

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

ORDINANCE

**APPROVING A TAX INCREMENT REINVESTMENT ZONE
DEVELOPMENT AGREEMENT WITH TEXAS RESEARCH AND
TECHNOLOGY FOUNDATION IN THE AMOUNT OF \$5,000,000.00 OVER
SEVEN YEARS FOR PUBLIC IMPROVEMENTS RELATED TO THE
REDEVELOPMENT OF THE MERCHANT'S ICE SITE LOCATED AT 1304
AND 1305 E. HOUSTON ST. PROJECTS FUNDED THROUGH THE INNER
CITY TIRZ ARE PAID SOLELY FROM THE TAX INCREMENT
GENERATED.**

* * * * *

WHEREAS, the City of San Antonio ("City") and the Inner City TIRZ Board of Directors ("Board") support programs which allow for economic development within its boundaries; and

WHEREAS, on October 4, 2018, Texas Research and Technology Foundation submitted a request for TIRZ funding for the Velocity Texas Innovation Center Project located at 1304 East Houston Street and 1305 East Houston Street in City Council District 2, and within the boundary of the Inner City TIRZ; and

WHEREAS, the Velocity Texas Innovation Center Project will house a life science innovation center with community facilities, approximately 675,035 square feet of office space, conference facilities, a military life science lab, a hotel and a parking garage; and

WHEREAS, the life science innovation center will result in the creation of approximately 797 jobs in the hotel and targeted life science and technology industries; and

WHEREAS, the total development cost for the Velocity Texas Innovation Center Project is approximately \$222,367,545.00; and

WHEREAS, the \$5,000,000.00 in Inner City TIRZ funds will be utilized for public improvements and eligible project costs necessary to complete the Velocity Texas Innovation Center Project; and

WHEREAS, in accordance with Section 311.010 (b) of the Act, the Board is authorized to enter into agreements to dedicate revenue from the tax increment fund to pay for eligible project costs that benefit the TIRZ; and

WHEREAS, on August 14, 2018, the Board authorized approval of the negotiation of this Development Agreement to provide reimbursement for eligible project costs in an amount not to exceed \$5,000,000.00; and

WHEREAS, on February 27, 2019, the Board is scheduled to authorize approval of the execution of this Development Agreement to provide reimbursement for eligible project costs in an amount not to exceed \$5,000,000.00, and approval of City Council is now required; **NOW THEREFORE**:

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

SECTION 1. The terms and condition of a Development Agreement with Texas Research and Technology Foundation are hereby approved contingent on subsequent approval by the Board. The City Manager or her designee, or the Director of Finance or his designee, is hereby authorized to enter and execute said agreement, under terms and conditions substantially in accordance with those set forth in **Attachment I** to this Ordinance.

SECTION 2. Funding for the Tax Increment Financing (TIF) in the amount of \$5,000,000.00 will be paid from Fund 29086007 (TIRZ Inner City Fund), Cost Center 703290001 and General Ledger 5201040. Payments will be made over 7 years and are paid solely from the tax increment generated.

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 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 4. This ordinance shall be effective immediately upon passage by at least eight (8) votes and the 10th day after passage by fewer than eight (8) votes.

PASSED AND APPROVED this 14th day of February, 2019.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

Attachment I