



City of San Antonio

Agenda Memorandum

File Number:16-2158

Agenda Item Number: 17.

Agenda Date: 4/7/2016

In Control: City Council A Session

DEPARTMENT: Planning and Community Development

DEPARTMENT HEAD: John Dugan

COUNCIL DISTRICTS IMPACTED: 1, 2, and 5

SUBJECT:

An Ordinance authorizing an adjustment in Administrative Fees for the Inner City TIRZ and the Midtown TIRZ, payable beginning in Tax Year 2015.

SUMMARY:

City Council is being asked to consider an ordinance authorizing an adjustment in Administrative Fees for the Inner City TIRZ and the Midtown TIRZ, payable beginning in Tax Year 2015 from the respective TIRZ accounts.

BACKGROUND INFORMATION:

On May 14, 2015, City Council approved Ordinance 2015-05-14-0419 amending the 2008 Tax Increment Financing Program Policy for all newly established TIRZ. The revised policy adjusted the administrative fee structure for all newly created TIRZ and allowed for renegotiation of TIRZ administrative fees for existing TIRZ.

On August 14, 2015, Staff from the Department of Planning and Community Development provided a presentation on the proposed adjustment of the annual administrative fees for the Inner City Tax Increment Reinvestment Zone from \$10,000 per year to \$120,000 per year. The Board approved the adjustment in annual administrative fees.

On November 17, 2015, Staff from the Department of Planning and Community Development, gave a presentation regarding the proposed adjustment of the annual Administrative Fees for the Midtown Tax

Increment Reinvestment Zone from the lesser of 10% of projected annual receivables or \$50,000 to \$120,000 annually. The Board approved the adjustment in annual administrative fees.

On February 9, 2016, the TIF Governance Committee was provided an update on Administrative Fee Adjustments. Staff from the Planning and Community Development provided the update. It was reported that six of eight City Initiated TIRZ have been updated or abide by current policy in relation to their administrative fee adjustments. Currently, TIRZ #11 - Inner City and TIRZ #31 - Midtown are seeking City Council approval.

TIRZ #	Name	Prior Admin Fee	Current Admin Fee	Net Change	Effective Date	Notes
9	Houston Street	\$15,000	\$120,000	\$105,000	FY16	City Council Approved
11	Inner City	\$10,000	\$120,000	\$110,000	FY16	TIRZ Board Approved
16	Brooks City Bas	\$15,000	\$75,000	\$60,000	FY15	City Council Approved
28	Verano	\$125,000	\$120,000	(\$5,000)	FY16	City Council Approved
30	Westside	20% - Not exceed \$50,000	20% - Not exceed \$50,000	\$0	FY09	Not Currently Under Consideration for Increase
31	Midtown	\$50,000	\$120,000	\$70,000	FY16	TIRZ Board Approved
32	Mission Drive-It	5% - Not t exceed \$50,000	5% - Not t exceed \$50,000	\$0	FY09	Not Currently Under Consideration for Increase
33	Northeast Corrido	20% - Not exceed \$120,000	20% - Not exceed \$120,000	\$0	FY15	Maximum Administrative Fee Established at Designation
TOTAL				\$330,000		

ISSUE:

This Ordinance authorizes the adjustment of administrative fees for TIRZ #11 - Inner City from \$10,000 per year and TIRZ #31 - Midtown from \$50,000 per year to \$120,000 per year each. The TIF Unit is a special revenue funded element and has been directed to be self sufficient. The adjustment of these administrative fees, as approved by the respective TIRZ Boards, will assist the TIF Unit to meet its budgetary obligations for FY16 and future years.

Chapter 311 of the Property Tax Code authorizes imputed administrative costs as an allowable project cost incurred by the City.

ALTERNATIVES:

City Council could decide not to authorize the proposed adjustment in administrative fees for TIRZ #11 - Inner City and TIRZ #31 - Midtown. If so, this could jeopardize the ability of the TIF Unit to meet its budgetary requirements and require General Funds to supplement the shortfall.

FISCAL IMPACT:

This Ordinance authorizes the adjustment of administrative fees for TIRZ #11 - Inner City and TIRZ #31 - Midtown to \$120,000 per year to be deposited in the Tax Increment Financing Administrative Fund.

RECOMMENDATION:

Staff recommends approval of an Ordinance authorizing an adjustment in Administrative Fees for TIRZ #11 - Inner City and TIRZ #31 - Midtown, payable beginning in Tax Year 2015 (January - December) from the respective TIRZ accounts.