

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

ORDINANCE

**AUTHORIZING THE EXECUTION OF A CHAPTER 380 ECONOMIC
DEVELOPMENT LOAN AGREEMENT UP TO \$446,895 TO 401 EAST
HOUSTON STREET, LLC FOR THE BURNS BUILDING
REDEVELOPMENT PROJECT LOCATED AT 401 EAST HOUSTON
STREET IN COUNCIL DISTRICT 1.**

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WHEREAS, City of San Antonio's ("City") Center City Development and Operations Department ("CCDO") continues to encourage and incentivize retain development along the Houston Street corridor, where both the City and partner organizations have provided significant public infrastructure investment; and

WHEREAS, the Burns Building Redevelopment is the renovation of a five-story historic building constructed in 1918 located at 401 East Houston Street in Council District 1 with an estimated development cost of \$11.3 million for 39,413 square feet of office space as well 14,449 square feet of retail space along Houston and Jefferson Streets; and

WHEREAS, 401 East Houston Street, LLC approached the City about implementing a concept unique to San Antonio on the existing street right-of-way along the east side of Jefferson Street between Houston Street and Peacock Alley called a parklet, where a parklet is the repurposing of a portion of an existing right-of-way into a public spaced intended to enhance the streetscape and create increased public open spaces by providing amenities such as seating, planting, bike parking, and art; and

WHEREAS, 401 East Houston Street, LLC submitted a request for TIRZ funding for eligible Burns Building and parklet improvements and the Houston TIRZ Board approved Resolution T09 2018-06-25-01R for staff to fund and negotiate an agreement to assist with public improvements related to the project; and

WHEREAS, TIRZ staff and 401 Houston Street, LLC agreed to fund \$225,880 in Houston Street TIRZ funds for the proposed Parklet and other eligible building related improvements; and

WHEREAS, City staff is recommending a five (5) year forgivable development loan in the amount of \$446,895, funded by the Inner City Incentive fund. The loan will be forgiven at 20% per year provided that the space remains occupied for at least 80% of each year; **NOW THEREFORE**,

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

SECTION 1. The City Manager and her designee, severally, are authorized and directed to

execute a Chapter 380 Economic Development Loan Agreement substantially similar to **Attachment I** for up to \$446,895 to 401 East Houston Street, LLC for the building and parklet improvements where the loan will be forgivable over 5 years at 20% per year provided that the space remains occupied for at least 80% of each year.

SECTION 2. Funding in the amount of \$446,895.00 is available in Fund 29104000, Cost Center 1909010001 and General Ledger 5201040 as part of the FY2019 Budget.

SECTION 3. Funds will be encumbered and payment is authorized to 401 East Houston Street, LLC.

SECTION 4. 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 5. This Ordinance becomes effective 10 days after passage, unless it receives the eight votes requisite to immediate effectiveness under San Antonio Municipal Code § 1-15, in which case it becomes effective immediately.

PASSED AND APPROVED this _____ day of _____, 2018.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney