



City of San Antonio

Legislation Details (With Text)

File #: 17-4854

Type: Miscellaneous Item

In control: City Council A Session

On agenda: 9/21/2017

Title: An Ordinance authorizing the approval of the Project and Finance Plans for the Hemisfair Tax Increment Reinvestment Zone (TIRZ) as approved by the Hemisfair TIRZ Board of Directors on August 15, 2017. [Peter Zanoni, Deputy City Manager; Verónica R. Soto, AICP, Director, Neighborhood and Housing Services Department]

Sponsors:

Indexes:

Code sections:

Attachments: 1. T34 2017-08-15-01R Final signed PP, 2. T34 2017-08-09 CC Final Hemisfair Project Plan 2017-09-21 v3, 3. T34 2017-08-15-02R Final signed FP, 4. 2017-08-23 - Final Hemisfair Finance Plan 2017-09-21, 5. Draft Ordinance, 6. Ordinance 2017-09-21-0707

Date	Ver.	Action By	Action	Result
9/21/2017	1	City Council A Session	adopted	Pass

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Consideration of an Ordinance approving the Hemisfair Tax Increment Reinvestment Zone (TIRZ) 34 Final Project and Finance Plans located in City Council District 1.

SUMMARY:

City Council is being asked to consider an Ordinance approving the Hemisfair Tax Increment Reinvestment Zone (TIRZ) 34 Final Project and Finance Plans.

BACKGROUND INFORMATION:

The City Council through Ordinance No. 2017-02-02-0066, designated the Hemisfair TIRZ, a City-initiated tax increment reinvestment zone, to assist with the revitalization and reinvestment initiatives in order to achieve the goals of City programs and City-adopted plans that encourage long-term, high quality investment.

The life of the Tax Increment Reinvestment Zone is 20.66 years. The termination date is September 30, 2037.

The City and the Hemisfair TIRZ Board of Directors (“Board”) recognize the importance of their continued role in economic development, community development, planning and urban design in accordance with the Tax Increment Financing (TIF) Act, Texas Tax Code, Chapter 311, of the Texas Tax Code (“the Act”).

City staff prepared Final Project and Finance Plans for the Hemisfair TIRZ, in accordance with the Act. On August 15, 2017 the Board of Directors approved Resolutions T34 2017-08-15-01R and T34 2017-08-15-02R approving the attached Final Project and Finance Plans respectively for the Hemisfair TIRZ.

ISSUE:

The City of San Antonio is the only Participating Taxing Entity contributing tax increment to the Hemisfair TIRZ 34 with a participation rate of 100%. The TIRZ was designated in February 2, 2017.

City Council in September 2009, established the Hemisfair Park Redevelopment Corporation (HPARC). On March 21, 2014, HPARC made a request to the Inner City TIRZ Board for the removal of parcels for the designation of Hemisfair TIRZ which was approved. The Hemisfair TIRZ was designated by City Council on February 2, 2017, located in City Council District 1 and consisting of approximately 121 acres.

On August 15, 2017 the Board of Directors approved Resolutions T34 2017-08-15-01R and T34 2017-08-15-02R approving the attached Final Project and Finance Plans respectively for the Hemisfair TIRZ 34.

The Project Plan provides an overview of the TIRZ, existing uses and conditions of real property in the TIRZ, and proposed improvements and property uses in the TIRZ, if known. Additionally, it addresses any proposed changes to municipal ordinances, estimated non-project cost, and the relocation of persons to be displaced as a result of plan implementation, as required by statute.

The Finance Plan provides estimates regarding tax increment to be collected within the Hemisfair TIRZ. The Finance Plan is updated from the Preliminary Finance Plan, which shows funding for the use of the Hemisfair TIRZ Board in considering future projects that will meet the goals and objectives of the Project Plan.

The Tax Year 2016 Assesed value of the Hemisfair TIRZ is estimated at \$412,329,497.00. Projected Captured values are expected to grow from \$1,211,310.00 in Tax Year 2018 to \$653,958,951.00 in Tax Year 2036.

This is expected to produce annual revenues of \$6,627.13 in Fiscal Year 2019 to \$3,577,837.36 in Fiscal Year 2037. A 3.25% growth in value is assumed based on analysis of historic and projected valuation growth.

The TIF Act Section 311.011(a) requires the Board of Directors to adopt Final Project and Finance Plans for the Zone and requires City Council approval. The approval of the Final Project and Finance Plans by City Council will fulfill the TIF Act requirements.

ALTERNATIVES:

City Council could decide not to approve the Final Project and Finance Plans. If so, this action would bring the Hemisfair TIRZ out of compliance with the TIF Act.

FISCAL IMPACT:

Projects funded through the Hemisfair TIRZ are paid solely from the tax increment generated through the TIRZ and will not impact the City's General fund. The City is the only participating taxing entity at a 100% rate.

RECOMMENDATION:

Staff recommends approval of an Ordinance authorizing the approval of the Final Project and Finance Plans for the Hemisfair TIRZ 34 located in City Council District 1.