

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

AN ORDINANCE

AUTHORIZING AMENDMENTS TO A CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM LOAN AGREEMENT TO PROVIDE FOR AN ADDITIONAL \$16,000.00 FOR A TOTAL LOAN UP TO \$516,000.00 AND EXTENDING THE TERM TO OCTOBER 30, 2025 BETWEEN THE CITY OF SAN ANTONIO (“CITY”), TAX INCREMENT REINVESTMENT ZONE NO. ELEVEN (THE “TIRZ”) AND NRP GROUP (“NRP”) TO UNDERTAKE AND COMPLETE THE CROCKETT STREET LOFTS PROJECT.

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WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, the City of San Antonio (the “City”) is authorized to establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and stimulate business and commercial activity in the municipality; and

WHEREAS, pursuant to Ordinance No. 100684, the City of San Antonio created an Economic Development Program (the “Program”) for the purpose of making grants and loans available for economic development projects that the City finds will accomplish the purpose and goals of Chapter 380; and

WHEREAS, on February 12, 2015, City Council approved a Chapter 380 Economic Development Program Loan Agreement for \$500,000.00 with NRP Group (“Developer”) to undertake a \$42.8 million dollar economic development project comprised of 268 unit multi-family housing development to include 375 space structured parking complex to be located at 243 Center Street in City Council District 2 (the “Project”); and

WHEREAS, the San Antonio Housing Trust Public Facility Corporation (PFC) is a co-developer with NRP Group and as a result the Project will receive s 20-year tax exemption from ad valorem taxes on the condition that 50% of the housing will be “affordable” and the remaining 50% will be market rate; and

WHEREAS, the Board of Directors of Tax Increment Reinvestment Zone No. 11 is authorized to designate TIRZ funds consistent with its Project Plan and Finance Plan through a Chapter 380 Economic Development Program Loan Agreement (the “Agreement”) and is authorized to direct the City to pay for projects that are the subject of such Agreements from the TIRZ’s tax increment funds; and

WHEREAS, based on community needs, NRP has adjusted their Project to increase investment to \$45.3 million dollars which will include 272 multi-family housing units and a 584 space parking garage; and

WHEREAS, the new investment and increase in units will allow for an additional \$16,000.00 in loan incentives for the Project for a total loan amount of \$516,000.00; and

WHEREAS, the source of the funds will continue to be from the Inner City TIRZ fund and the loan will have a 2% simple interest loan processing fee totaling \$92,880.00 to be paid, in annual payments of \$10,320.00, to the Inner City TIRZ fund along with the principal loan amount over a nine year term; and

WHEREAS, the Project qualifies for incentives through the Center City Housing Incentive Program (CCHIP) in the amount of \$1,088,000.00 of which \$572,000.00 will be provided from the Inner City Incentive Fund and the remaining \$516,000.00 through the Inner City TIRZ fund; and

WHEREAS, the TIRZ Board of Directors on August 14, 2015 authorized the amendment to the terms of the Agreement and has committed tax increment funds for the Project in order to promote local economic development, and to stimulate business and commercial activity, within the Inner City TIRZ; **NOW THEREFORE:**

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

SECTION 1. An amendment to the Chapter 380 Economic Development Program Loan Agreement with NPR and the Inner City TIRZ Board to provide for an additional \$16,000.00 for a total loan up to \$516,000.00 for the Project are approved. The City Manager or her designee is authorized to execute the First Amendment to the Agreement, a copy of which is attached in substantially final form as Exhibit A. A final copy of the First Amendment shall be attached when executed.

SECTION 2. Funding in the amount of \$516,000.00 for this Ordinance is available in Fund 29086007, Cost Center 7032900001 and General Ledger 5201040, as part of the Fiscal Year 2015 Budget. Funds received during the repayment of this loan will be deposited into Fund 29086007, Cost Center 703290001 and General Ledger 5201040.

SECTION 3. 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 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.

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Item No. _____

SECTION 4. This Ordinance shall become effective immediately upon its passage by eight (8) affirmative votes of the City Council. If less than eight (8) affirmative votes are received, then this Ordinance shall be effective ten (10) days after passage.

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