

A RESOLUTION **2017-04-20-0017R**

**AUTHORIZING BEXAR COUNTY TAX ABATEMENTS FOR THE REDEVELOPMENT OF THE KRESS AND GRANT BUILDINGS, LOCATED WITHIN THE TAX INCREMENT REINVESTMENT ZONE NUMBER NINE, CITY OF SAN ANTONIO, KNOWN AS THE HOUSTON STREET TIRZ.**

\* \* \* \* \*

**WHEREAS**, Chapter 312, Tax Code provides for counties to enter into tax abatement agreements with property owners to attract investment and redevelopment in areas designated as reinvestment zones; and

**WHEREAS**, City Council through Ordinance No. 2015-10-15-0881, on October 15, 2015, approved an Inter-local Agreement negotiated by the City of San Antonio (“City”), the Board of Directors for the Houston Street TIRZ and Bexar County (“County”), whereby the County agreed to participate in the Houston Street TIRZ and contribute to the Tax Increment Fund of the Houston Street TIRZ beginning with the 2015 tax year; and

**WHEREAS**, NEC Network, LLC (“CaptureRx”), Graystreet Houston-305 E. Houston Street, LLC (“Graystreet 305”), and Graystreet Houston-315 E. Houston Street, LLC (“Graystreet 315”), sought incentives from the City and County for the redevelopment of the historic Kress Building and the adjacent Grant Building, located at 305 E. Houston Street and 315 E. Houston Street; and

**WHEREAS**, CaptureRx is expanding and relocating its company headquarters to 305 E. Houston Street and 315 E. Houston Street, and the investment is valued at \$10.5 million, including the retention and creation of approximately 354 jobs with a minimum salary of \$50,000.00, the revitalization of two vacant buildings (Kress and Grant buildings), approximately, and the development of 60,000 square feet of office space, which is anticipated to commence operations by June 2018; and

**WHEREAS**, the County’s proposed incentive in the redevelopment of the Kress and Grant buildings is a ten year, 90% abatement of the County’s real property taxes, valued at approximately \$28,114.00 per year with a total incentive of \$281,183.00; and

**WHEREAS**, in accordance with Chapter 311.0125, Tax Code, an agreement to abate taxes on real property in a tax increment reinvestment zone (“TIRZ”), requires approval from the Board of Directors of the TIRZ, and the governing body of each of the taxing entities that impose taxes on real property in the TIRZ and deposits or agrees to deposit any of its tax increment into the tax increment fund for the TIRZ in order to be effective; and

**WHEREAS**, on March 6, 2017, Houston Street TIRZ approved Resolution T9-2017-03-06-02R, authorizing the County to enter into a Tax Abatement Agreement for the redevelopment of the Kress and Grant buildings; and

**WHEREAS**, the City is a taxing unit that imposes taxes on real property in the Houston Street TIRZ and deposits its tax increment into the tax increment fund of the Houston Street TIRZ; and

**WHEREAS**, City Council finds the proposed tax abatement by the County for the redevelopment of the Kress and Grant Buildings is a reasonable incentive to attract innovative jobs in targeted industries and to support redevelopment of the City's downtown area; **NOW THEREFORE:**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The recitals above are adopted in their entirety.

**SECTION 2.** Bexar County's tax abatement for the redevelopment of the Kress and Grant Buildings located at 305 E. Houston Street and 315 E. Houston Street and within the Houston Street TIRZ is hereby approved.

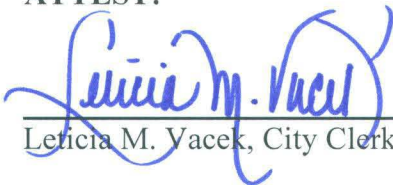
**SECTION 3.** City staff is hereby authorized to make the accompanying changes to the TIRZ Project Plan and financial adjustments necessary to implement the tax abatement approved in this Resolution.

**SECTION 4.** The action authorized in this Resolution shall be effective immediately upon passage by eight affirmative votes; otherwise it shall be effective on the tenth day after passage.

**PASSED BY THE CITY COUNCIL of the City of San Antonio this 20<sup>th</sup> day of April, 2017.**

  
M A Y O R  
Ivy R. Taylor

**ATTEST:**

  
\_\_\_\_\_  
Leticia M. Vacek, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Andrew Segovia, City Attorney

<b>Agenda Item:</b>	<b>15 ( in consent vote: 4, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 18, 19, 20, 22, 23 )</b>						
<b>Date:</b>	04/20/2017						
<b>Time:</b>	09:29:12 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	A Resolution approving a Bexar County tax abatement for the redevelopment of adjoining buildings at 305 East Houston and 315 East Houston, within the boundary of the Houston Street Tax Increment Reinvestment Zone in Council District 1. [Carlos Contreras, Assistant City Manager; Rene Dominguez, Director, Economic Development]						
<b>Result:</b>	Passed						
<b>Voter</b>	<b>Group</b>	<b>Not Present</b>	<b>Yea</b>	<b>Nay</b>	<b>Abstain</b>	<b>Motion</b>	<b>Second</b>
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				x
Alan Warrick	District 2		x			x	
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4	x					
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				