

Inner City TIRZ Board of Directors Meeting – August 14, 2018
Agenda Item #1

SUBJECT:

Discussion and possible action to approve a Resolution authorizing a 380 Economic Development Program Grant Agreement not to exceed \$1,745,000 in TIRZ funding for reimbursable project costs related to site work, pre-development costs, hard construction costs, contingency and demolition work to Friedrich Crossing, LP for The Friedrich Lofts Project, a 347-unit mixed-income multifamily housing project located at 1617 East Commerce Street in Council District 2.

BACKGROUND:

The Friedrich Lofts project is located at 1617 East Commerce Street San Antonio, Texas, 78205. The proposed \$65 million project will be developed in partnership with the San Antonio Housing Trust Public Facility Corporation to construct 347 new multifamily units and an oversized 725 space structured parking garage. The project will include the demolition of existing buildings measuring approximately 300,000 square feet and the new development will include 173 market rate rental units and 174 affordable housing units (160 units are 80% AMI and 14 units are at 60% AMI). Demolition will commence on or before March 31, 2019. The original existing warehouse is a concrete framed structure with a masonry exterior (30,160 SF). In September of 2014 the Historic and Design Review Commission (HDRC) removed Historic Designation, granting the demolition of specific buildings to allow for development to proceed. The Net Rentable Square Feet is 303,030. Project amenities will include a 6,000 SF clubhouse/lobby area with leasing offices, resident lounge areas, fitness facility, computer lounge, pool/patio space and outdoor courtyard spaces.

On February 21, 2018, Friedrich Lofts, LTD submitted a proposal request for reimbursement of eligible expenses from TIRZ #11. On March 21, 2018, the TIRZ Board approved a resolution authorizing Staff to negotiate an agreement for up to \$1,745,000.00. The \$1,745,000.00 will be used for project costs related to site work, pre-development costs, hard construction costs, contingency, demolition, and work necessary to complete the project. The overall cost for project is estimated at \$65,000,000.

The City recognizes the project will require \$1.745 million in gap financing for the project, as well as IC RIP (City) and SAWS impact fee waivers altogether totaling **\$2,342,670**, detailed as follows:

<u>Incentive Package</u>	<u>Amount</u>
City Fee Waiver (Estimated Value).....	97,670
SAWS Impact Fee Waiver.....	500,000
Inner City TIRZ Funds	\$1,745,000
Total	\$2,342,670*

** All incentives must be approved by the appropriate boards, committees, and City Council.*

FISCAL IMPACT:

There is no impact to the General Fund. All project cost incurred will be reimbursed from the TIRZ fund.

RECOMMENDATION:

Staff recommends that the TIRZ Board approve a Resolution authorizing a 380 Economic Development Program Grant Agreement not to exceed \$1,745,000 in TIRZ funding for reimbursable project costs related to site work, pre-development costs, hard construction costs, contingency, demolition, work to Friedrich Crossing, LP for the Friedrich Lofts Project, a 347-unit mixed-income multifamily housing project located at 1617 East Commerce Street in Council District 2. The Agreement requires City Council approval.