



City of San Antonio

Agenda Memorandum

File Number:16-6243

Agenda Item Number: 25.

Agenda Date: 1/19/2017

In Control: City Council A Session

DEPARTMENT:

Department of Planning and Community Development

DEPARTMENT HEAD:

Bridgett White

COUNCIL DISTRICTS IMPACTED:

Council Districts 1 and 5

SUBJECT:

Approval of the Westside Tax Increment Reinvestment Zone (TIRZ) #30 Final Project and Finance Plans

SUMMARY:

City Council is being asked to consider the approval of the Westside Tax Increment Reinvestment Zone (TIRZ) #30 Final Project and Finance Plans.

BACKGROUND INFORMATION:

The Westside TIRZ was designated by City Council, through Ordinance 2008-12-11-1173, on December 11, 2008. The Ordinance designated and named the TIRZ, created a Board of Directors, specified the number of individuals on the board, established effective start and termination dates, approved a Preliminary Finance Plan and created the Tax Increment Fund.

The TIRZ boundary was subsequently amended on December 10, 2009 through Ordinance No. 2009-12-10-0998 and again on June 4, 2015 through Ordinance 2015-06-04-0489.

The Westside TIRZ #30 is City initiated. The term is 23.82 years and will terminate on September 30, 2032. Currently, the City of San Antonio is the only participating taxing entity. The City's current tax rate per \$100 valuation is \$0.55827 in tax year 2016 at a 90% participation level. Captured taxable values grew from \$10,410,663.00 in tax year 2009 and are projected to reach \$657,655,497.00 in tax year 2031. Additionally, tax increment revenues were \$48,332.80 in tax year 2009 and are projected to grow to \$3,238,257.13 in tax year

2031.

Since the inception of the Westside TIRZ, nine (9) new projects have been introduced.

ISSUE:

Section 311.011(a) of The Tax Increment Financing Act directs that the Board of Directors of a reinvestment zone shall prepare and adopt a project plan for the zone and submit the plans to the governing body of the municipality or county that designated the zone. To date, neither a Final Project Plan nor Final Finance Plan has yet to be adopted by City Council.

The Final 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 costs, and the relocation of persons to be displaced as a result of plan implementation, as required by statute.

The Final Finance Plan provides estimates regarding potential tax increment to be collected within the Westside TIRZ. Additionally, financial data in the Finance Plan is updated from the Preliminary Finance Plan and provides a new section that shows available funding for the use of the Westside TIRZ Board in considering future projects that will meet the goals and objectives of the Project Plan.

On December 12, 2016, the Westside TIRZ Board approved both a Final Project Plan and Final Finance Plan under Resolutions 2016-12-12-16-02R and 2016-12-12-16-03R respectfully. Per Chapter 311 of the Texas Tax Code (the “TIF Act”), the governing body of the municipality that designated the zone must approve a project or reinvestment zone Financing Plan after its adoption by the Board. The approval must be by Ordinance, in the case of a municipality that finds that the Plan is feasible.

ALTERNATIVES:

If the City does not adopt the Westside TIRZ Final Project and Finance Plans, the City and the TIRZ Board will be required to operate under the purview of the existing, outdated Preliminary Finance Plan and without a Final Project Plan.

FISCAL IMPACT:

Projects funded through the Westside 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 90% rate.

RECOMMENDATION:

Staff recommends approval of this item.