

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

AN ORDINANCE

**DESIGNATING THE HEMISFAIR TAX INCREMENT REINVESTMENT
ZONE ("TIRZ"), A CITY-INITIATED TIRZ TO BE NAMED TAX
INCREMENT REINVESTMENT ZONE NUMBER THIRTY-FOUR, CITY
OF SAN ANTONIO, TEXAS, LOCATED IN COUNCIL DISTRICT 1 AND
AUTHORIZING THE CREATION OF A FIVE (5) MEMBER BOARD OF
DIRECTORS, ESTABLISHING THE EFFECTIVE START DATE AND
TERMINATION DATE, APPROVING PRELIMINARY PROJECT AND
FINANCE PLANS AND ESTABLISHING A TAX INCREMENT FUND.**

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WHEREAS, tax increment financing is an economic and community development tool authorized by the Tax Increment Financing Act, Texas Tax Code, Chapter 311 ("TIF Act"), used to promote development or redevelopment in areas where development or redevelopment would not occur solely through private investment in the reasonable foreseeable future; and

WHEREAS, on August 13, 2009, City Council adopted Resolution 2009-08-13-0025R, which authorized the creation of the Hemisfair Park Area Redevelopment Corporation ("HPARC") and provided guiding principles to address connectivity, development and green space balance, preservation and sustainability; and

WHEREAS, on February 9, 2012, City Council approved through Ordinance No. 2012-02-09-0084 the Hemisfair Park Area Master Plan, which incorporated the guiding principles of balanced land use and mixed-use development; and

WHEREAS, in furtherance of the Hemisfair Park Area Master Plan, on March 21, 2014, HPARC presented to the Inner City TIRZ Board of Directors ("Board") a proposal to remove the Hemisfair Park and several adjacent parcels from the Inner City TIRZ for the designation of a new City-Initiated TIRZ dedicated to the Hemisfair Park area; and

WHEREAS, City staff examined HPARC's proposal and found that: (i) there is a demonstrated need for development and revitalization of the Hemisfair Park area that would significantly benefit from a TIRZ dedicated to the Hemisfair Park area; (ii) enhance the value of the real property in the Zone; and (iii) and be of general benefit to the City; and

WHEREAS, on November 13, 2015, the Inner City TIRZ Board approved a boundary amendment to remove 113 parcels from the Inner City TIRZ to enable the creation of a TIRZ dedicated to the Hemisfair Park area; and

WHEREAS, the Preliminary Reinvestment Zone Financing Plan for the proposed Hemisfair TIRZ is for a 20 year term with the City currently serving as the only participating taxing entity participating at a rate of 100% of the City's tax rate; and

WHEREAS, the proposed Hemisfair TIRZ designation does not obligate the City or other tax entities, and does not directly impact the City's General Fund; and

WHEREAS, any future developer recognizes that there is no guarantee that the value of the property in the proposed Hemisfair TIRZ will increase, that any increases in value are dependent upon many factors which are not within the City's control, and that there is no guarantee of any tax increment, as that term is defined in the TIF Act; and

WHEREAS, the proposed Hemisfair Park TIRZ is statutorily eligible to be designated in accordance with the TIF Act and shall take effect immediately upon passage of this Ordinance and terminate on September 30, 2037, unless extended by City Council through subsequent Ordinance; and

WHEREAS, in accordance with the TIF Act, before an ordinance is adopted establishing a reinvestment zone a public hearing must be held and a notice of the hearing published, both of which conditions have been met in this circumstance; **NOW THEREFORE:**

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

SECTION 1. DESIGNATING THE AREA AS TIRZ #34. The area located in City Council District 1 consists of approximately 121.63 parcel acres generally bound on the north by Commerce Street, the west by Navarro, the south by Lavaca and on the east by Interstate Highway 37 with the boundaries more specifically described in Section 2 below, and officially assigned the name in Section 5 below, is designated a Tax Increment Reinvestment Zone.

SECTION 2. DESCRIPTION OF THE BOUNDARIES OF TIRZ #34. Attached as **Exhibit I** (Boundary Map), incorporated by reference for all purposes is a description of TIRZ #34 boundaries.

SECTION 3. CREATION AND COMPOSITION OF A BOARD OF DIRECTORS FOR TIRZ #34. City Council shall appoint a Board of Directors for the proposed Hemisfair TIRZ, which shall be eligible under the TIF Act and shall comprise five ex-officio members, namely: (1) HPARC Chief Executive Officer; (2) HPARC Chief Financial Officer; (3) the City's Assistant City Manager over the Center City Development & Operations Department; (4) the City's Director of Finance; and (5) City Director of Parks and Recreation, whom shall all the rights, powers, and duties as provided for by the TIF Act and authorized by City Council.

SECTION 4. EFFECTIVE DATE AND TERMINATION DATE OF TIRZ #34. TIRZ Number Thirty-Four shall take effect immediately upon passage of this Ordinance and continue until its termination date of September 30, 2037.

SECTION 5. ASSIGNING A NAME TO TIRZ #34. The TIRZ is assigned the name, “REINVESTMENT ZONE NUMBER THIRTY-FOUR, CITY OF SAN ANTONIO, TEXAS” (Hemisfair TIRZ #34).

SECTION 6. TAX INCREMENT BASE OF TIRZ #34. The Tax Increment Base for the Hemisfair TIRZ is the total taxable value of all real property taxable by the City and located in the TIRZ, determined as of January 1, 2017, the year in which the TIRZ was designated.

SECTION 7. ESTABLISHMENT OF A TAX INCREMENT FUND FOR TIRZ #34. There is created and established in the depository bank of the City, a fund to be called the “REINVESTMENT ZONE NUMBER THIRTY-FOUR, CITY OF SAN ANTONIO, TEXAS TAX INCREMENT FUND.” Money in the Tax Increment Fund, from whatever source, may be disbursed from the Tax Increment Fund, invested, and paid as permitted by the TIF Act or by agreements entered into pursuant to the TIF Act, or as otherwise authorized by law.

SECTION 8. FINDINGS. The City finds and declares that: (1) improvements in the TIRZ #34 will significantly enhance the value of all taxable real property in the TIRZ and will be of general benefit to the municipality; and (2) the TIRZ #34 area meets the requirements of Section 311.005 of the TIF Act, as the area within the boundaries:

- (1) substantially arrests or impairs the sound growth of the City, retards the provisions of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:
 - a. a substantial number of substandard, slum deteriorated or deteriorating structures;
 - b. the predominance of defective or inadequate sidewalk or street layout;
 - c. faulty layout in relation to size, adequacy, accessibility, or usefulness;
 - d. unsanitary or unsafe condition;
 - e. the deterioration of site or other improvements;
 - f. tax or special assessment delinquency exceeding the fair value of the land;
 - g. defective or unusual conditions of title;
 - h. conditions that endanger life or property by fire or other cause; or
 - i. structures, other than single-family residential structures, less than 10 percent of the square footage of which has been used for commercial, industrial, or residential purposes during the preceding 12 years,
- (2) is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; or

The City, pursuant to the requirements of the Act, further finds and declares that the:

- (1) proposed TIRZ is a contiguous geographical area located wholly within the corporate limits of the City of San Antonio;

- (2) proposed TIRZ does not have more than the thirty percent (30%) of the property in the proposed zone, excluding publicly owned property used for residential purposes;
- (3) proposed TIRZ does not contain more than 25% of the total appraised value of taxable real property in the City and in the industrial districts created by the City; and,
- (4) development or redevelopment within the boundaries of the proposed TIRZ will not occur solely through private investment in the reasonably foreseeable future.

SECTION 9. FINANCIAL IMPACT OF TIRZ #34. This action designating a Tax Increment Reinvestment Zone, does not, in any way, financially obligate the City or other taxing entities. The assumptions of the anticipated costs and revenues are outlined in the preliminary Finance Plan which is attached as **Exhibit II** and incorporated by reference for all purposes. The City will be financially obliged upon the approval by City Council of a Final Project and Finance Plan and upon execution of related Development Agreements, Inter-local Agreements or other legal documents.

SECTION 10. APPROVAL OF PRELIMINARY PROJECT AND FINANCE PLANS FOR TIRZ #34. In accordance with the Act, City staff has prepared, and City Council hereby approves, a preliminary Finance Plan and Project Plan, copies of which are attached as **Exhibit II and III** and incorporated by reference for all purposes.

SECTION 11. CITY TIF GUIDELINES. City Council acknowledges that Hemisfair TIRZ #34 shall meet the guidelines for designation as a TIRZ under the City's 2015 TIF Policies which are attached as **Exhibit IV**.

SECTION 12. INCORPORATION OF RECITALS. The statements set forth in the recitals of this Ordinance are true and correct, and are incorporated as part of this Ordinance.

SECTION 13. ORDINANCE EFFECTIVE DATE. This Ordinance shall become effective upon its passage by eight affirmative votes; otherwise it shall be effective on the tenth day after passage in accordance with Section 311.004(3) of the TIF Act.

PASSED AND APPROVED this 2nd day of February, 2017.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

City Attorney