

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

**AN ORDINANCE**

**APPROVING THE 2015 TAX INCREMENT FINANCING  
PROGRAM POLICY FOR ALL NEWLY ESTABLISHED TIRZ.**

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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 and used by the City of San Antonio to promote development or redevelopment in areas where development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and

**WHEREAS**, in addition to the authority of the Act, in July 1998 the City Council adopted the City of San Antonio, Texas Guidelines and Criteria for Tax Increment Financing (“TIF”) and Tax Increment Reinvestment Zones (“TIRZ”), to serve as policy direction to City staff, potential applicants, and other interested parties regarding the use of Tax Increment Financing, and then amended the TIF Guidelines in 2000, 2002, 2004, 2006 and 2008; and

**WHEREAS**, the current update to the 2008 TIF Policy Manual (“Manual”) is in part a response to an internal audit of the Tax Increment Financing program occurring in 2013 by the City’s Auditor; and

**WHEREAS**, on October 15, 2014 staff provided a briefing on the proposed TIF Program Policy to the Infrastructure and Growth Committee and subsequently to City Council during “B” Sessions on October 29, 2014 and April 29, 2015; and

**WHEREAS**, the new TIF Program Policy (“Policy”), dated May 14, 2015, separates program policy from administrative guidelines to allow flexibility in administrative procedures that will be updated through internal administrative procedures; and

**WHEREAS**, changes in the new Policy blend TIRZ eligibility with both market and demographic factors; and

**WHEREAS**, the new Policy encourages both mixed use and mixed income development to improve property diversity and reduce income segregation and requires an analysis to ensure that potential affordable housing deficiency in the surrounding area or submarket are addressed; and

**WHEREAS**, the new Policy further clarifies that Petition Initiated TIRZ must be developed in conjunction with a City adopted plan and that the use of the TIF tool is not an “As of Right” incentive program; and

**WHEREAS**, the new Policy updates the evaluation criteria for both City and petition initiated TIRZ to include the use of market data, to comply with changes to state law, and to align program objectives with the City's Comprehensive Plan, the 1997 Master Plan, SA2020, and RenewSA policies; and

**WHEREAS**, the new Policy significantly reduces initial start-up costs, clarifies how bank interest will be paid during the TIRZ duration, and revises the fee structure to reflect the associated fiscal, project management, and administrative workload requirements by modifying annual administrative fees, TIRZ designation fees, and fees for infrastructure failures that are based on a tiered level of complexity and/or a percentage of increment collected; **NOW THEREFORE:**

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

**SECTION 1.** The Tax Increment Financing Program Policy, dated May 14, 2015, incorporated into and attached to this Ordinance as **Exhibit "A"** is hereby adopted and approved as the guidelines and criteria governing the Tax Increment Financing Program for the City of San Antonio.

**SECTION 2.** The Policy approved in Section 1 of this Ordinance supersedes the prior 2008 Manual only for TIRZ established on or after the date of the approval of the new 2015 Policy by City Council.

**SECTION 3.** Approval of the 2015 Tax Increment Financing Program Policy will have no fiscal impact on the City's General Fund. Approval of the Policy will change the Administrative Fee Structure to reflect an accurate representation of City staff costs associated with administration of each TIRZ. All revenues from fees received are deposited in the Tax Increment Financing Fund for each TIRZ in accordance with the City's approved FY budget and Chapter 311 of the Texas Tax Code.

**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 14th day of May, 2015.

M A Y O R  
Ivy R. Taylor

**ATTEST:**

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Leticia M. Vacek  
City Clerk

**APPROVED AS TO FORM:**

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Martha G. Sepeda  
Acting City Attorney