



City of San Antonio

Agenda Memorandum

File Number: 17-1521

Agenda Item Number: 3.

Agenda Date: 2/10/2017

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

SUBJECT

Discussion and possible action to approve a Resolution authorizing the reimbursement of land acquisition costs and associated appraisal fees for the Echo East project located at 301 Spriggsdale up to \$800,000.00, to authorize Staff to negotiate the appropriate agreement, and to authorize the appropriate amendments to the Project and Finance Plans.

BACKGROUND:

At the May 1, 2015 meeting of the Inner City TIRZ Board of Directors, Barbara Hawkins, President and CEO of the George Gervin Youth Center (GGYC), put forth a proposal to utilize the City owned property at 301 Spriggsdale and property owned by GGYC for a future mixed use development to be called Echo East. The Spriggsdale property had been acquired by the City on behalf of the Inner City TIRZ Board through a deed in lieu of foreclosure related to a previous agreement with another party that was unable to secure adequate funding. Ms. Hawkins requested that the TIRZ Board give her site control of the property for a period of one (1) year to conduct due diligence on the proposed Echo East project. In addition, Ms. Hawkins requested the TIRZ Board award \$150,000.00 for pre-development expenses related to that due diligence. After considerable deliberation, a motion was approved directing staff to negotiate the terms of a Pre-development Agreement with GGYC, in an amount up to \$150,000.00 for due diligence for the Echo East Project and to draft a "Right of Entry Agreement" allowing GGYC to have access the property to conduct necessary tests to complete that due diligence. At the request of John Dugan, then the Director of Planning and Community Development, the Board mandated that the City would maintain ownership of the site.

On August 14, 2014 the Inner City TIRZ Board of Directors awarded up to \$150,000.00 to GGYC for pre-development activities related to a proposed mixed use development on a 10 acre tract located at 301 Spriggsdale. The property is currently owned by the City on behalf of the Inner City TIRZ Board of Directors. The Pre-Development Agreement and associated Right of Entry Agreement between the City, GGYC and the Inner City TIRZ Board were approved by City Council on October 22, 2015 through Ordinance 2015-10-22-0907.

In October, 2016, the GGYC has completed all pre-development activities and notified Staff of their intent to move forward with the project, as their research determined that the project was economically feasible. On November 18, 2016, the GGYC submitted an application requesting that the land be sold for a nominal fee. Upon review with City Staff, it was determined that the parcel must be sold for fair market value. The GGYC was notified of this requirement and agreed to request reimbursement for the land acquisition purchase price, to include appraisal costs, to be reimbursed by the Inner City TIRZ.

FISCAL IMPACT:

The total acquisition purchase price, to include appraisal costs for the property located at 301 Spriggssdale is estimated to be no more than \$800,000.00. Without the benefit of an appraisal to establish the true value of the land, it is unknown what the actual costs will be. If approved, this action will authorize the payment of up to \$800,000.00 from the Inner City TIRZ fund for the reimbursement of the land acquisition and associated appraise costs related to the GGYC development between the City of San Antonio, George Gervin Youth Center, and the Inner City TIRZ Board of Directors.

RECOMMENDATION:

Staff is recommending the TIRZ Board approve a Resolution authorizing the reimbursement of land acquisition costs and associated appraisal fees for the Echo East project located at 301 Spriggssdale up to \$800,000.00, to authorize Staff to negotiate the appropriate agreement, and to authorize the appropriate amendments to the Project and Finance Plans.