt

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