

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

AN ORDINANCE

APPROVING THE ACQUISITION, DEVELOPMENT AND DISPOSITION OF AN APPROXIMATELY 7.07 ACRE TRACT OF VACANT LAND LOCATED IN AN APPROVED NEIGHBORHOOD IMPROVEMENT AREA AT 3830 PARKDALE DRIVE BY THE CITY OF SAN ANTONIO, ACTING BY AND THROUGH THE URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO, DOING BUSINESS AS THE OFFICE OF URBAN REDEVELOPMENT SAN ANTONIO (OUR SA), PURSUANT TO THE URBAN RENEWAL PLAN AND CHAPTER 374 OF THE TEXAS LOCAL GOVERNMENT CODE, FOR THE 3830 PARKDALE DRIVE PROJECT, A NEIGHBORHOOD IMPROVEMENT BOND PROGRAM PROJECT FUNDED BY THE 2017-2022 GENERAL OBLIGATION BOND, LOCATED IN COUNCIL DISTRICT 8; AUTHORIZING REIMBURSEMENT OF ELIGIBLE EXPENSES FOR PERMITTED ACTIVITIES IN ACCORDANCE WITH THE URBAN RENEWAL PLAN IN AN AMOUNT UP TO \$4,400,000.00; AND AUTHORIZING THE EXECUTION OF ALL CONTRACTS AND RELATED DOCUMENTS.

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WHEREAS, on May 6, 2017, voters approved the 2017-2022 Neighborhood Improvements Bond program which provided for the issuance of general obligation bonds up to \$20 million to finance the cost of the development of affordable and workforce housing in the City of San Antonio as set forth in the City of San Antonio's Urban Renewal Plan; and

WHEREAS, in compliance with Chapter 374, Texas Local Government Code, as amended ("Chapter 374") and applicable law, the Urban Renewal Plan was incorporated into the voted proposition and approved by the voters which sets forth the following permitted activities in furtherance of the City's affordable/workforce housing initiative:

- Land acquisition
- Repair and rehabilitation of buildings and other improvements
- Demolition of dilapidated/unusable structures
- Right-of-way improvements
- Extension/expansion of utilities
- Site Work
- Remediation of hazards such as asbestos or lead-based paint
- Disposition of property in the affected area
- Associated fees for the aforementioned services; and

WHEREAS, the Urban Renewal Plan serves as the legal framework for the activities to be conducted as part of the Neighborhood Improvements Bond program; and

WHEREAS, the program is designed to serve the public purpose of providing low-to-moderate income working families with a required minimum of half of the housing units serving families earning 80% of the Area Median Income (“AMI”) or less, allowing these families to eliminate the cost-burden of today’s housing and rental prices; and

WHEREAS, the City, acting by and through the Urban Renewal Agency of the City of San Antonio, doing business as the Office of Redevelopment San Antonio (“OUR SA”), identified an approximately 7.07 acre tract of vacant land comprised of two (2) parcels located in an approved Neighborhood Improvement Area at 3830 Parkdale Drive and Datapoint Drive which staff evaluated for compliance with the provisions of the Urban Renewal Plan and determined suitable for development of a multifamily residential complex to be referred to as the 3830 Parkdale Drive Project (“Project”); and

WHEREAS, the City, acting by and through OUR SA placed the Property under contract for purchase from Agora Assets, LLC for the sum of \$2,900,000.00 and other consideration; and

WHEREAS, staff released a Request for Proposals (the “RFP”) on September 20, 2018, advertising the Project and seeking submissions from qualified developers throughout the country with the requisite affordable housing development experience, financial capacity and capability, site plan, timeline, experience and interest in developing the Property as an affordable housing residential development; and

WHEREAS, based on the City’s standard evaluation and scoring metrics set forth in the RFP, the firm meeting the RFP’s qualifications to develop the Property for the purpose of fulfilling the goals of the Neighborhood Improvements Bond Program, in compliance with the Urban Renewal Plan and Chapter 374 of the Texas Local Government Code was identified as Franklin Development Properties, Ltd.; and

WHEREAS, staff recommended that the City, acting by and through OUR SA, purchase the Property and prepare the Project for development as permitted under the Urban Renewal Plan, Chapter 374 of the Local Government Code and applicable law; and

WHEREAS, the Project was approved by the OUR SA Board of Directors on December 5, 2018, presented to the City’s Audit Committee on December 11, 2018 and presented to the Neighborhood Improvements Advisory Committee on December 18, 2018; and

WHEREAS, the City Council hereby finds, based on the due diligence and recommendations of staff, that this Project will not result in any permanent involuntary residential displacement as stipulated in the Urban Renewal Plan and the acquisition of the Property is prudent and necessary to carry out the goals of the Urban Renewal Plan and the 2017-2022 Neighborhood Improvements Bond Program; and

WHEREAS, the City Council exercised due consideration to the real property disposition factors set forth in Section 374.017(d) of Chapter 374 of the Local Government Code, including but not limited to (1) the uses provided in the Urban Renewal Plan, (2) the restrictions on and any covenants, conditions, and obligations assumed by the developer for the development of the

Property, and (3) the objectives of the Urban Renewal Plan as it relates to previously designated areas as further set forth therein; and

WHEREAS, the City Council further finds that the bid received from Franklin Development Properties, Ltd., is the highest and best responsible bid and therefore authorizes the execution of a Contract for the Sale of Land for Private Redevelopment with Franklin Development Properties, Ltd., a copy of said contract being attached hereto as **EXHIBIT “C”** and incorporated herein; and

WHEREAS, the City Council further finds the Urban Renewal Plan authorizes the reimbursement of eligible expenses for permitted activities, consistent with the Urban Renewal Plan, and therefore, City Council hereby authorizes the reimbursement of eligible expenses for permitted activities in a total amount not-to-exceed \$4,400,000.00; **NOW THEREFORE:**

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

SECTION 1. The City Council hereby authorizes the acquisition of real property consisting of an approximately 7.07 acre tract of vacant land comprised of two (2) parcels located in an approved Neighborhood Improvement Area at 3830 Parkdale Drive (NCB 14445 P-111 ABS 260; 3.937 acres) and Datapoint Drive (NCB 14445 BLK LOT P-71B; 3.134 acres) as more particularly described in the attached **EXHIBIT “A”** and approves the purchase agreement with Agora Assets, LLC, attached hereto as **EXHIBIT “B,”** said exhibits being incorporated for all purposes as if fully set forth herein.

SECTION 2. The City Council hereby authorizes the sale of an approximately 7.07 acre tract of vacant land comprised of two (2) parcels located in an approved Neighborhood Improvement Area at 3830 Parkdale Drive (NCB 14445 P-111 ABS 260; 3.937 acres) and Datapoint Drive (NCB 14445 BLK LOT P-71B; 3.134 acres) (“the Property”), as more particularly shown on **EXHIBIT “A”** and approves a Contract for the Sale of Land for Private Redevelopment, a copy of said contract being attached hereto as **EXHIBIT “C,”** which is incorporated for all purposes as if fully set forth herein, for the purchase price of \$30,000.00 as program income for the Property, and providing for a contribution by the City toward eligible expenses not-to-exceed \$4,400,000.00 payable to Franklin Development Properties, Ltd. The City hereby finds and determines the foregoing represents the fair value of the Project, considering the factors set forth in Chapter 374 of the Local Government Code. The City Council directs the City to sell the Property associated with the Project within a reasonable time, taking into account the general economic situation at the time of sale.

SECTION 3. The actions of City staff, acting by and through OUR SA, related to the subject matter of this Ordinance and the exhibits attached hereto are hereby ratified and said City staff and OUR SA are hereby authorized to execute all documents and take all necessary actions to close and finalize the transactions at the prices and conditions set forth herein.

SECTION 4. The land purchase contract with Agora Assets, LLC is a one-time capital improvement expenditure in the amount of \$2,900,000.00 for the acquisition of real property. Funding is included in the FY 2019-2024 Capital Improvements Program, and funded through the 2017-2022 Neighborhoods Improvement Bond Program funds. The value of the acquisition is in alignment with the independent appraisal performed by Integra Realty Resources on August 31, 2018.

SECTION 5. Payment in the amount of \$2,900,000.00 in SAP Fund 45099000, General Obligation Capital Projects, SAP Project Definition 23-01738, Neighborhood Improvements, is authorized to be encumbered and made payable to Agora Assets, LLC, for the acquisition of approximately 7.07 acre tract, 2 parcels of privately owned real property located in Council District 8 in Bexar County, Texas. Payments for services are contingent upon the availability of funds and the sale of future City of San Antonio, General Obligation Bonds in accordance with the adopted capital budget. Payment is limited to the amounts budgeted in the Operating and/or Capital Budget funding sources identified. All expenditures will comply with approved operating and/or capital budgets for current and future fiscal years.

SECTION 6. Payment in an amount not to exceed \$4,400,000.00 in SAP Fund 45099000, General Obligation Capital Projects, SAP Project Definition 23-01738, Neighborhood Improvements, is authorized to be encumbered and made payable to Franklin Development Properties, Ltd., to provide reimbursement of eligible expenses for permitted activities in connection with the Project per the Contract for Sale of Land for Private Redevelopment. Payments for services are contingent upon the availability of funds and, if applicable, the sale of future City of San Antonio General Obligation Bonds in accordance with the adopted capital budget. Payment is limited to the amounts budgeted in the Operating and/or Capital Budget funding sources identified. All expenditures will comply with approved operating and/or capital budgets for current and future fiscal years.

SECTION 7. 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 8. This Ordinance shall be effective immediately upon passage by eight or more affirmative votes; otherwise, it shall be effective on the tenth day after passage.

PASSED AND APPROVED this 17th day of January, 2019.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

EXHIBIT "A"
(3830 Parkdale Property)

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EXHIBIT “B”
(Purchase Contract)

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EXHIBIT “C”

(Contract for Sale of Land for Private Redevelopment)

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