



City of San Antonio

Legislation Details (With Text)

File #: 16-4957

Type: Miscellaneous Item

In control: City Council A Session

On agenda: 10/13/2016

Title: An Ordinance approving the MidTown Tax Increment Reinvestment Zone #31 Amended Project and Finance Plans. [Peter Zanoni, Deputy City Manager; Bridgett White, Director, Planning & Community Development]

Sponsors:

Indexes:

Code sections:

Attachments: 1. T31 20160909 PP with Board Adjustments, 2. 2016-09-22 - MidTown - Finance Plan, 3. Draft Ordinance, 4. T31 20160909 City Council A Session Presentation - Project and Finance Plans, 5. Ordinance 2016-10-13-0806

Date	Ver.	Action By	Action	Result
10/13/2016	1	City Council A Session	adopted	Pass

DEPARTMENT:

Planning and Community Development

DEPARTMENT HEAD:

Bridgett White

COUNCIL DISTRICTS IMPACTED:

Council Districts 1 and 2

SUBJECT:

Amendment of the MidTown Tax Increment Reinvestment Zone (TIRZ) #31 Final Project and Finance Plans

SUMMARY:

City Council is being asked to consider the approval of the MidTown Tax Increment Reinvestment Zone (TIRZ) #31 Final Project and Finance Plans.

BACKGROUND INFORMATION:

The MidTown TIRZ was designated by City Council, through Ordinance 2008-12-11-1134, on December 11, 2008. The Ordinance designated and named the TIRZ, created a Board of Directors, specified the number of individuals on the board, established effective start and termination dates, approved Preliminary Project and Finance Plans and created the Tax Increment Fund.

On December 13, 2012, City Council authorized incorporating the River North Tax Increment Reinvestment Zone Twenty-Seven (River North TIRZ) into the MidTown TIRZ. In addition to capturing the River North parcels, the boundary was extended to include two separate areas adjacent to the former River North TIRZ, adding a total of 232.25 parcel acres to the MidTown boundary. The new boundary is 542.41 parcel acres.

City Council amended the MidTown designating ordinance and extended the term of the TIRZ by three additional years. It also expanded the TIRZ Board of Directors from 11 to 15 members to accommodate River North Board Members, as well as increased the City's participation rate from 90% to 100% of its tax rate. Both actions were accomplished through Ordinance 2012-12-13-1021. The TIRZ Board and City Council subsequently approved the Amended Project and Finance Plans currently in use.

ISSUE:

The MidTown TIRZ #31 is City initiated. The term is 23 years and will terminate on September 30, 2031. Currently, the City of San Antonio is the only participating taxing entity. The City's current tax rate per \$100 valuation is \$0.55827 in tax year 2015. Captured taxable values were \$19,807,452 in tax year 2009 and are projected to reach \$1,214,538,678 in tax year 2030. Additionally, annual revenues were \$100,243.90 in tax year 2009 and are projected to grow to \$6,644,796.98 in tax year 2030.

Since the last approval of the existing Project and Finance Plans, 17 new projects have been introduced to the MidTown TIRZ, in addition to the 12 projects previously listed. The Amended Finance Plan provides estimates regarding potential tax increment to be collected within the MidTown TIRZ. Additionally, financial data in the Finance Plan is updated and provides a new section that shows available funding for the use of the MidTown TIRZ Board in considering future projects that will meet the goals and objectives of the Project Plan.

On September 9, 2016, the MidTown TIRZ Board approved the Amended Project and Finance Plans. Per Chapter 311 of the Texas Tax Code (the "TIF Act"), the governing body of the municipality that designated the zone must approve a project or reinvestment zone financing plan after its adoption by the board. The approval must be by Ordinance, in the case of a municipality, that finds that the plan is feasible.

ALTERNATIVES:

If the City does not adopt the amended MidTown TIRZ Final Project and Finance Plans, the City and the TIRZ Board will be required to operate under the purview of the existing, outdated Plans and financial projections.

FISCAL IMPACT:

Projects funded through the MidTown TIRZ are paid solely from the tax increment generated through the TIRZ and will not impact the City's General fund. The City is the only participating taxing entity.

RECOMMENDATION:

Staff recommends approval of this item.