

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

ORDINANCE

**APPROVING A CHAPTER 380 ECONOMIC DEVELOPMENT GRANT
AGREEMENT WITH GRAYSTREET LONE STAR DISTRICT, LP AND THE
INNER CITY TIRZ #11 IN AN AMOUNT NOT TO EXCEED \$24,000,000.00
FOR THE LONE STAR DISTRICT DEVELOPMENT, LOCATED IN
COUNCIL DISTRICT 5 AND WITHIN THE INNER CITY TIRZ
BOUNDARIES.**

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WHEREAS, in accordance with the Tax Increment Financing Act (the “Act”), Chapter 311 of the Texas Tax Code, the City of San Antonio through Council Ordinance No. 93101, established Tax Increment Reinvestment Zone Number Eleven, known as the Inner City TIRZ, and a Board of Directors (“Board”) authorized with all the rights, powers, and duties provided by the Act, in order to promote development and revitalization activities within TIRZ; and

WHEREAS, the City and the Board recognize the importance of their continued role in economic development within the Zone; and

WHEREAS, the City seeks to incentivize GrayStreet Lone Star, LP (“Grantee”) to undertake and complete the Lone Star District Development, an economic development project consisting of the adaptive reuse of the historic Lone Star brewhouse for open space, public art, retail, entertainment, office, hospitality, multifamily housing and other community and commercial uses, located at 600 Lone Star Blvd San Antonio, Texas 78204, in Council District 5, and within the Inner City Tax Increment Reinvestment Zone (the “TIRZ”) boundaries; and

WHEREAS, it is anticipated that the Project will be developed in multiple phases and result in an ultimate investment of no less than \$596,000,000.00 in real property improvements at the site, with a total completed value estimated at \$709,267,533.00; and

WHEREAS, on May 7, 2021, through Resolution T11 2021-05-07-01R, attached hereto as **Exhibit A** the Board approved execution of a Chapter 380 Economic Development Grant Agreement for the Project in cumulative amount not to exceed TWENTY-FOUR MILLION DOLLARS AND NO CENTS (\$24,000,000.00) over a fifteen (15) year period. For FY22 and FY23, Grantee may request reimbursement for eligible public improvement costs not to exceed a total of \$2,000,000.00 from the TIRZ fund. Beginning in calendar year 2025, Grantee may request an annual tax rebate of the incremental property tax paid on the Project Site to be paid from (1) the Available Tax Increment in the TIRZ until its expiration based upon the City’s 100% participation rate, and thereafter (2) the City’s General Fund based upon at the City’s Operations & Management rate, which is currently 62.115%; and

WHEREAS, in accordance with Chapter 380 of the Local Government Code, and Sections 311.010(b) and 311.010(h) of the Texas Tax Code, the City and Board are authorized to grant funds to promote state and local economic development and to stimulate business and commercial activity in the municipality and TIRZ. **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of a Chapter 380 Economic Development Grant Agreement with GrayStreet Lone Star, LP for the Lone Star District Development are hereby approved. A copy of the agreement, in substantially final form, is attached to this Ordinance as **Exhibit B**.

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

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

SECTION 4. *RESERVED FOR FINANCIAL LANGUAGE*

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 immediately upon passage by eight affirmative votes; otherwise, it shall be effective on the tenth day after passage.

PASSED AND APPROVED this 20th day of May, 2021.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Tina J. Flores, City Clerk

Andrew Segovia, City Attorney

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05/20/21
Item No. _____

Exhibit A

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05/20/21
Item No. _____

Exhibit B

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