

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.**

**AN ORDINANCE**

**AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT WITH ACG ST. MARY'S GP, LLC IN AN AMOUNT NOT TO EXCEED \$2,875,000.00 FOR THE DEVELOPMENT OF THE MUSEUM REACH LOFTS PROJECT, LOCATED AT 1500 N. ST. MARY'S AND 405 W. JONES IN COUNCIL DISTRICT 1 AND WITHIN THE MIDTOWN TAX INCREMENT REINVESTMENT ZONE; AND AUTHORIZING A FORGIVABLE DEVELOPMENT LOAN IN THE AMOUNT OF \$564,000.00 IN ACCORDANCE WITH THE CITY'S INNER CITY REINVESTMENT AND INFILL POLICY (ICRIP).**

\* \* \* \* \*

**WHEREAS**, in accordance with the Tax Increment Financing Act, Texas Tax Code Chapter 311, City Council through Ordinance No. 2008-12-11-1134 designated the Midtown Tax Increment Reinvestment Zone ("Midtown TIRZ") located in City Council District 1 to promote the development or re-development that would not occur solely through private investment in the reasonably foreseeable future; and

**WHEREAS**, on February 16, 2018, ACG St. Mary's GP, LLC submitted a request for TIRZ funding in order to facilitate public improvements associated with the Museum Reach Lofts project ("Project"), to be located at 1500 N. St. Mary's St. and 405 W. Jones, San Antonio, Texas in City Council District 1 and within the Midtown TIRZ; and

**WHEREAS**, the Project comprises the construction of an apartment building with approximately 94 housing units, 8 which will be market-rate units and 86 which will be affordable units, and the Developer has agreed to maintain the affordability component of the Project for 35 years; and

**WHEREAS**, on June 15, 2018, the Midtown TIRZ Board approved a Resolution authorizing Staff to negotiate an appropriate agreement in an amount not to exceed TWO MILLION EIGHT HUNDRED AND SEVENTY FIVE THOUSAND DOLLARS AND ZERO CENTS (\$2,875,000.00) in TIRZ funding with ACG St. Mary's GP, LLC for the Museum Reach Lofts project, which shall consist of the reimbursement for land acquisition costs associated with the Project; and

**WHEREAS**, the total development cost of the project is approximately SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$17,500,000.00) and the Developer has been awarded Competitive 9% Housing Tax Credits through the Texas Department of Housing and Community Affairs, has been approved for up to \$27,431.00 in City fee waivers, \$295,988.00 in SAWS fee waivers and has also been approved for a forgivable development loan in the amount of \$564,000.00 through the City's Inner City Reinvestment Incentive Program (ICRIP); and

**WHEREAS**, on October 31, 2018, the Midtown TIRZ Board approved a Resolution authorizing the execution of the Development Agreement with ACG St. Mary's GP, LLC to provide reimbursement in an amount not to exceed TWO MILLION EIGHT HUNDRED AND SEVENTY FIVE THOUSAND DOLLARS AND ZERO CENTS (\$2,875,000.00) for eligible expenses associated with the Museum

Reach Project, which shall consist of reimbursement for land acquisition costs, and approval of City Council is now required; **NOW THEREFORE,**

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

**SECTION 1.** City Council hereby authorizes the execution of a Development Agreement between the City of San Antonio, the Midtown TIRZ Board of Directors and with ACG St. Mary's GP, LLC. A copy of this Development Agreement is presented in substantial final form in Attachment A. A copy of the fully executed agreement will be substituted for Attachment A upon receipt of all signatures.

**SECTION 2.** This Ordinance authorizes the commitment to provide funding in an amount not to exceed TWO MILLION EIGHT HUNDRED SEVENTY FIVE THOUSAND DOLLARS AND ZERO CENTS (\$2,875,000.00) in reimbursable tax increment, subject to availability, from the Midtown TIRZ Tax Increment Fund to ACG St. Mary's GP, LLC to support public infrastructure and improvements in the form of reimbursements for land acquisition costs associated with the Museum Reach Lofts Project located at 1500 N. St. Mary's St. and 405 W. Jones, San Antonio, Texas; and authorizes the commitment to provide funding in an amount not to exceed FIVE HUNDRED SIXTY FOUR THOUSAND DOLLARS AND ZERO CENTS (\$564,000.00) in a forgivable development loan in accordance with the City's Inner City Reinvestment and Infill Policy.

**SECTION 3.** City staff is authorized to amend the Midtown TIRZ Project and Finance Plans as necessary to include this Project.

**SECTION 4.** Available reimbursement will be paid solely from the Midtown TIRZ fund. There is no fiscal impact to the City's General Fund.

**SECTION 5.** Funds are available in the FY 2019 Inner City Investment Fund for the \$564,000.00 development loan.

**SECTION 6.** This Ordinance becomes effective immediately upon its passage by eight affirmative votes; otherwise it shall become effective on the tenth day after passage thereof.

**PASSED and APPROVED** this     th day of           , 2018.

M A Y O R  
Ron Nirenberg

**ATTEST:**

**APPROVED AS TO FORM:**

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Leticia M. Vacek, City Clerk

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Andrew Segovia, City Attorney

# ATTACHMENT A

DRAFT