



City of San Antonio

Agenda Memorandum

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Agenda Date: 6/14/2018

In Control: City Council A Session

DEPARTMENT: Transportation and Capital Improvements

DEPARTMENT HEAD: Mike Frisbie, P.E.

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Amendment to a Funding Agreement with the HemisFair Park Area Redevelopment Corporation (HPARC)

SUMMARY:

An ordinance authorizing the execution of an amendment the existing Funding Agreement between the City of San Antonio and the HemisFair Park Area Redevelopment Corporation (HPARC) to increase the agreement by \$1,318,566 for capital management of HPARC related projects; the new total of \$5,811,403.71 includes past capital projects and capital management cost.

BACKGROUND INFORMATION:

The redevelopment of HemisFair Park has been an on-going capital improvement project since 2010. Over time, City Council and voters have authorized the use of 2007 Bond savings, 2012 Bond Streets and Park funds, and 2017 Bond Streets and Park funds towards area improvements in support of the on-going HemisFair Project.

Previous Council Action

On August 13, 2009, City Council authorized the creation of the HemisFair Park Area Redevelopment Corporation (HPARC). HPARC was given authority to oversee the development and redevelopment of HemisFair Park and its surrounding area in order to promote economic development and to stimulate businesses, housing and commercial activity that is in line with the vision and guiding principles created by the Ad Hoc Committee. City Council appointed an 11 member board which was comprised of representatives from a cross-section of local stakeholders.

On June 24, 2010, City Council authorized the execution of a Capital Funding Agreement with HPARC that allowed HPARC to use 2007 General Obligation Park & Recreation Improvement Bond funds and 2008 Certificates of Obligation to be used for expenses incurred in the development of the Hemisfair Master Plan, including consultant and legal fees; and construction, design and other expenditures associated with additional projects that qualified for an eligible use of bond funded and certificates of obligation as detailed in plans and approved by the City Manager's designated representative. The total amount of the funding agreement was \$3,272,847.71.

On May 12, 2011 City Council authorized amending the Capital Funding Agreement to allow for the reimbursement of personnel costs, salaries or wages paid directly provided they are in support of the master plan or other projects that qualify as eligible bond funded projects. Per the agreement, costs shall be considered allowable only if so approved in advance by the City Manager's designated representative in writing.

On May 19, 2011, City Council authorized the FY 2011 Mid-Year Budget Adjustment which allocated \$46 million from the 2007-2012 Bond Program to be used for identified and City Council approved street, drainage, and park infrastructure projects across the City, including within the downtown area. At that time, \$17.6 million in 2007 Bond Savings was allocated for street and drainage improvements associated with streets surrounding the Hemisfair district .

On November 17, 2011, City Council amended the Capital Funding Agreement to allow HPARC to become a 501 (c) 3. The Articles of Incorporation were amended to allow HPARC to receive donations from private sources and corporations. The amendment also modified the board member terms so that only two or three members would transition out in the same year. The modified term allowed HPARC to retain intellectual capital and acquired knowledge of the project. Lastly, the amended Articles of Incorporation would now allow the City Manager or designee to serve on the HPARC Board of Directors as an ex-officio non-voting member. The amendment also increased funding available to be reimbursed by the Capital Funding Agreement by \$150,000.00 for a total available amount of \$3,422,874.71. Funds were available from the approved reallocation of \$17.6 million in 2007 Bond Savings for Hemisfair streets.

In May 2012, San Antonio voters approved the City of San Antonio's 2012-2017 Bond Program of which \$15 million was approved for Hemisfair Area Streets and an additional \$15 million for Park Improvements.

In August 2013, City Council approved an amendment to the funding agreement which increased the funding agreement by \$1,070,000 to \$4,492,847.71 which allowed HPARC to be compensated for services in support of 2012-2017 Bond Projects.

The 2012-2017 Bond program facilitated the following projects within the Hemisfair district:

- 4.1 acre Yanaguana Garden park, which has received over 2 million visitors since opening in October 2015;
- East Nueva Street improvements, which connects S. Alamo Street to the Tower of Americas on the first ever park complete street designed for all modalities of travel;
- Historic home stabilization and renovation that has allowed for local businesses and retail at Yanaguana Garden, including Paleteria SA, Commonwealth Coffeehouse and Bakery, Con Safos Cocina y Cantina, and Dough Pizzeria

- Design of civic park by an internationally recognized firm Guthrie Gustafson Nichols
- Infrastructure improvements have helped to spur private sector investments such as AREA real estate's 151-unit multifamily structure and an agreement with Zachry Hospitality for over \$200 million of investment in mixed-use urban development

On May 6, 2017, San Antonio voters approved the City of San Antonio's 2017-2022 Bond Program of which \$5 million was approved for Hemisfair Park Area Streets Phase II, \$21 million for Hemisfair Civic Park, and \$9 million for South Alamo Street from Market Street to Cesar Chavez Blvd.

ISSUE:

An ordinance authorizing the execution of an amendment the existing Capital Funding Agreement between the City of San Antonio and the Hemisfair Park Area Redevelopment Corporation (HPARC) to increase funding by \$1,318,566 for a total of \$5,811,403.71.

This funding agreement amendment provides for the reimbursement for project management services associated with the construction of Hemisfair Civic Park Project, Hemisfair Park Internal Streets - Phase II, and South Alamo Street (Market to Cesar Chavez); each part of the 2017-2022 Bond Program. This would be the fourth amendment to the funding agreement which continues to allow HPARC to be reimbursed for project support associated with the Hemisfair Park projects. Project management duties align with TCI duties through a Responsibility Matrix and do not incur any additional fees to the project. TCI will be responsible for managing the Hemisfair Bond projects through all phases of design, construction and closeout including consultant selections, construction contractor procurements and coordination with governing authorities. HPARC will be responsible for helping establish project scope, decisions regarding functional and aesthetic aspects of the projects, will assist with stakeholder communication and outreach, and other planning services. The funding agreement must be amended to reflect these services and will increase the amount eligible for reimbursement. The proposed amendment would increase by \$1,318,566 for a total amount eligible to be reimbursed under this Funding Agreement shall not exceed \$5,811,403.71.

ALTERNATIVES:

If the Funding Agreement is not amended, the implementation of the Hemisfair Master Plan will be delayed and TCI will not benefit from HPARC's assistance in the management of the Hemisfair Projects to be funded by the 2017-2022 Bond Program.

FISCAL IMPACT:

Funding for the amendment to the Funding Agreement in the amount of \$1,318,566 is available from the \$26 million in the 2017-2022 Bond Program that was allocated for Hemisfair Street and Park improvements and the \$9 million allocated for South Alamo Street. If approved, the total amount for the Capital Funding Agreement

will be \$5,811,403.71.

This amendment only applies capital funding agreement. The current operating funding agreement was approved on June 30, 2016 and will end September 30, 2020. HPARC is designed to be self-supporting and to no longer receive operating funds.

RECOMMENDATION:

Staff recommends approval of this item.