



City of San Antonio

Agenda Memorandum

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Agenda Item Number:

Agenda Date: 9/8/2017

In Control: Tax Increment Reinvestment Zone 31 -- Midtown

Agenda Item #4

Discussion and Possible Action regarding Bexar County Tax Abatement with Project Hominum

SUMMARY:

The Bexar County Economic Development Department is negotiating a tax abatement agreement with Project Hominum to provide incentives for their expansion and relocation of their corporate headquarters to 1803 Broadway. The proposed project is valued at \$112,546,096.00. Bexar County is seeking TIRZ Board Approval of the abatement because the property falls within the boundary of the Midtown TIRZ.

BACKGROUND:

Project Hominum is expected to consist of two buildings with multiple floors for headquarters use for a financial institution and mixed office and retail use. The 3.13 acre site on Broadway Avenue will comprise a total of 310,000 square feet of usable space and the construction of a total of 958 surface and underground parking spaces.

The buildings will be state-of-the-art, sustainably constructed corporate headquarters targeting a LEED Gold rating that will allow for future growth over the next 45-50 years.

This project involves the retention of 435 jobs, creation of 50 new full-time jobs, and relocation of these jobs to the downtown core project site. The total capital investment is estimated at \$113 million.

Bexar County proposed incentive is a ten year 90% abatement of Bexar County's real property taxes, amounting to \$297,037.00 per year with a total incentive of \$2,970,373.00 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.

While Bexar County does not participate in the Midtown TIRZ, it is still required to seek approval of the abatement from the TIRZ Board because the property falls within the boundary of the TIRZ.

RECOMMENDATION:

Staff recommends approval of this item.