

T31 2021-08-31-01R

A RESOLUTION BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER THIRTY-ONE AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT WITH ENCORE MULTIFAMILY, LLC IN AN AMOUNT NOT TO EXCEED \$7,000,000 FOR THE BROADWAY EAST BY ENCORE PROJECT LOCATED AT 1203 AUSTIN STREET, IN COUNCIL DISTRICT 2.

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WHEREAS, the City and the Board recognize the importance of their continued role in development activities and actively participate in funding of projects that enhance the value of all the taxable real property in TIRZ and benefit the City; and

WHEREAS, in March 2021, Encore Multifamily, LLC (“Developer”) applied for funding from the City’s Tax Increment Finance (“TIF”) Program in order to undertake the oversight and delivery of the Broadway East by Encore Project, a 23-acre master planned project. The project consists of the redevelopment of an underutilized/vacant property to a luxury multifamily complex generally located east of N. Alamo between W Carson and E Grayson Streets, in San Antonio, Texas, City Council District 2, and within the boundary of the Midtown TIRZ; and

WHEREAS, the total development cost for the project is approximately Ninety Million Dollars and No Cents (\$90,000,000.00), with an estimated \$100 Million value at completion, which includes construction of a 386-unit multi-family development with significant public infrastructure upgrades and installations benefiting the surrounding area; and

WHEREAS, staff recommends a Maximum Reimbursement of up to Seven Million Dollars and No Cents (7,000,000.00) over a period not to exceed ten (10) years. For FY22 and FY23, Developer may request reimbursement of \$1,000,000 per year for eligible public improvements costs not to exceed a total of \$2,000,000. Beginning in calendar year 2024 and continuing for either 8 years or until the Maximum Reimbursement is reached, Developer may request an annual tax rebate equal to 75% of the incremental property tax paid on the project site, with the remaining 25% deposited into a fund to be utilized by City to encourage the development of affordable housing in the City of San Antonio; 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 reimburse for eligible project costs that benefit the TIRZ. **NOW THEREFORE**,

BE IT RESOLVED BY THE BOARD OF DIRECTORS FOR THE MIDTOWN TAX INCREMENT REINVESTMENT ZONE:

SECTION 1. The recitals set out above are adopted in their entirety.

SECTION 2. The Midtown Tax Increment Reinvestment Zone Board of Directors hereby authorizes the execution of a Development Agreement with Encore Multifamily, LLC in a

cumulative amount not to exceed SEVEN MILLION DOLLARS AND NO CENTS (\$7,000,000) in eligible public improvement cost reimbursement and tax rebate in accordance with the terms of the Agreement for the Broadway East by Encore Project, located at 1203 Austin Street, in San Antonio, Texas, in Council District 2 and within the Midtown Tax Increment Reinvestment Zone. The Agreement is attached hereto in substantially final form as **Exhibit A**.

SECTION 3. The Board hereby authorizes, beginning in FY 2024 and for up to 8 consecutive years, the transfer and acceptance of an annual amount equal to 25% of the Project Site Increment to be deposited into a fund to be utilized by City to encourage the development of affordable housing in the City of San Antonio.

SECTION 4. The Board hereby authorizes the City to make necessary amendments to the Finance Plan and Project Plan.

PASSED AND APPROVED this 31st day of August, 2021.

Lou Fox
Board Chair

APPROVED AS TO FORM:

Christina Ramirez
Assistant City Attorney