



# City of San Antonio

## Agenda Memorandum

**File Number:**17-1518

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**Agenda Item Number:** 1.

**Agenda Date:** 2/10/2017

**In Control:** Tax Increment Reinvestment Zone 11 -- Inner City

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### Inner City TIRZ Board of Directors Meeting - February 6, 2017

#### Agenda Item #1

#### **SUBJECT**

Discussion and possible action to approve a Resolution authorizing a development agreement with MLK Garden Homes, LLC in an amount not to exceed \$300,000.00.

#### **BACKGROUND:**

On November 17, 2016, MLK Garden Homes, LLC submitted a funding request. After negotiations, Staff and Developer agreed to an amount up to \$300,000.00 in TIRZ #11 funding to be drawn on a reimbursement basis. The \$300,000.00 will be utilized to address utility and street improvements necessary to facilitate the development of 12 single family homes at the project site. The completion of this project will provide new housing inventory in an area that is severely blighted and under improved.

On December 9, 2016, the Inner City TIRZ Board approved a Resolution awarding up to \$300,000.00 of TIRZ funding to MLK Garden Homes located at Martin Luther King Drive and Aurelia Street.

MLK Garden Homes, LLC was successful in acquiring ten surplus lots from the City of San Antonio at a cost of \$75,000.00. Additionally, they are under contract to acquire two additional parcels necessary to assemble the land required to complete the project.

MLK Garden Homes, LLC has also applied for SAWS Impact Fee waivers through the ICRIP in the amount of approximately \$80,119.50.

#### **FISCAL IMPACT:**

The total development cost of the MLK Garden Homes development is approximately \$2,000,000.00 which includes costs for acquisition, site work, pre-development soft costs, hard construction costs, 10% contingency, and Developer related expenses. If approved, this action will authorize the payment of up to \$300,000.00 from the Inner City TIRZ fund for the reimbursement of eligible expenses related to the MLK Garden Homes development between the City of San Antonio, MLK Garden Homes, LLC and the Inner City TIRZ Board of Directors.

#### **RECOMMENDATION:**

Staff is recommending the TIRZ Board approve a Resolution authorizing a development agreement with MLK

Garden Homes, LLC in an amount not to exceed \$300,000.00.