

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

AN ORDINANCE

AUTHORIZING A CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM GRANT AND LOAN AGREEMENT IN A CUMULATIVE AMOUNT NOT TO EXCEED \$941,710.70 TO 400 EAST HOUSTON LP FOR PROJECT COSTS RELATED TO THE MAVERICK BUILDING PROJECT, TO INCLUDE \$23,342.00 IN CITY FEE WAIVERS AND RELEASE OF LIEN IN THE AMOUNT \$381,615.65.

WHEREAS, 400 East Houston LP (“Developer”) is proposing a \$5,000,000 investment in the Maverick Building located at 400 E. Houston, St., San Antonio, TX 78205 to rehabilitate and renovate the historic building to provide for at least eighty-five (85) rental housing units and 6,000 square feet of retail space (the “Project”); and

WHEREAS, Developer is requesting an economic development grant to defray costs associated with Project; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code and Section 311.010 of the Texas Tax Code, the City of San Antonio (the “City”) and TIRZ #9 (the “Houston Street TIRZ”) are authorized to enter into an economic development grant and loan agreement for the purpose of promoting local economic development and stimulating business and commercial activity within the city limits and reinvestment zone; and

WHEREAS, the City and the Houston Street TIRZ support programs which would allow for economic development within the Houston Street TIRZ boundaries and have identified the tax increment produced by the Project, certain economic incentive funds and certain City fee waivers as the funding sources for a Chapter 380 economic development program grant; and

WHEREAS, contingent upon the Board of Directors of the Houston Street TIRZ passing a Resolution of support for the Project and committing TIRZ Tax Increment Funding in an amount estimated to be approximately \$415,753.05 over a fifteen (15) year period to the Developer to undertake and complete the Project, the City shall provide additional incentives in the form of an economic development loan in the amount of \$120,000.00 and City fee waivers in the amount of \$24,342.00 to Developer through a Chapter 380 Economic Development Program Grant and Loan Agreement (Exhibit “A”); and

WHEREAS, the CITY is also providing a waiver of the existing Community Development Block Grant (CDBG) lien on the Maverick Building property and forgiving the balance due of approximately \$381,,615.65; **NOW THEREFORE:**

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

SECTION 1. Contingent upon the passage of a resolution of support and commitment of funding for the Project from the Board of Directors of the Houston Street TIRZ, the City Council approves the terms and conditions of an Economic Development Program Grant and Loan Agreement with 400 East Houston LP in a cumulative amount of approximately \$941,710.70 which includes \$24,342.00 in City fee waivers and a Release of Lien in the amount of \$381,615.65 for the Project.

SECTION 2. The City Manager or her designee is authorized to execute an Economic Development Grant and Loan Agreement in accordance with the terms and conditions of this Ordinance. A copy of the Agreement, in substantially final form, is attached to this Ordinance as **Attachment I**. The final agreement shall be filed with this Ordinance upon execution.

SECTION 3. Funding for this Ordinance in the amount of \$120,000.00 is contingent upon approval of the Fiscal Year 2016 Budget for Fund 29104000, Cost Center 1909010001 and General Ledger 5201040.

SECTION 4. If approved by council, payment not to exceed the budgeted amount is authorized to 400 East Houston LP and should be encumbered with a purchase order.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance shall become effective immediately upon its passage by eight (8) votes or more and upon ten (10) days following its passage if approved by fewer than eight (8) votes.

PASSED and **APPROVED** this ____ day of September, 2015.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek
City Clerk

Martha G. Sepeda
Acting City Attorney