



City of San Antonio

Agenda Memorandum

File Number: 15-4703

Agenda Item Number: 30.

Agenda Date: 9/17/2015

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: Lori Houston

COUNCIL DISTRICTS IMPACTED: District 2

SUBJECT:

Amendment to Crockett Street Lofts TIRZ loan.

SUMMARY:

This ordinance authorizes an amendment of an Economic Development Program Loan Agreement in the amount of \$516,000.00 among the City of San Antonio, Inner City TIRZ No. 11, and the NRP Group for the proposed Crockett Street Urban Lofts Project, a 272 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 \$516,000.00 and will be disbursed to the NRP Group.

BACKGROUND INFORMATION:

On February 12, 2015, City Council had approved a Chapter 380 agreement with the San Antonio based NRP Group on a project proposing a \$42.8 million, multi-family housing development to be located at 243 Center Street. The project consisted of 268 housing units and a 375 space parking garage. In the agreement, the San Antonio Housing Trust's Public Facility Corporation (PFC) serves as co-developer 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.

Based on community needs, the NRP has adjusted their project to now be an investment of \$45,358,493.00 which includes 272 multi-family housing units and a 584 space parking garage. This new investment and increase in units allows for an additional \$16,000.00 in incentives for the project. The source of the loan will still be the Inner City TIRZ and will have a 2% simple interest processing fee paid annually over the 9-year loan term totaling \$92,880.00 (\$10,320 annually). The balance of the loan will be paid back in a lump sum of the entire principle on or before September 30, 2025.

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 \$1,088,000.00 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 \$516,000.00 from the Inner City TIRZ to be loaned to NRP Group under this amendment to the Economic Development Program Loan Agreement.

The funding for the loan amendment in the amount of \$516,000.00 was approved by the Inner City TIRZ Board on August 14, 2015.

ISSUE:

The proposed amendment to the 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 \$516,000.00 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 amended Economic Development Program Loan Agreement. Without the financial incentives, the Crockett Street Urban Lofts Project will be required to find additional funding and incentives to complete the project.

FISCAL IMPACT:

This ordinance will authorize an amendment to the Economic Development Program Loan Agreement to provide a loan in the amount of \$516,000.00 to the NRP Group. Funding for this loan is currently available from the Inner City TIRZ fund balance.

NRP will repay the loan to the Inner City TIRZ in a lump sum payment of the entire principle on or before September 30, 2025.

RECOMMENDATION:

Staff recommends approval of the amendment to the Economic Development Program Loan Agreement and term among the City of San Antonio, Inner City TIRZ Board of Directors, and NRP Group for a loan amount of \$516,000.00 from the Inner City TIRZ Fund for the Crockett Street Urban Lofts Project.