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Introducing the Paso Del Norte Group

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Article Text:

When the Paso Del Norte Group went to El Paso City Council to ask for \$250,000 toward a Downtown Plan on Feb. 15, 2005, there was plenty of discussion about what the city might get for its money.

What there wasn't much discussion about was who was getting the money.

Introducing the Paso Del Norte Group, a private organization of more than 300 people representing leaders in most business and civic sectors of El Paso. The group, meant to be representative of the region, also includes **members** from Juarez and Southern New Mexico.

Patterned after similar leadership groups in cities across the country, and specifically the Commercial Club of Chicago, a venerable institution that stepped out of the background and into the middle of public policy issues several years ago, the Paso Del Norte Group is involved in promoting -- quietly -- such major policy initiatives as the Regional Mobility Authority and the Medical School of the Americas.

It is the Downtown Plan, however, that recently pushed the **PDNG** into public view. Opponents of the plan wondered who the group's **members** were, and while the **PDNG** initially sought to keep the focus on the plan and has consistently refused to answer questions about the group, within the last few days it posted a list of **members** on the Downtown Plan Web site. [membership list] The move followed several public information requests to the city, including one by NPT, seeking the membership list, which was provided to at least one councilmember.

"I'm glad they published their names and I think that was probably a good move considering they are now involved in a public process," said El Paso City Manager Joyce Wilson, who is an ex officio member of the group. "I think because it has become part of the conversation the organization decided it was really prudent and timely that they do that so it's a positive thing."

It's not that the **PDNG** never is mentioned; the group's name appears occasionally in news articles. Typically, the articles refer to a "civic group," if explaining the **PDNG** at all. Most **members** are required to sign confidentiality agreements, according to interviews conducted for this article. However, some **members** interviewed said they did not sign any such agreement.

Several of those interviewed did not want to be named, saying they did not want to anger **members** of the group. Most agreed that the aims of the group are positive, even when they had concerns about the process by

which decisions are made on behalf of the group and privacy under which the group has operated to this point.

“What it is is a core group of people making decisions under the name of the PDN and then they inform the rest of the group,” said one member.

“You got a group of people who tell you what to do and that's it,” said another.

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The contract with the city for the Downtown Plan actually was with the **PDNG** Foundation, a 501(c)(3) organization that operates as a supporting agency to the Paso Del Norte Group, a 501(c)(6) business leadership organization. The Paso Del Norte Group was initially registered in 1999 as “El Paso Leadership and Research Council.” It changed its name in 2003 to “El Paso Business Leadership Council,” and again in March of 2004 to “Paso Del Norte Group.”

The **PDNG** Foundation was initially incorporated as “El Paso Leadership and Research Council Foundation” on June 5, 2001, with articles of amendment filed June 17, 2004 that changed the name to the **PDNG** Foundation. Serving on the initial three-member board of directors were (Scott Hulse attorney) Dave Bernard, (KPMG managing partner) Linda Volk, and Joe Wardy. It's one of several entities formed as supporting branches of the **PDNG** -- for example, the MCA Foundation is working on the Medical Center of the Americas plan, and the 2010 Foundation has been formed by the **PDNG** to serve as a liaison between the city and the **PDNG** for the Downtown Plan.

The Paso Del Norte Group was in part an evolution of the Leadership Research Council, a group formed in 1999 by businessman Woody Hunt, whose company is one of the leading corporations in the region. Hunt said he is a member of the **PDNG** Executive Committee.

The Council was made up of 40 CEOs, and focused on “research-based public policy,” Hunt said. After several years, “It wasn't moving forward and serving its potential,” he said. Hunt served as the initial chairman; in 2004, with Bob Hoy as chairman, Myrna Deckert was brought in as COO, said Hunt. She, in turn, with Jack Cardwell, who founded the Petro chain of truck stops and gas stations, and Bill Sanders, a real estate developer who brought his Verde Realty Group to El Paso, developed the current structure.

Sanders, in particular, has been described as a driving force in developing the Paso Del Norte Group. Sanders, who originally is from El Paso but made his fortune in Chicago, brought a model from that city -- the Commercial Club, a storied organization of great influence in that city. [commercial club]

Sanders declined to be interviewed for this article.

Eden Martin, president of the Commercial Club, said “the Commercial Club has been around for 130 years and from time to time over that period they have been active in public or civic projects. The Burnham Plan, one of the great examples of planning ... was done the under auspices (of the Commercial Club).” The 1909 Burnham Plan is considered one of the seminal examples of city planning, and a reason Chicago is one of the world's great cities.

Martin said that a smaller group within the Commercial Club, which posts its membership online, formed little more than 20 years ago. Called the Civic Committee, the group's aim was “to be somewhat more action-oriented.”

“Much of what we do is intended to be quiet. That doesn't mean secret. We just don't draw attention to ourselves. Quiet means not trying to draw attention to yourself; you're also not trying to avoid people from knowing what you do. There is no secret we are interested in education, there is no secret we're trying to promote business development or expand airport capacity. But ... we don't try to grab newspaper headlines,” Martin said.

New **members** of the Paso Del Norte Group must be nominated by two current **members**, and approved by leadership. **Members** are charged an annual fee; those interviewed said they were charged anywhere from \$750 to \$1,800. The group meets as a body -- about 350 **members** -- two or three times a year. In addition, the group sponsors speakers for breakfast or dinner meetings; for example, U.S. Energy Secretary Samuel Bodman is scheduled to be a speaker at the El Paso Country Club Thursday (May 18).

According to the group's 2004 Form 990, which is an annual tax return for non-profits, they took in \$200,000, and spent \$140,000 for meetings and plans to "further the efforts to improve the per capita income, employment and downtown redevelopment levels in El Paso."

While **members** meet as a body only a few times a year, the group as a whole is divided into task forces that meet regularly, covering, among other areas: downtown; military; health care; education; water; and transportation.

Besides the Downtown Plan, the results of two other task forces have been made public: The Medical Center of the Americas project, and the Regional Mobility Authority. [mca] [rma]

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Ralph Adame is a member of the Paso Del Norte Group, which created the Medical Center of the Americas Foundation. The group is working through the El Paso Lyceum, a group of "cabinets" set up by Mayor John Cook to advise City Council on policy direction.

When asked to weight the pros and cons of an organization that carries such great policy weight being largely unknown to the public, he said, "I don't see any negatives, because the Paso Del Norte Group as an organization has no particular agenda. I thought the goal was the use whatever influence we had toward good public policy."

Adame also said that regardless of whether the Paso Del Norte Group or anybody else had developed the Downtown Plan, the impetus for the questions about the background of the **PDNG**, "It doesn't matter what it is, or how public it is, there will always be those who say no. Perhaps now the **PDNG** is becoming a convenient scapegoat but we could have been as public as anyone wanted us to be and we'd still have this controversy."

Tracy Yellen, another **PDNG** member who was part of the Downtown Development Task Force, described the group as "a civic organization for community and business people. I think it's a good opportunity for business people who are interested in getting involved in civic activity, like a Rotary or other civic organizations."

Others also compared the **PDNG** to various civic and business groups, pointing to such entities as chambers of commerce, for example.

"I don't think the PDN has anything to hide and the information is being made public; I think that addresses the concerns. I don't know what else needs to be made public about it," said Yellen.

According to the 2004 Form 990, the group's co-chairs were Prestige Consulting President Gilbert Moreno and Jack Cardwell. Holguin Group CEO Hector Holguin was treasurer, and EPCC President Richard Rhodes was secretary. While the list of **members** posted online does not distinguish their positions within the group, **members** said in interviews that the leadership is made up of an executive committee.

The list of rank and file **members** is just as impressive, including not only leaders of industry and finance, but media as well. El Paso Inc. Publisher Tom Fenton -- who wrote a column April 30 in support of the plan -- is a member, which he did not note in his column. The former El Paso Times Publisher Sherman Bodner, whose paper has editorialized several times in favor of the plan, was a member, although the current publisher is not listed on the downtown plan Web site. Newspaper Tree Publisher Vanessa Johnson, who confirmed she works on a healthcare committee but declined further comment for this article, is a member. Johnson has also previously written about Downtown El Paso. [link] Gerardo Rodriguez, editor of El Diario de El Paso, which

has been extremely critical of the plan, also is listed as a member of the group, as is El Norte Publisher Oscar Cantú.

Deckert, the group COO, opened a May 5 news conference on the Downtown Plan by describing the **PDNG** as a group of civic and business leaders that employs herself and an executive assistant. “That is the information I would like to share with you about the Paso Del Norte Group,” she said after brief comments. In a later interview, she said that “The plan is public; the organization is a private organization.”

Asked if the questions of secrecy would hurt the Downtown Plan, or other efforts by the group, she said, “I hope not. Some people are underestimating the support this plan has. If we had involved everybody, we wouldn’t have a plan.”

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Another member, who asked not to be named, thought the question of influence might be overstated.

“It remains to be seen what the influence is, actually,” the member said. “The whole organization has been waiting for this Downtown Plan to see what kind of impact it will have. There may be some ambivalence even within the organization about a lot of these different things. It’s not a constituency.”

The member said that the **PDNG** might actually be hurting the Downtown Plan at this point.

“It doesn’t have a coalition, a broad base, and it’s being hung as a PDN plan,” the member said.

That might be addressed this week -- Mayor John Cook said that the city Tuesday will announce that it is officially taking over further development of the plan. That strategy is in line with a memo written April 19 by City Manager Joyce Wilson to Deckert. In the memo, Wilson wrote that the plan was “being driven by the PDN and we are running behind it.” [memo]

In an interview, Wilson said, 'I met briefly with representatives of PDN last week to begin to talk about how we transition the roles and responsibilities, because it's not so much that they're no longer in the process but the discussion is that we would begin to assume the responsibility to work more directly with the planners.' Wilson said that there should be about another \$350,000 available to complete the work.

Aside from concerns over progress of the plan, and who is now responsible for it, Cook said he didn’t have any concerns about the group’s behind-the-scenes activities.

“I addressed about 150 of them I when first got elected and they seemed like they had everybody they could get from every business sector,” said Cook, who like several other elected officials is an honorary member of the group. “There are smaller, informal groups, I’m sure, that exist that try to shape public policy.”

City Rep. Beto O’Rourke, who was a member of the group until the fall, defended the **PDNG** and its efforts.

“Everything the group is doing is done in the best interests of the community. My understanding of its mission is that it’s people in the community who want to come together and make the community better. They don’t want to do it by going in front of cameras and getting attention. They want to be a group that goes out and gets things done,” he said.

As for the question of transparency with an organization seeking to influence public policy, O’Rourke said, “the PDN was openly and transparently asked by the previous (city) administration to come up with a plan for Downtown redevelopment, which they’ve done. Influence has the connotation that under the radar they are pushing people's buttons to do things the public otherwise doesn’t know and I don’t think any of that has happened.”

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In part, the group's stated commitment to making sure **members** could not profit from advance knowledge of the Downtown Plan also may have worked against it. Property owners Downtown were not contacted about the plan, a rule that applied particularly to property owners who also were group **members**.

Tanny Berg, a Downtown property owner who has been a major player in past efforts to change Downtown -- with mixed reviews as to his role -- said that "I wanted to be involved in the discussions and they told me they would not involve anybody who owned land. It's a much easier thing to harmoniously talk about a plan with the affected **members** instead of trying to sell it to an adversarial group."

He said the leadership of the group, because of the influence they wield individually as leaders in their fields, as well as their position as **PDNG** leaders, "certainly have the ability to at least get the ear of (politicians), which they do. Wielded properly that's a good thing, wielded negatively it's not. Could this group in the long run be beneficial for the community, of course, but in my opinion it needs to take in the interest of the community as a whole."

Kathy Staudt, director of the Center for Civic Engagement at UTEP, said that the **PDNG** now has an opportunity to introduce itself to the broader community.

"Studies of urban politics in the U.S. show that corporate and developer constituencies have, historically, exercised a great deal of influence over local government. El Paso is not unique in that regard. However, we in El Paso are positioned to move at this historic moment toward negotiating solutions that engage more than the developers' voices in the Downtown Development Plan. I understand that more opportunities will soon be organized for public input," she said. "There is a good, healthy opportunity for dialogue over better solutions. Public plans that use public subsidies are supposed to be part of an open, democratic process for coherent development that maximizes benefits for large numbers of people.

"Until recently, the Paso del Norte Group operated in a quasi-secretive manner. Now is the opportunity for transparency: Who are their **members**? What is their infrastructure? From where do they get funding? The public needs to know about and participate in publicly subsidized efforts, especially those of nonprofit organizations, established with a 'public interest.'"

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Caption:

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