

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

ORDINANCE

APPROVING A FUNDING AGREEMENT BETWEEN THE CITY OF SAN ANTONIO PUBLIC WORKS DEPARTMENT AND THE INNER CITY TIRZ IN AN AMOUNT NOT TO EXCEED \$241,000.00 FOR ELIGIBLE EXPENSES RELATED TO DEMOLITION AND ENVIRONMENTAL REMEDIATION AT 223 S. CHERRY ST. IN CITY COUNCIL DISTRICT 2 AND WITHIN THE INNER CITY TAX INCREMENT REINVESTMENT ZONE #11.

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WHEREAS, the City of San Antonio (“City”) and the Inner City TIRZ Board of Directors (“Board”) support projects which allow for economic development within its boundaries; and

WHEREAS, on July 1, 2019, a Property Exchange agreement was executed between the City and 803 N. Cherry, LLC., wherein the City would take possession of a 1.69 acre site located at 803 N Cherry St. and 815 N Cherry St to develop a future park and would convey a City-owned 2.0-acre property located at 223 S Cherry St. As a condition of the property exchange, the City agreed to replat the City-owned property, demolish the City’s existing traffic sign shop on the property, and attain environmental clearance; and

WHEREAS, on June 13, 2019, the City Council authorized the use of \$600,000.00 from the FY 2019 Inner City Incentive Fund to complete the re-platting, demolition, and environmental remediation of the sign shop property. However, due to a higher level of asbestos and hazardous building materials than was known prior to completion of the hazmat survey, as well as a newly-identified mass of concrete slabs that formed the building foundation, the cost of demolition is now higher than the original estimate; and

WHEREAS, on June 4, 2020 the Public Works Department (“PW”) applied for funding from the City’s Tax Increment Financing Program (“TIF”) in order to secure additional funding for the demolition and environmental costs at the site in order fulfil its contractual obligations under the property exchange; and

WHEREAS, in accordance with Section 311.010 (b) of the Tax Increment Finance Act, the Board is authorized to enter into agreements to dedicate revenue from the tax increment fund to reimburse for eligible project costs that benefit the TIRZ; and

WHEREAS, on August 26, 2020, the Board adopted a resolution approving a Funding Agreement with the Public Works Department in an amount not to exceed \$241,000.00 from the Inner City TIRZ funds for costs related to demolition and environmental remediation at 223 S Cherry St; and

WHEREAS, it is now necessary for the City Council to approve a Funding Agreement for 223 S. Cherry St. **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of a Funding Agreement between the City of San Antonio and the Inner City TIRZ Board for costs related to demolition and environmental remediation at 223 S Cherry St, are hereby approved. A copy of the Agreement, in substantially final form, is attached to this Ordinance as **Exhibit A**.

SECTION 2. The City Manager or his designee is hereby authorized to execute the Funding Agreement which has been incorporated into this Ordinance for all purposes.

SECTION 3. TIF Division staff is authorized to amend the Inner City TIRZ Project and Finance Plan to include this Project.

SECTION 4. Funding for any projects through the Inner City TIRZ will be paid from Fund 29086007, Cost Center 0703290001 and General Ledger 5201040. Total funding should not exceed \$241,000.00 for the duration of this Agreement. Funding for the increase in contract capacity for on call demolition services shall be allocated from specific project funds at the time the work is required. This will allow for eligible expenses to be paid from the Inner City TIRZ according to the funding agreement.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance shall be effective upon passage by eight affirmative votes; otherwise it shall be effective on the tenth day after passage.

PASSED AND APPROVED this 1st day of October, 2020.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Tina J. Flores, City Clerk

Andrew Segovia, City Attorney

EXHIBIT A

DRAFT