

## AN ORDINANCE

**DESIGNATING THE TARASCO GARDENS TAX INCREMENT REINVESTMENT ZONE (“TIRZ”), A PETITION-INITIATED TIRZ TO BE NAMED TAX INCREMENT REINVESTMENT ZONE NUMBER THIRTY-FIVE, CITY OF SAN ANTONIO, TEXAS, LOCATED IN COUNCIL DISTRICT 4 AND BOUNDED ON THE NORTH BY ZABRA STREET, ON THE EAST BY TARASCO STREET, ON THE WEST BY TOMAR DRIVE, AND ON THE SOUTH BY CABLE DRIVE, AUTHORIZING THE CREATION OF A NINE (9) MEMBER BOARD OF DIRECTORS, ESTABLISHING THE EFFECTIVE START DATE AND TERMINATION DATE, APPROVING THE PRELIMINARY FINANCE PLAN, 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 reasonably foreseeable future; and

**WHEREAS**, on July 11, 2018, Alamo Area Mutual Housing Association Inc. DBA Alamo Community Group (AAMHA), a private, nonprofit, 501(c)3 organization, founded in 1990 to serve families in San Antonio and Bexar County with the mission to develop, own and manage quality affordable housing, petitioned the City pursuant to the provisions of Chapter 311, Texas Tax Code. AAMHA requested the City Council establish within the City a Tax Increment Reinvestment zone, located at 505 Tarasco Street within Council District 4; and

**WHEREAS**, on November 9, 2017, pursuant to Ordinance No. 2017-11-09-0895, City Council approved the FY 2018 HOME Investment Partnerships Funding; and

**WHEREAS**, the property that comprises the Tarasco Gardens TIRZ 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; and

**WHEREAS**, the property that comprises the Tarasco Gardens TIRZ is an area described in a petition requesting that the area be designated as a reinvestment zone; and

**WHEREAS**, the petition was submitted to the governing body of the City of San Antonio by the owners of property, AAHMA, who constitute at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for Bexar county; and

**WHEREAS**, the property that comprises the Tarasco Gardens TIRZ is in a federally assisted new community located in the City of San Antonio; and

**WHEREAS**, the proposed Zone comprises approximately 11.295 acres and is located on the west side of San Antonio in the northwest corner of the intersection of Interstate Highway Loop 410 and U.S. Highway 90 in Council District 4 and is bounded on the north by Zabra Street, on the east by Tarasco Street, on the west by Tomar Drive, and on the south by Cable Drive; and,

**WHEREAS**, the neighborhood to be developed within the Zone, owned and developed by AAMHA, will be comprised of mixed-income housing units, with sixty (60) detached single family houses, half of which (30 houses) are to be sold to families with an income no greater than 80% area median income and the other half (30 houses) are to be sold to families with an income no greater than 120% area median income, as determined each year by the U.S. Department of Housing and Urban Development (HUD); and

**WHEREAS**, on December 13, 2018, City held a public hearing on the creation of the Zone and its benefits to the City and to property in the proposed Zone.

**WHEREAS**, City of San Antonio ("City") staff examined AAMHA's proposal and found that there is a demonstrated need for development and revitalization of the Tarasco area that would significantly benefit from a TIRZ dedicated to the Tarasco area, enhance the value of the real property in the zone and be of general benefit to the City; and

**WHEREAS**, the Preliminary Reinvestment Zone Financing Plan for the proposed Tarasco Gardens TIRZ is for a 25.80 year term with the City of San Antonio, Bexar County, and the San Antonio River Authority (SARA) as proposed participating taxing entities; and

**WHEREAS**, the proposed Tarasco Gardens TIRZ designation does not obligate the City or other participating taxing entities, and the potential impact to the City's general fund is described in the preliminary finance plan which is attached hereto and incorporated herein as **Exhibit II**; and

**WHEREAS**, any future developer recognizes that there is no guarantee that the value of the property in the proposed Tarasco Gardens 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 Tarasco Gardens 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, 2044, 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 #35.** The area is located in City Council District 4 on the west side of San Antonio in the northwest corner of the intersection of Interstate

Highway Loop 410 and US Highway 90 in City Council District 4. More specifically, the property is bounded on the north by Zabra Street, on the east by Tarasco Street, on the west by Tomar Drive, and on the south by Cable drive 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 #35.** Attached as **Exhibit I** (Boundary Map), incorporated by reference for all purposes is a description of TIRZ #35 boundaries.

**SECTION 3. CREATION AND COMPOSITION OF A BOARD OF DIRECTORS FOR TIRZ #35.** City Council shall appoint a Board of Directors for the proposed Tarasco Gardens TIRZ, which shall be eligible under the TIF Act and shall be comprised of a nine (9) member Board of Directors, whom shall exercise 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 #35.** TIRZ Number Thirty-Five shall take effect immediately upon passage of this Ordinance and continue until its termination date of September 30, 2044.

**SECTION 5. ASSIGNING A NAME TO TIRZ #35.** The TIRZ is assigned the name, "REINVESTMENT ZONE NUMBER THIRTY-FIVE, CITY OF SAN ANTONIO, TEXAS" (Tarasco Gardens TIRZ #35).

**SECTION 6. TAX INCREMENT BASE OF TIRZ #35.** The Tax Increment Base for the Tarasco Gardens TIRZ is the total taxable value of all real property taxable by the City and located in the TIRZ, determined as of January 1, 2018, the year in which the TIRZ was designated.

**SECTION 7. ESTABLISHMENT OF A TAX INCREMENT FUND FOR TIRZ #35.** There is created and established in the depository bank of the City, a fund to be called the "REINVESTMENT ZONE NUMBER THIRTY-FIVE, 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 #35 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 #35 area meets the requirements of Section 311.005 of the TIF Act, as the area within the boundaries:

- (1) 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; and

- (2) is in a federally assisted new community located in the municipality or county or in an area immediately adjacent to a federally assisted new community;
- (3) is in an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the municipality or county by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.

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 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,
- (3) 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 #35.** This action designates a Tax Increment Reinvestment Zone, however 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 hereto 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 FINANCE PLANS FOR TIRZ #35.** In accordance with the Act, City staff has prepared, and City Council hereby finds that the plan is economically feasible, and approves, a preliminary Finance Plan, a copy of which is attached as **Exhibit II** and incorporated by reference for all purposes.

**SECTION 11. CITY TIF GUIDELINES.** City Council acknowledges that Tarasco Gardens TIRZ #35 shall meet the guidelines for designation as a TIRZ under the City's 2015 TIF Policies which are attached as **Exhibit III**, incorporated by reference herein in its entirety for all purposes.

**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 \_\_\_\_\_ day of \_\_\_\_\_, 2018.

M A Y O R  
Ron Nirenberg

**ATTEST:**

**APPROVED AS TO FORM:**

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Leticia M. Vacek, City Clerk

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Andrew Segovia, City Attorney

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