



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-4371

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**Agenda Item Number:** 5.

**Agenda Date:** 8/11/2017

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

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### **SUBJECT:**

Discussion and possible action to approve a Resolution authorizing the funding of up to \$800,000.00 in TIRZ funding to Fortress Funding Investments, LLC for the St. Philips College Student Housing project located at 1800 Martin Luther King Drive, located in CD 2, to authorize Staff to negotiate the appropriate agreement, and to authorize the appropriate amendments to the Project and Finance Plans.

### **BACKGROUND:**

Community colleges do not normally have residence halls and few have on-site, purpose-built, student housing facilities whether partially university-owned (P3) or wholly privately-owned student housing (POSH). That has been changing in recent years as more community colleges are enticing students to live on or near campus. Tobin Lofts was the first POSH product built for the Alamo Colleges' San Antonio College campus in 2013 and has been successful in attracting students not only for that campus but from other nearby schools (including St. Philip's.)

St. Philips College Student Housing Development is planned to be built on the site of an existing parking lot, located on the southwestern portion of the St. Philip's College campus, as part of the first public-private partnership (P3) dedicated to student housing. St. Philip's is one of five community colleges in the Alamo Colleges District that serves the greater San Antonio area. Construction is proposed to begin in September 2018 and conclude by December 2019.

St. Philips College Student Housing Development will feature 184 fully furnished units, consisting of one, two, and four bedroom units totaling 371 beds. The project will include on-site surface parking and will have access to other nearby college-owned parking lots. The average unit size is 929 square feet, with an average per-bed size of 461 square feet.

On July 20, 2017, Fortress Funding Investments, LLC submitted a proposal request for TIRZ #11 funding to be drawn on a reimbursement basis. The total \$800,000.00 will be utilized to address public infrastructure requirements necessary to complete the project. The overall project cost for the facility is estimated at approximately \$36,000,000.00.

Fortress Funding Investments, LLC intends to request Inner City Reinvestment and Infill Policy (ICRIP) and San Antonio Water System (SAWS) fee waivers from The City of San Antonio.

### **FISCAL IMPACT:**

The total redevelopment cost for the St. Philips College Student Housing project is approximately \$36,000,000.00, which

includes all costs for site work, pre-development soft costs, hard constructions costs, contingency, and Developer related expenses. If approved, this action will authorize payment of up to \$800,000.00 from the Inner City TIRZ fund for the reimbursement of eligible expenses related to St. Philips College Student Housing project development between the City of San Antonio, Fortress Funding Investments, LLC, and the Inner City TIRZ Board of Directors.

## **RECOMMENDATION:**

Staff is recommending the TIRZ Board approve a Resolution authorizing funding of up to \$800,000.00 in TIRZ funding to Fortress Funding Investments, LLC for the St. Philips College Student Housing project located at 1800 Martin Luther King Drive, to authorize Staff to negotiate the appropriate agreement, and to authorize the appropriate amendments to the Project and Finance Plans.