



City of San Antonio

Legislation Details (With Text)

File #: 16-4536

Type: Miscellaneous Item

In control: City Council A Session

On agenda: 9/8/2016

Title: An Ordinance approving the Northeast Corridor Tax Increment Reinvestment Zone Final Project and Finance Plans. [Peter Zanoni, Deputy City Manager; Bridgett White, Interim Director, Planning & Community Development]

Sponsors:

Indexes:

Code sections:

Attachments: 1. Northeast Corridor Project Plan, 2. Northeast Corridor Finance Plan, 3. Presentation, 4. TIRZ Board, 5. Draft Ordinance, 6. Ordinance 2016-09-08-0690

Date	Ver.	Action By	Action	Result
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DEPARTMENT: Department of Planning and Community Development

DEPARTMENT HEAD: Bridgett White

COUNCIL DISTRICTS IMPACTED: Districts 2 and 10

SUBJECT:

This item is consideration of an Ordinance approving the Northeast Corridor Tax Increment Reinvestment Zone (TIRZ) #33 Final Project and Finance Plans.

SUMMARY:

City Council is being asked to consider the approval of the Northeast Corridor Tax Increment Reinvestment Zone (TIRZ) #33 Final Project and Finance Plans.

BACKGROUND INFORMATION:

The Northeast Corridor TIRZ was designated by City Council, through Ordinance 2014-12-04-0971, on December 4, 2014. 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. After designation, the City-initiated process includes the subsequent adoption of Final Project and Finance Plans.

The TIRZ consists of approximately 1,056 parcel acres in City Council Districts 2 and 10. The boundary is generally along both sides of Perrin Beitel Road, north of Loop 410 to Thousand Oaks Road, then continues to the northeast along both sides of Nacogdoches to O'Conner Road. The western portion of the boundary extends southwest from the intersection of Perrin Beitel and Naco-Perrin Boulevard along both sides of Naco-Perrin to approximately Wurzbach Parkway, then heads to the northwest along the northern edge of Wurzbach Parkway to Wetmore Road. At the intersection of Wurzbach and Wetmore, the boundary heads northeast along the southern edge of Wetmore to Thousand Oaks, then follows the southern edge of Thousand Oaks back to Nacogdoches Road.

The Northeast Corridor TIRZ #33 is City initiated. The term is 20 years and will terminate on September 30, 2034. The City of San Antonio is the only participating taxing entity and the City's participation rate is 100% of its tax rate.

The Finance Plan provides estimates regarding potential tax increment to be collected within the Northeast Corridor. The term of the TIRZ will be 20 years ending September 30, 2034.

The City is the only participating taxing entity, with the City's current tax rate per \$100 valuation at \$0.55827. This is expected to produce annual revenues of \$241,895.91 in Fiscal Year 2016 which is expected to grow to \$1,305,839.20 in Fiscal Year 2034 for total of almost \$20 million over the life of the TIRZ.

ISSUE:

Public improvements within the Northeast Corridor TIRZ #33 may include: short term projects such as façade improvements and neighborhood signage; and mid-term projects such as gateway enhancements for two high-impact areas (landscaping, lighting, public art), streetscape enhancements radiating from gateway enhancements (landscaping, lighting, sidewalks, and signage). Long-term projects include public-private partnerships to acquire and redevelop blighted properties and a new park on Perrin Beitel. Future projects and public improvements will be identified and approved by the TIRZ Board of Directors and added to the Project Plan.

On March 10, 2016 City Council appointed 7 Board members to the Northeast Corridor TIRZ 33. The Northeast Corridor TIRZ Board met on July 25, 2016 and approved the Final Project and Finance Plans. The Final Project and Finance Plans are attached for your consideration.

Per Chapter 311 of the Texas Tax Code (the "TIF Act") after TIRZ designation the board of directors of a reinvestment zone shall prepare and adopt a project plan and a reinvestment zone financing plan for the zone and submit the plans to the governing body of the municipality or county that designated the zone.

The governing body of the municipality or county that designated the zone must approve a project plan or reinvestment zone financing plan after its adoption by the board. The approval must be by ordinance, in the case of a municipality, or by order, in the case of a county, that finds that the plan is feasible.

ALTERNATIVES:

If the City does not adopt the Northeast Corridor TIRZ Final Project and Finance Plans to spur private development, it is likely that the neighborhood would continue to deteriorate. If TIRZ Plans are implemented, the City will benefit through growth in sales and property taxes. Further, the creation of the TIRZ provides

the opportunity to achieve the goals outlined in the North Sector Plan, the City's Master Plan, and the Northeast Corridor Revitalization Plan.

FISCAL IMPACT:

Projects funded through the Northeast Corridor 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.