



City of San Antonio

Agenda Memorandum

File Number:17-4725

Agenda Item Number:

Agenda Date: 8/21/2017

In Control: Tax Increment Reinvestment Zone 09 -- Houston Street

SUMMARY:

The City of San Antonio's Center City Development & Operations Department (CCDO) is negotiating an Agreement between the City of San Antonio, Bexar County, The Alameda Theater Conservancy, and Texas Public Radio regarding the Alameda Theater Complex restoration and redevelopment project that will result in the restoration of the Alameda Theater and the relocation of Texas Public Radio to the Alameda Theater Complex. This item is to approve a Resolution acknowledging the Houston Street Tax Increment Reinvestment Zone #9 (TIRZ) fund as a source of funding in an amount not to exceed \$9.2 Million in available tax increment from the TIRZ fund, for the Alameda Theater Project, located at 318 W. Houston Street in Council District 1 and within the TIRZ, in accordance with the Funding and Development Agreement for the Alameda Theater between the City of San Antonio, Bexar County, the Alameda Theater Conservancy, and Texas Public Radio.

BACKGROUND INFORMATION:

For the past 2 years, the City of San Antonio, Bexar County, Texas Public Radio (TPR) and La Familia Cortez have worked on a concept that would relocate TPR's corporate headquarters and restore and reopen the historic Alameda Theater as a multi-media live performing arts and film center that would feature the American-Latino multicultural story. The City, County, and La Familia Cortez retained Michael Kaiser of the DeVos Institute of Arts Management to undertake an assessment of the concept and make a recommendation as to its feasibility. Highlights include:

- The Alameda Theater must be restored and reopened as a performing arts facility.
- The Alameda Theater should be multi-purpose and the seating capacity should be adjusted to 1,000 and the floor shall be tiered in order to accommodate theater seats or events tables and chairs.
- The Alameda Theater should include a thrust stage into the audience to create a more intimate setting for performances and events.
- A new entity should be created to operate and program the Alameda Theater.
- The programming should be diverse and collaborative. The programming should be focused on Latino arts and culture and include Spanish language programming. The programming should be collaborative and include partnerships with local, national, and international arts organizations and community organizations.
- The operation of the Alameda Theater entity will be dependent upon contributed revenue and the initial years will require both the City and County to contribute to the Theater's operation.
- TPR would relocate their headquarters to the annex behind the historic theater and construct a new black box theater within the facility.

The total project cost is estimated to be \$23 million, which will support the restoration of the Alameda Theater and the Annex project for Texas Public Radio. The project is eligible for federal and state historic tax credits, which may yield an additional \$3.9 million for the project. This additional funding would support improvements to the Casa de Mexico building, as well as additional improvements for the theater and annex spaces.

The Alameda Theater Conservancy (ATC) is a 501(c)(3) that was created in May 2017. The mission of the ATC is to be a vital presenter of Latino arts and culture, and to manage and program the Alameda Complex.

City staff has negotiated a Funding and Development Agreement among the City, County, TPR and the Alameda Theater Conservancy for the utilization of \$23 million, including City and County contributions of \$9.2 million each and a \$5 million contribution from TPR for the restoration and redevelopment of the Theater and Annex properties.

Additionally, City staff has negotiated a Master Lease Agreement with the Alameda Theater Conservancy for management of the Alameda Theater capital project and future operations and programming of the Theater. The initial term of the master lease is 19 years (a requirement of the historic tax credit program), with an option to renew for a cumulative 31 additional years.

The Theater is expected to be complete by fall 2018 with construction complete by late 2019 in time for the Theater to open January 1, 2020.

FISCAL IMPACT:

The total redevelopment cost for the City's portion for the Alameda Theater Historical Preservation and Redevelopment Project is up to \$23 million. If approved, this action will provide TIRZ Board authorization for the payment of up to \$9.2 million from the Houston Street TIRZ fund for eligible expenses related to the Alameda Theater Project in accordance with the Funding and Development Agreement for the Alameda Theater between the City of San Antonio, Bexar County, the Alameda Theater Conservancy, and Texas Public Radio, upon approval by City Council. No General Funds will be utilized for this project.

FISCAL IMPACT:

Staff recommends approval of this item.