



City of San Antonio

Agenda Memorandum

File Number: 17-6283

Agenda Item Number: 3.

Agenda Date: 12/8/2017

In Control: Tax Increment Reinvestment Zone 11 -- Inner City

SUBJECT

Discussion and possible action to approve a Resolution authorizing an amendment to the Development Agreement to increase the funding authorization from \$300,000.00 to \$330,000.00 for the MLK Garden Homes, LLC project.

BACKGROUND:

On November 17, 2016, MLK Garden Homes, LLC submitted a funding request. After negotiations, Staff and Developer agreed to an amount up to \$300,000.00 in TIRZ #11 funding to be drawn on a reimbursement basis. The \$300,000.00 will be utilized to address utility and street improvements necessary to facilitate the development of 12 single family homes at the project site. The completion of this project will provide infrastructure improvements to facilitate new housing inventory in an area that is severely blighted and under improved.

On December 9, 2016, the Inner City TIRZ Board approved a Resolution awarding up to \$300,000.00 of TIRZ funding to MLK Garden Homes located at Martin Luther King Drive and Aurelia Street.

MLK Garden Homes, LLC was successful in acquiring ten surplus lots from the City of San Antonio at a cost of \$75,000.00. Additionally, they are under contract to acquire two additional parcels necessary to assemble the land required to complete the project.

MLK Garden Homes, LLC received SAWS Impact Fee waivers in the amount of \$19,000.00 and is awaiting notification regarding ICRIP approval.

On February 10, 2017, the Inner City TIRZ Board approved a Resolution authorizing a Development agreement with MLK Garden Homes, LLC in an amount not to exceed \$300,000.00.

Since the approval of the Development Agreement, the Developer experienced additional City requirements that increased the overall costs necessary to facilitate the project's completion. The \$30,000.00 in increased costs are necessary to provide a Bicycle lane in front of the property along Martin Luther King Boulevard, to facilitate additional geotechnical requirements, and to alleviate unforeseen costs associated with utility improvements along the alley way associated with the project.

FISCAL IMPACT:

The total development cost of the MLK Garden Homes development is approximately \$2,100,000.00 which

includes costs for acquisition, site work, pre-development costs, hard construction costs, and Developer related expenses. If approved, this action will authorize the payment of up to \$330,000.00 from the Inner City TIRZ fund for the reimbursement of eligible expenses related to the MLK Garden Homes development between the City of San Antonio, MLK Garden Homes, LLC and the Inner City TIRZ Board of Directors.

RECOMMENDATION:

Staff is recommending the TIRZ Board approve a Resolution authorizing an amendment to the Development Agreement to increase the funding authorization from \$300,000.00 to \$330,000.00 for the MLK Garden Homes, LLC project.