



City of San Antonio

Agenda Memorandum

File Number: 17-5922

Agenda Item Number:

Agenda Date: 11/6/2017

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

Discussion and possible action to consider a Resolution approving a Payment Schedule from Weston Urban, LLC for the Frost Bank Building Project in accordance with the Interlocal Agreement between the City of San Antonio and Bexar County.

SUMMARY

Discussion and possible action to consider a Resolution approving a Payment Schedule from Weston Urban, LLC for the Frost Bank Building Project in accordance with the Interlocal Agreement between the City of San Antonio and Bexar County.

BACKGROUND

On October 15, 2015, the City of San Antonio entered into an Interlocal Agreement with Bexar County through Ordinance 2015-10-15-0881 that authorized the Houston Street Tax Increment Reinvestment Zone (TIRZ) #9 to provide funding for Public Improvements within the TIRZ and from the COUNTY Contribution only for funding in the amount up to Three Million Dollars and Zero Cents (\$3,000,000.00) for public infrastructure related to the Weston Urban Tower Project.

The Interlocal Agreement states that the Bexar County shall enter into a separate Chapter 381 Agreement with Weston Urban to fund Project Costs associated with infrastructure improvements in the amount of up to Three Million Dollars and Zero Cents (\$3,000,000.00) from the Bexar County's increment contribution to the TIRZ. The Parties acknowledged that the infrastructure improvements shall be of significant benefit to the TIRZ. Bexar County's Agreement with the Weston Urban Tower Developer requires that the TIRZ funds be used solely for Project Costs associated with Public Infrastructure. Payments of TIF funds to the Weston Urban Tower Developer for reimbursement of Project Costs for the Weston Urban Tower Project shall be carried out in accordance with the 381 Agreement and shall be paid to the extent that Bexar County's Contributions in the TIF funds are available, until such time as the Weston Urban Tower Developer receives full reimbursement of Project Costs up to Three Million Dollars and Zero Cents (\$3,000,000.00), or the term of this 381 Agreement expires, or the TIRZ ends, whichever is sooner. The Weston Urban Tower Developer's reimbursement for Project Costs shall not exceed the available COUNTY Contributions minus any other priority payment.

On March 22, 2016, Bexar County entered into a 381 Agreement with Weston Urban, LLC.

ISSUE

The Interlocal Agreement requires that Bexar County shall submit to the CITY and BOARD for approval a payment schedule for the Weston Urban Tower project. Upon receipt of the payment schedule and approval by the BOARD, the CITY shall pay directly to the Developer for reimbursable costs on the Weston Urban Tower Project and in accordance with the approved payment schedule and the 381 Agreement. Bexar County shall insure that all payments received by the CITY in connection with this Project are in compliance with the TIF Act and the agreement.

Weston Urban has submitted the attached payment schedule for consideration by the Houston Street TIRZ #9 Board for an amount up to \$1,928,879.00 in projected costs through June, 2018. The costs represented on the Payment Schedule are valid costs payable under The TIF Act. Should the Board approve the payment schedule, Weston Urban will be authorized to submit invoices for consideration and approval to Bexar County, which will be payable by the City of San Antonio Houston Street TIRZ fund without the need to bring the invoices before the Board. Any invoice costs that exceed the \$1,928,879.00 amount will be required to be submitted to the TIRZ Board for consideration or Weston Urban will need to submit a supplemental payment schedule that includes the overage costs, as well as any additional costs to be considered by the Board.

To date, Weston Urban has received reimbursement payments equating to \$861,878.89.

RECOMMENDATION

Staff recommends approval of this item.