



City of San Antonio

Agenda Memorandum

File Number: 14-3047

Agenda Item Number: 25.

Agenda Date: 2/12/2015

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: Lori Houston

COUNCIL DISTRICTS IMPACTED: District 2

SUBJECT:

An ordinance authorizing the execution of an Economic Development Program Loan Agreement with NRP Group in the amount of \$500,000.00 from the Inner City TIRZ fund to undertake and complete the Crockett Street Lofts Project consisting of 268 housing units in District 2.

SUMMARY:

This ordinance authorizes the execution of an Economic Development Program Loan Agreement in the amount of \$500,000.00 among the City of San Antonio, Inner City TIRZ Board No. 11, and the NRP Group for the proposed Crockett Street Urban Lofts Project, a 268 unit multi-family housing complex to be located at 243 Center Street in Council District 2. The loan will be funded from the Inner City TIRZ in the amount of \$500,000 and will be disbursed to the NRP Group.

BACKGROUND INFORMATION:

San Antonio based NRP Group is proposing a \$42.8 million, multi-family housing development to be located at 243 Center Street. The project will consist of 268 housing units and a 375 space parking garage.

The San Antonio Housing Trust's Public Facility Corporation (PFC) will serve as co-developer of the project providing the project with a 20-year tax exemption from ad valorem taxes so long as 50% of the housing units are priced at 80% of the area median income. The remaining 50% will be market rate.

Due to the project's scope and its location within the Inner City Reinvestment Infill Policy and Center City

Housing Incentive Policy boundaries, the project qualifies for incentives in the amount of \$1,072,000.00 under the Center City Housing Incentive Policy (CCHIP). Only \$572,000.00 is currently available from the Inner City Incentive Loan Fund, therefore, the City requested an additional \$500,000.00 from the Inner City TIRZ to be loaned to NRP Group under this Economic Development Program Loan Agreement.

The PFC Board approved participation in this project on November 4, 2014. The funding for the loan in the amount of \$500,000.00 was approved by the Inner City TIRZ Board on November 14, 2014.

ISSUE:

The proposed Economic Development Program Loan Agreement among the City of San Antonio, Inner City TIRZ No. 11, and the NRP Group requires City Council approval. The Agreement will provide for a \$500,000.00 loan from the Inner City TIRZ Tax Increment Fund that will be repaid by the NRP Group. The City will act as administrator of the Economic Development Program Loan Agreement.

ALTERNATIVES:

City Council can elect not to approve the Economic Development Program Loan Agreement. Without the financial incentives, the Crockett Street Urban Lofts Project will not be financially feasible.

FISCAL IMPACT:

This ordinance will authorize an Economic Development Program Loan Agreement to provide a loan in the amount of \$500,000 to the NRP Group. Funding for this loan is available from the Inner City TIRZ fund balance.

NRP will repay the loan to the Inner City TIRZ over a three year period beginning two years after construction commencement. Construction is anticipated to commence in the Summer of 2015.

RECOMMENDATION:

Staff recommends authorization to execute an Economic Development Program Loan Agreement among the City of San Antonio, Inner City TIRZ Board of Directors, and NRP Group for a loan in the amount of \$500,000.00 from the Inner City TIRZ Fund Balance for the Crockett Street Urban Lofts Project.