

AN ORDINANCE 2018-02-15-0110

AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THE DEVELOPMENT AGREEMENT INCREASING THE FUNDING AUTHORIZATION BY \$30,000.00 FOR A TOTAL AMOUNT NOT TO EXCEED \$330,000.00 BETWEEN THE CITY OF SAN ANTONIO, THE INNER CITY TIRZ BOARD OF DIRECTORS AND WITH MLK GARDEN HOMES, LLC IN ORDER TO SUPPORT PUBLIC INFRASTRUCTURE AND IMPROVEMENTS.

* * * * *

WHEREAS, on November 17, 2016, MLK Garden Homes, LLC (“Developer”) submitted a funding request to the City’s Tax Increment Financing Program; and

WHEREAS, after negotiations, City staff and Developer agreed to an amount not to exceed \$300,000.00 in Inner City TIRZ funding to be drawn on a reimbursement basis to be utilized to address utility and street improvements necessary to facilitate the development of 12 single family affordable homes (“MLK Garden Homes, LLC Project”); and

WHEREAS, on December 9, 2016, the Inner City TIRZ Board approved a Resolution awarding up to \$300,000.00 of TIRZ funding to Developer for the MLK Garden Homes, LLC Project located at Martin Luther King Drive and Aurelia Street within the TIRZ and Council District 2; and

WHEREAS, Developer is currently in the process of closing on 10 surplus lots from the City of San Antonio at a cost of \$75,000.00 and under contract to acquire two additional parcels necessary to assemble the land required to complete the project; and

WHEREAS, Developer was awarded SAWS Impact Fee waivers in the amount of \$19,000.00 and is awaiting notification regarding ICRIP approval; and

WHEREAS, on February 10, 2017, the Inner City TIRZ Board approved a Resolution authorizing a Development Agreement with MLK Garden Homes, LLC in an amount not to exceed \$300,000.00 and subsequently, on March 30, 2017, received like City Council approval; and

WHEREAS, since the approval of the Development Agreement, the Developer experienced additional City requirements resulting in increased overall costs in the amount not to exceed \$30,000.00 necessary to facilitate the project’s completion; specifically, to provide a bicycle lane in front of the property along Martin Luther King Boulevard, to facilitate additional geotechnical requirements, and to alleviate unforeseen costs associated with utility improvements along the alleyway associated with the project; and

WHEREAS, on December 8, 2017, the Inner City TIRZ Board considered and approved a Resolution authorizing an Amendment to the Development Agreement to increase the funding

authorization from \$300,000.00 to \$330,000.00 for the MLK Garden Homes, LLC Project, and City Council approval 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 an Amendment to the current Development Agreement between the City of San Antonio, the Inner City TIRZ Board of Directors and MLK Garden Homes, LLC, as presented in substantially final form in **Attachment A**, to provide additional funding in an amount not to exceed THIRTY THOUSAND DOLLARS AND NO CENTS (\$30,000.00) for a total approved funding amount not to exceed THREE HUNDRED THIRTY THOUSAND DOLLARS AND NO CENTS (\$330,000.00), in reimbursable available tax increment for the Project located at Martin Luther King Drive and Aurelia Street, San Antonio, Texas.

SECTION 2. City staff is authorized to amend the Inner City TIRZ Project and Finance Plans to include this Project.

SECTION 3. There is no fiscal impact to the City's General Fund.

SECTION 4. 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 15th day of February, 2018.


M A Y O R
Ron Nirenberg

ATTEST:



Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



Andrew Segovia, City Attorney

Agenda Item:	19 (in consent vote: 5, 6, 7, 8, 9, 10, 11, 12A, 12B, 12C, 12D, 12E, 13A, 13B, 13C, 13D, 14, 15, 16, 17, 19, 21B, 22A, 22B, 22C, 23A, 23B, 23C, 23D, 23E, 23F, 23G, 23H)						
Date:	02/15/2018						
Time:	09:16:43 AM						
Vote Type:	Motion to Approve						
Description:	Ordinance amending the Development Agreement with MLK Garden Homes, LLC to increase the Funding Authorization from \$300,000.00 to \$330,000.00 for the MLK Garden Homes, LLC project located at Martin Luther King Drive and Aurelia Street in Council District 2 and in the Inner City Tax Increment Reinvestment Zone. [Peter Zanoni, Deputy City Manager; Verónica R. Soto, Director, Neighborhood & Housing Services]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ron Nirenberg	Mayor		x				
Roberto C. Treviño	District 1		x				
William Cruz Shaw	District 2		x				x
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5	x					
Greg Brockhouse	District 6		x				
Ana E. Sandoval	District 7	x					
Manny Pelaez	District 8		x				
John Courage	District 9		x			x	
Clayton H. Perry	District 10		x				

TM
02/15/18
Item No. 19

ATTACHMENT A

**FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH THE
CITY OF SAN ANTONIO, TEXAS, MLK GARDEN HOMES LLC, and THE
BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ELEVEN,
CITY OF SAN ANTONIO, TEXAS**

**BETWEEN THE CITY OF SAN ANTONIO, MLK GARDEN HOMES,LLC and
the BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ELEVEN**

This First Amendment to the Development Agreement (this "FIRST AMENDMENT") is entered into by and between the City of San Antonio ("CITY"), a municipal corporation governed by the laws of the State of Texas, MLK Garden Homes LLC, ("MLK") and Board of Directors of Reinvestment Zone Number Eleven ("TIRZ 11") a tax increment reinvestment zone organized and existing under state law. Together, CITY, MLK, and TIRZ 11 may be referred to, herein, as "the Parties."

RECITALS

- A. CITY, MLK, and TIRZ 11 entered into that certain DEVELOPMENT AGREEMENT (the "Agreement") authorized by City of San Antonio Ordinance No. 2017-03-30-0193, passed and approved on March 30, 2017, and attached hereto as EXHIBIT A.
- B. Prior to this FIRST AMENDMENT, the Agreement was in full effect and, subject to the terms of this FIRST AMENDMENT, the Parties were in compliance with all terms and conditions of the Agreement.
- C. The Parties, now seek to amend the terms and conditions of the Agreement as stated in this First Amendment and affirm that all other provisions of the Agreement remain in full force and effect.

AMENDMENT

NOW THEREFORE, the Parties hereby agree and amend as follows:

1. Definitions. All capitalized terms used in this FIRST AMENDMENT without definition herein shall have the meanings assigned to such terms in the Agreement.
2. Amendment. The Parties hereby mutually agree to amend the Agreement as follows:
 - (A) Section 2.8, Construction Schedule, of the Agreement is hereby deleted in its entirety and replaced with the following revised schedule. See Exhibit A.
 - (B) Section 4.1, Project, of the Agreement is hereby amended by adding the following Public Improvement expenses as underlined and deleting the contingency as stricken through to read as follows:

SECTION 4.1. PROJECT. The Project shall consist of the development of public infrastructure and public improvements necessary to facilitate the construction of 12 contiguous single-family homes located at Martin Luther King Drive and Aurelia Street, San Antonio, Texas and within the TIRZ. Public Improvements shall constitute design, construction, assembly, installation and implementation of an urban residential development, including but not limited to street curbing, sidewalks, street lighting, landscaping and other necessary, street and utility improvements. Reimbursable public improvement expenses include bicycle lane improvements, geotechnical report expenses, non-waived SAWS impact fees. Developer purchased from and closed on the City 10 lots located on Martin Luther King Drive and Aurelia Street. Prior to construction, two lots, identified as 2918 and 2922 Martin Luther King Drive must be under contract. [~~The Project shall be contingent on Developer acquiring two additional lots located adjacent at 2918 and 2922 Martin Luther King Drive.~~] Construction on the Project is anticipated to commence on March 1, 2017 and shall be completed no later than March 31, 2020.

- (C) Sections 4.4, Reimbursement, and 7.1, Maximum Reimbursement of Developer of the Agreement is hereby amended by increasing the allowable reimbursement costs not to exceed \$330,000.00 as detailed below by strike throughs and underlines:

SECTION 4.4. REIMBURSEMENT. Reimbursement of TIF Funds are subject to availability and are not intended to reimburse all costs incurred in connection with the Project or expenses incurred by Developer for performance of the obligations under this Agreement. Neither the City nor the Board can guarantee that Available Tax Increment Funds shall completely reimburse Developer. Available Tax Increment Funds shall constitute a source of reimbursement to Developer for construction of the Public Improvements. The total payment to Developer from the TIF Fund will not exceed \$330,000.00 [~~\$300,000.00~~]. Developer is eligible for reimbursement of eligible Project Costs as of the Effective date of this Agreement.

SECTION 7.3. MAXIMUM REIMBURSEMENT OF DEVELOPER. Following the Board's authorization, the Developer shall receive, in accordance with the Project Plan, total reimbursements for Public Improvements of a maximum of not to exceed THREE HUNDRED THIRTY THOUSAND DOLLARS (\$330,000.00) [~~\$300,000.00~~] on eligible Project Costs.

3. No Other Changes. Except as specifically set forth in this First Amendment, all of the terms and conditions of the Agreement shall remain the same and are hereby ratified and confirmed. The Agreement shall continue in full force and effect and with this First Amendment shall be read and construed as one instrument.


4. Choice of Law. This First Amendment shall be construed in accordance with and governed by the laws of the State of Texas.
5. Counterparts. This First Amendment may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this First Amendment it shall not be necessary to produce or account for more than one counterpart signed by each party hereto by and against which enforcement hereof is sought.

WITNESS HEREOF, the parties hereto have executed in triplicate originals this First Amendment on the ____ day of _____ 2017.

CITY OF SAN ANTONIO
a municipal corporation

MLK GARDEN HOMES LLC,

Sheryl L. Sculley
City Manager



Name:
Title: *MANAGING PARTNER*

TIRZ 11

Name: Councilman William Shaw
Title: Presiding Officer

ATTEST:

ATTEST:

Leticia Vacek
City Clerk

Name:
Title:

APPROVED AS TO FORM:

City Attorney

Exhibit A

MLK Garden Homes

Task Name	Duration	START	FINISH	Predecessors	Comments
1 Project Start	0	07/25/16	07/25/16		
2 Preliminary Engineering	10d	07/25/16	08/05/16	1	
3 Schedule Preparation	1d	07/25/16	07/25/16	1	
4 Preliminary Site Plan	10d	07/25/16	08/05/16	1	
5 Master Utility Plan	30d	11/23/16	01/03/17		
6 MUP Preparation	30d	11/23/16	01/03/17		
7 Bidding Period		TBD	TBD		
8 TIRZ Meeting with Councilman	0	12/09/16	12/09/16		
9 Presentation to City Staff		TBD	TBD		
10 Zoning	77d	10/05/16	01/19/17		
11 Zoning Application Preparation	10d	10/05/16	10/18/16		
12 Metes and Bounds/Field Notes	6d	10/13/16	10/20/16		
13 Submit Zoning Package to COSA	0	10/25/16	10/25/16		
14 Submittal and Review Period	27d	10/25/16	11/30/16	11, 12, 13	
15 Zoning Commission Approval	0	12/20/16	12/20/16		Meets 1st and 3rd Tuesday of
16 Package to City Council	22d	12/21/16	01/19/17		
17 City Council Approval	0	01/19/17	01/19/17	16	Meets Thursdays
18 Subdivision Plat	490d	07/25/16	06/08/18		
19 Field Survey	9d	07/25/16	08/04/16	1	
20 Begin Plat	0	08/08/16	08/08/16		
21 Set Up Plat Document (CAD)	10d	08/08/16	08/19/16	20	
22 Plat ID Number	3d	10/06/16	10/10/16		
23 Storm Water Management Plan	15d	10/14/16	11/03/16		
24 Traffic Impact Analysis - Worksheet Anticipated	15d	10/13/16	11/02/16		
25 Submit Plat LOC Package/CDs	5d	10/28/16	11/03/16		
26 City Review Period (Comment/Response)	311d	11/04/16	01/12/18		
27 Plat Review	291d	11/04/16	12/15/17	25	
28 CD's Review	210d	03/27/17	01/12/18		
29 Final Plat Submittal	40d	01/12/18	03/08/18		
30 Submit Final Plat Application Package	1d	01/15/18	01/15/18	17, 26, 28	
31 COSA Five-Day Review	5d	01/12/18	01/18/18		
32 Planning Commission	1d	02/28/18	02/28/18		
33 Approved for Recordation	7d	02/28/18	03/08/18		
34 Post-Construction Acceptance	5d	06/01/18	06/07/18	39	

Task Name	Duration	START	FINISH	Predecessors	Comments
35 Plat Recordation	1d	06/08/18	06/08/18	34	
36 <input checked="" type="checkbox"/> Construction	420d	03/09/18	10/17/19		
37 <input checked="" type="checkbox"/> Public Infrastructure (Water and Roadway)	60d	03/09/18	05/31/18	28, 33	
38 Construction of Public Infrastructure	40d	03/09/18	05/03/18		
39 Field Acceptance	20d	05/04/18	05/31/18	38	
40 Houses 1-3	90d	06/01/18	10/04/18	37	
41 Houses 4-6	90d	10/05/18	02/07/19	40	
42 Houses 7-9	90d	02/08/19	06/13/19	41	
43 Houses 10-12	90d	06/14/19	10/17/19	42	
44 Project Complete	1d	10/18/19	10/18/19	43	