JG
12/13/18
Item No.

AN ORDINANCE

APPROVING A DEVELOPMENT AGREEMENT WITH 401 EAST HOUSTON STREET, LLC FOR THE BURNS BUILDING PROJECT LOCATED AT 401 EAST HOUSTON STREET IN CITY COUNCIL DISTRICT 1 AND WITHIN THE HOUSTON STREET TAX INCREMENT REINVESTMENT ZONE ("TIRZ"), IN AN AMOUNT NOT TO EXCEED $255,880.00. PROJECTS FUNDED THROUGH THE HOUSTON STREET TIRZ ARE PAID SOLELY FROM THE TAX INCREMENT GENERATED.

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

WHEREAS, on April 12, 2018, 401 East Houston Street, LLC submitted a proposal request for TIRZ funding for the Burns Building Project located at 401 East Houston Street in City Council District 1, and within the boundary of the Houston Street TIRZ; and

WHEREAS, the Burns Building Project will include the addition of 39,413 square feet of creative office space and 14,449 square feet of retail space; and

WHEREAS, the total development cost for the Burns Building Project is approximately $11,385,018.00, which includes public and private improvements and exterior façade renovations; and

WHEREAS, the $255,880.00 in Houston Street TIRZ funds will be utilized for public improvements and eligible project costs necessary to complete the Burns Building Project; and

WHEREAS, in accordance with Section 311.010 (b) of the Texas Tax Code, 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 June 25, 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 $255,880.00; and

WHEREAS, on October 22, 2018, the Board authorized approval of the execution of this Development Agreement to provide reimbursement for eligible project costs in an amount not to exceed $255,880.00 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 401 East Houston Street are hereby approved. 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. Projects funded through the Houston Street TIRZ boundary are paid solely from the tax increment generated and will not impact the City's General fund.

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 13th day of December, 2018.

M A Y O R
Ron Nirenberg

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

Andrew Segovia, City Attorney