



# City of San Antonio

## Agenda Memorandum

**File Number:** 15-3436

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**Agenda Item Number:** 67.

**Agenda Date:** 6/18/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Planning and Community Development

**DEPARTMENT HEAD:** John Dugan

**COUNCIL DISTRICTS IMPACTED:** 1, 2 & 5

### **SUBJECT:**

Consideration of three Ordinances authorizing the execution of agreements between the City of San Antonio, the Inner City TIRZ Board of Directors and awardees of the Inner City TIRZ 2014 Request For Applications.

- A. An Ordinance authorizing the execution of a Public Use Agreement with Gemini Ink in an amount up to \$20,000.00 of Inner City TIRZ Tax Increment funds for support of a literacy program within the boundary of the Inner City TIRZ.
- B. An Ordinance authorizing the execution of a Development Agreement with Blue Star Contemporary Art Museum in an amount up to \$50,000.00 of Inner City TIRZ Tax Increment funds for support of façade improvements at 116 and 132 Blue Star located within the boundary of the Inner City TIRZ.
- C. An Ordinance authorizing the execution of a Chapter 380 Economic Development Agreement with Collaborative Homes LLC in an amount up to \$518,000.00 to support the development of a 10 unit market rate townhome project within the boundary of the Inner City TIRZ.

### **SUMMARY:**

City Council is being asked to consider three Ordinances authorizing the execution of agreements resulting from the Inner City TIRZ 2014 Request for Applications (RFA) and authorizing staff to make necessary amendments to the TIRZ Project and Finance Plans to include these as active projects within the Inner City TIRZ.

**BACKGROUND INFORMATION:**

Tax Increment Reinvestment Zone Number 11 (Inner City TIRZ) was designated by City Council on December 14, 2000, through Ordinance 93101, to support development, redevelopment, revitalization and public infrastructure improvements within the Inner City TIRZ Boundary located primarily on the City’s Eastside. Throughout its fifteen year history, the TIRZ has supported both social capital and economic development projects intended to implement the goals of existing neighborhood plans and previous planning studies which are encompassed in the boundary of the Inner City TIRZ.

In an effort to continue these revitalization efforts, the Inner City TIRZ Board of Directors, on June 16, 2014, published two “Requests for Applications” 1) Economic Development Projects and 2) Social Capital Projects within the Inner City TIRZ. On August 29, 2014, staff received eight applications with a total the amount requested exceeding \$8 million. Staff evaluated the applications and recommended funding for five projects as follows:

<b>Social Capital Projects</b>		
<b>Applicant</b>	<b>Project</b>	<b>Amount</b>
Gemini Ink	Eastside Stories	\$ 20,000.00
Blue Star Contemporary Art for San Antonio	Blue Star Façade Improvements	\$ 50,000.00
Antioch Community Transformation Network	Antioch Education Center	\$ 142,082.21
<b>Total</b>		<b>\$ 212,082.21</b>
<b>Economic Development Projects</b>		
<b>Applicant</b>	<b>Project</b>	<b>Amount</b>
Collaborative Homes LLC	Sunglo Town Homes	\$ 518,000.00
La Villita Del Rio Development LLC	East Point Village	\$ 1,072,616.71
<b>Total</b>		<b>\$ 1,590,616.71</b>

On November 14, 2014 The Inner City TIRZ Board of Directors awarded \$20,000.00 to Gemini Ink for the Eastside Stories literacy program and \$50,000.00 to the Blue Star Contemporary Art Museum for façade Improvements to their current location. In addition, the Inner City TIRZ Board awarded funding to the Antioch Community Transformation Network for the Antioch Education Center. That agreement is still under negotiation and may be brought before City Council for consideration at a later date.

On January 16, 2015 The Inner City TIRZ Board of Directors awarded \$518,000.00 to Collaborative Homes LLC for public infrastructure improvements to support ten (10) market rate townhomes at 1519 South Presa Street and within the boundary of the Inner City TIRZ. In addition, the Inner City TIRZ Board awarded funding to La Villita Del Rio Development LLC for the East Point Village project. That agreement is still under negotiation and may be brought before City Council for consideration at a later date.

The City Attorney’s Office in cooperation with TIF staff negotiated and drafted agreements with each of the awardees. On May 1, 2015 the Inner City TIRZ Board of Directors passed three resolutions authorizing the commitment of funds and the final negotiation and execution of agreements with each of the awardees after approval by City Council.

In addition to the projects listed above, the Inner City TIRZ Board of Directors awarded funding to The Antioch Community Transformation Network Education Center and La Villita Del Rio Development LLC for the East Point Village project. These proposed projects are still under negotiation a may be brought before City Council for consideration at a later date.

**ISSUE:**

In accordance with Chapter 311 of the Texas Tax Code (the TIF ACT) Section 311.008, a municipality or county may exercise any power necessary and convenient to carry out the TIRZ Project Plan, including the power to enter into agreements.

Each of the proposed projects serves to implement the stated goals of the Inner City TIRZ Project Plan to support development, redevelopment, revitalization and public infrastructure improvements within the TIRZ zone.

A summary of each agreement follows:

- A. Gemini Ink - Eastside Stories: The Public Use Agreement defines the terms of the agreement and details the obligations of all parties. Eastside Stories is a year-long program to build youth capacity in the Eastside by providing literacy based community activities and events that result in positive branding of the community. Eastside stories is made up of two components:
  1. **Write with Me/Read With Me:** a program of creative writing afterschool enrichment for 30 children grades 2-5 enrolled in the Ella Austin Community Center afterschool and summer programs. Writers will provide 1½ hours of instruction weekly throughout the school year and eight weeks over the summer. These classes will be supplemented by twelve family reading nights that will engage parents of children served in celebrating their children’s creative writing.
  2. **La Voz and Story Slam-** Large-scale public events to be held at the Carver Cultural Center to provide a focus on poetry out loud and storytelling. Gemini Ink to host free two-day training by local storytellers and theatre professionals to build storytelling skills.
  
- B. Blue Star Contemporary Art Museum - Façade Improvements: The Development Agreement defines the terms of the agreement and details the obligations of all parties. The project will consist of the following elements; incorporation of improved handicap accessibility to the entrances, including but not limited to improved wheelchair accessible approach and automatic doors, increased and improved lighting in and around the porch and stairwells; improved and more secure railing along the elevated foundation/porch area; repair and refinish the concrete façade at 116 and 132 Blue Star; the preparing of the façade of the Blue Star Contemporary Art Museum for a rotating series of temporary murals and projections turning the façade into a new public art exhibition site and other improvements as described in the Agreement.
  
- C. Collaborative Homes - Sunglo Townhomes: The Chapter 380 Economic Development Grant Agreement defines the terms and obligations of all parties. The Developer proposes a \$3.1 million housing development, named the Sunglo Townhomes to be located at 1519 S. Presa Street. The project will consist of 10 two-story townhomes of which all will be at market rate. TIRZ funding will be used to pay for new infrastructure improvements including sidewalks, curbing, approaches and water/sewer laterals.

**ALTERNATIVES:**

City Council could decide not to authorize the execution of these agreements. This would prevent the Inner City TIRZ from achieving its stated goals and prevent needed revitalization efforts within the boundary of this historically underserved community.

**FISCAL IMPACT:**

There will be no fiscal impact from the proposed action. All funding for the proposed projects will be paid from

the Inner City TIRZ fund from available tax increment and will not impact the City's General Fund.

**RECOMMENDATION:**

Staff recommends approval of the three Ordinances authorizing the execution of agreements between the City of San Antonio, the Inner City TIRZ Board of Directors and awardees of the Inner City TIRZ 2014 Request for Applications.