



City of San Antonio

Agenda Memorandum

File Number: 17-4079

Agenda Item Number: 15.

Agenda Date: 8/3/2017

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: 3

SUBJECT:

Consideration of an Ordinance approving a Chapter 380 Grant Agreement for the Loma Mesa Development, a 139 market rate single family home subdivision located near 5019 Roosevelt Avenue and within the Mission Drive-In Tax Increment Reinvestment Zone (TIRZ) 32, in an amount not to exceed \$1,300,000.00 for public infrastructure as approved by the TIRZ Board.

SUMMARY:

City Council is being asked to consider an Ordinance approving the Loma Mesa Development Chapter 380 Economic Development Grant Agreement with WE-Roosevelt L. P. in an amount not to exceed \$1,300,000.00 for the Loma Mesa Development project.

BACKGROUND INFORMATION:

The City Council designated the Mission Drive-In TIRZ, a City-initiated tax increment reinvestment zone, on December 11, 2008 to assist with revitalization and reinvestment initiatives. The Mission Drive-In TIRZ allows for reimbursement of eligible development expenses that promote development or redevelopment in the zone that would not occur solely through private investments. The Mission Drive-In TIRZ supports the City's SA Tomorrow comprehensive plan.

The life of the Tax Increment Reinvestment Zone is 18.80 years. The termination date is September 30, 2027.

The Loma Mesa Development project is generally located on or about 5019 Roosevelt on 26.36 acres situated west of the intersection of Roosevelt Avenue and Rilling Road. The project site is located within the City

Council District 3 (see attached map). The project consists of 139 market rate, single family housing units, a recreation area, and public improvements.

ISSUE:

On August 26, 2016, WE-Roosevelt L.P. (Developer), submitted a proposal to the City requesting TIRZ funding to support the development of the Loma Mesa Development project, a subdivision comprising 139 market rate, single family housing units located in City Council District 3 and within the Mission Drive-In TIRZ boundary.

On October 11, 2016, the TIRZ Board authorized City staff to negotiate an agreement with the Developer to provide funding in an amount not to exceed \$1,300,000.00 in tax increment for the development of the Loma Mesa Development project.

The City and the Board are authorized to grant funds to promote state and local economic development and to stimulate business and commercial activity in the municipality and within the boundaries of the TIRZ. The Board approved the Chapter 380 Economic Development Grant Agreement on June 27, 2017. City Council approval is now required.

WE-Roosevelt L.P. is requesting economic incentives from the City and the Board to cause the Project to be undertaken and completed, resulting in the Investment being made into the Project Site. The public improvements to the project site will consist of the construction of streets, utilities, drainage and sidewalks. It is anticipated that the Project will result in the investment of no less than \$5 million in real property improvements at the Project Site.

The Investment is anticipated to generate approximately \$1,300,00.00 in taxes above the Project Site's 2017 real property tax value over a ten (10) year period, based upon the City's ninety-percent (90%) participation level in the TIRZ. All tax increment revenue generated by this project will be used to reimburse the Developer. All requests for reimbursement shall be initiated by the submission of an application for reimbursement to the City's TIF Unit for Board approval and authorization and shall include a list of eligible addresses, including their respective Bexar County Appraisal District account information, which will be verified by the City. No General Fund tax revenue will be utilized for reimbursement to the Developer.

The term of the Agreement commences in the calendar year 2017 and terminates the calendar year 2027. In order to receive incentives under this Agreement, Grantee shall:

- Undertake and complete the Project
- Meet the minimum Investment at the Project Site
- Comply with all other terms and conditions of the Chapter 380 Agreement
- The Project shall be completed within four (4) years after the execution of the Agreement and no later than December 31, 2021.

ALTERNATIVES:

City Council could decide not approve the Chapter 380 Economic Development Grant Agreement with WE-Roosevelt L. P. If so, this action could negatively affect the Loma Mesa development.

FISCAL IMPACT:

The total investment made by the Developer is to be approximately \$5 million in real property improvements at the project site. If approved, this action will authorize a Chapter 380 Economic Development Grant Agreement with WE-Roosevelt L. P. in an amount not to exceed \$1,300,000.00 from the Mission Drive-In TIRZ fund, for the reimbursement of eligible expenses related to the Loma Mesa Development. Projects funded through the Mission Drive-In 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's recommends approval of an Ordinance approving a Chapter 380 Grant Agreement for the Loma Mesa Development, a 139 market rate, single family home subdivision, located near 5019 Roosevelt Avenue and within the Mission Drive-In Tax Increment Reinvestment Zone (TIRZ) 32, in an amount not to exceed \$1,300,000.00 for public infrastructure as approved by the TIRZ Board.