



City of San Antonio

Agenda Memorandum

File Number: 17-4949

Agenda Item Number:

Agenda Date: 9/8/2017

In Control: Tax Increment Reinvestment Zone 31 -- Midtown

Agenda Item #2

Discussion and Possible Action regarding Bexar County Tax Abatement Brewery South, LLC project

SUMMARY:

The Bexar County Economic Development Department is negotiating a tax abatement agreement with Brewery South, LLC to provide incentives for the Brewery South Project a 223 Unit multifamily project at 226 Newell Avenue. The proposed project is valued at \$30,000,000.00. Bexar County is seeking TIRZ Board Approval of the abatement because the property falls within the boundary of the Midtown Street TIRZ.

BACKGROUND:

Brewery South, LLC has proposed the redevelopment of the 226 Parcel on Newell Avenue. The Brewery South project is a 223 unit, "Class A", market rate multifamily apartment complex with a subsurface parking garage. The project will be a four story development and be built pursuant to the National Green Building Standard (NGBS).

The Developer has sought development incentives from both the City of San Antonio and Bexar County. The City, through the Center City Housing Incentive Policy approved by the Midtown Street TIRZ Board of Directors on September 9, 2016, has authorized the following incentives:

- \$111,588.00 - City fee waivers
- \$564,414.00 - SAWS fee waivers
- \$2,919,494.00 - Annual incremental property tax reimbursement

Bexar County proposed incentive is a ten year 40% abatement of Bexar County's real property taxes, amounting to \$35,700 per year with a total incentive of \$357,000.00 in total.

ISSUE:

Under Texas statute section 311.0125, to be effective, an agreement seeking to abate taxes on real property in a reinvestment zone must be approved by:

- The Board of Directors of the reinvestment zone

- The governing body of each taxing unit that imposes taxes on real property in the reinvestment zone and deposits or agrees to deposit any of its tax increment into the tax increment fund for the zone.

Approval by the TIRZ Board will not authorize any additional tax increment beyond what has already been provided through the Center City Housing Incentive Policy.

RECOMMENDATION:

Staff recommends approval of this item.