



City of San Antonio

Agenda Memorandum

File Number:16-5844

Agenda Item Number: 19.

Agenda Date: 12/8/2016

In Control: City Council A Session

DEPARTMENT: Center City Development and Operations Department

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT: Amendment to the Property Redevelopment Agreement for the Agave Apartments

SUMMARY:

An ordinance amending the Property Redevelopment Agreement for the Agave Apartments at 633 S. Saint Mary's Street.

BACKGROUND INFORMATION:

In August 2013, the City of San Antonio entered into a Property Redevelopment Agreement with CRP-GREP Elan Riverwalk for the development of 350 multifamily units at 633 South Saint Mary's Street as authorized by City Council in Ordinance number 2013-06-20-0453. The City also entered into a Center City Housing Incentive Policy (CCHIP) Agreement in May 2013 to provide an incentive package for this multifamily development.

The purpose of the Property Redevelopment Agreement was for the City to release six easements originally held on the property for channel improvements, storm water, and right-of-way at no cost to the developer. In exchange, the developer replatted the Property, dedicated five new functional easements, made public improvements, and constructed the now-operating multifamily project.

The Agreement was signed in August 2013 and the replat of the property was recorded in September 2013 reflecting the rededicated five new easements as required in the agreement. As a condition of the Agreement, the developer delivered to the City a contingent promissory note in the amount of \$973,000 - the value of the original six easements that the City released.

ISSUE:

After the Agreement was approved and the replat was recorded, it was discovered that Section 3 of the Agreement requires the replat to dedicate 14 feet of public right-of-way along the property's entire boundaries with César Chávez Boulevard and South St. Mary's Streets. Due to the project design and the improvements

that have been constructed, it is not feasible to fulfill the 14-foot right-of-way along César Chávez Boulevard. Additionally, staff has determined the 14-foot right-of-way is not necessary along this thoroughfare.

The owner seeks to amend the agreement to remove the requirement for 14 feet of platted right-of-way dedication along César Chávez Boulevard and South St. Mary's Street. The proposed amendment would release this requirement but include a new dedication of 0.0166 acres of a public street easement along South St. Mary's Street to allow for a potential future right-turn lane. The proposed amendment would also adjust the completion date to June 30, 2016. This would bring the completion date in line with that of the CCHIP agreement, which the developer was able to meet.

Amending the agreement as such will bring the Property Redevelopment Agreement into compliance, which would provide the ability to cancel the promissory note of \$973,000 as intended and allow the owner to sell the property. The amendment would provide a 0.0166-acre public street easement to the City to allow for a right-turn lane on St. Mary's Street onto César Chávez Boulevard.

ALTERNATIVES:

City Council could elect to deny the amendment, as proposed. This would put the owner in default of the Property Redevelopment Agreement and force the owner to pay \$973,000 as per the promissory note, although the five easements were rededicated as agreed upon. This would jeopardize the owner's ability to sell the property and would eliminate the potential for the 0.016-acre public street easement for a right-turn lane on South St. Mary's Street onto César Chávez Boulevard.

FISCAL IMPACT:

Should Council approve the proposed amendment, the Director of Center City Development and Operations will cancel the promissory note in the amount of \$973,000 as per the Property Redevelopment Agreement.

RECOMMENDATION:

City staff recommends approving the amendment of the Property Redevelopment Agreement, as proposed.