



City of San Antonio

Agenda Memorandum

File Number:18-1112

Agenda Item Number: 23.

Agenda Date: 1/18/2018

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: 10

SUBJECT:

Consideration of an Ordinance approving the execution of a Development Agreement with the R. P. Grant Company for the R. P. Grant Development Project located at 12007 and 12019 Perrin Beitel Road in City Council District 10 and within the Northeast Corridor Tax Increment Reinvestment Zone (TIRZ).

SUMMARY:

City Council is being asked to consider an Ordinance approving the execution of the Development Agreement in an amount not to exceed \$232,000.00 between the City of San Antonio, Northeast Corridor Tax Increment Reinvestment Zone (TIRZ) Board of Directors and with the R. P. Grant Company within the Northeast Corridor TIRZ located in City Council District 10 to facilitate the construction of the R. P. Grant Project, located at 12007 and 12019 Perrin Beitel Road, San Antonio, Texas. The total development cost is approximately \$1.6 million for the public infrastructure and public improvements associated with the proposed development project.

BACKGROUND INFORMATION:

The City Council designated the City-initiated Northeast Corridor Tax Increment Reinvestment Zone 33 (TIRZ) on December 4, 2014 to assist with revitalization and reinvestment initiatives. The Northeast Corridor TIRZ allows for the reimbursement of eligible development expenses that promote the development or redevelopment in the Zone that would not occur solely through private investment.

This is the first project proposed to be funded by the Northeast Corridor TIRZ and will set a precedent for future development. The project supports the Northeast Corridor (NEC) Revitalization Plan, the City mandated

minimum design standards relating to exterior building finishes, landscaping, and signage through its NEC Design Guidelines. The total development cost is approximately \$1.6 million which consists of public infrastructure and public improvements including, but not limited to, drainage, demolition, construction, environmental remediation and landscaping. The proposed timeline to start construction is January 2018 and projected completion is December 31, 2020.

The development is located at a significant retail intersection within the NEC TIRZ. The R. P. Grant Project consists of: demolition of underutilized structures, environmental remediation, installation of underground drainage, construction of an approximate 3,400 square foot retail center and landscaping which meets all City requirements. This development will revitalize an intersection which has been blighted for many years. The development will promote the goals and objectives of the Northeast Corridor TIRZ.

ISSUE:

On September 22, 2016, R.P. Grant Company (“Developer”) submitted a proposal to the City for development projects located at 12007 and 12019 Perrin Beitel Road, and City Staff examined Developer’s application and recommended funding in an amount not to exceed \$232,000.00 in available tax increment from the TIRZ Fund for the public infrastructure and public improvements associated with the R.P. Grant Development Project.

On August 21, 2017, the Board of Adjustments approved a variance approving the reduction to the landscape buffer. The development project will comply with the NEC Revitalization Plan and the City mandated minimum design standards relating to exterior building finishes, landscaping, and signage through its NEC Design Guidelines.

On October 20, 2017 the Northeast Corridor TIRZ Board approved a Resolution awarding up to \$232,000.00 in TIRZ funding to R.P. Grant Company for the proposed project located in City Council District 10 at 12007 and 12019 Perrin Beitel Road, and authorized staff to negotiate the appropriate agreement, and authorized the appropriate amendments to the Project and Finance Plans.

On December 4, 2017, the Northeast Corridor Tax Increment Reinvestment Zone Board approved a Development Agreement. This Ordinance authorizes the execution of the Development Agreement between the City of San Antonio, R. P. Grant Company, and the Board of Directors of the Northeast Corridor Tax Increment Reinvestment Zone, to address public infrastructure and public improvements including, but not limited to, drainage, demolition, construction, environmental remediation and landscaping. The proposed timeline is early spring 2018 and projected completion late fall 2020.

The \$232,000.00 in the Northeast Corridor Tax Increment Reinvestment Zone funding is necessary to ensure that the project is completed, as well as economically feasible.

ALTERNATIVES:

If the City does not approve the Northeast Corridor Board of Director’s recommendation, the Developer will be unable to implement and complete the proposed project, as it will become economically unfeasible.

FISCAL IMPACT:

The total development cost of the project is approximately \$1.6 million. If approved, this action will authorize

the execution of a Development Agreement with the R. P. Grant Company in an amount not to exceed \$232,000.00 from the Northeast Corridor TIRZ fund. Projects funded through the Northeast Corridor TIRZ are paid solely from the tax increment generated and will not impact the City's General fund. The City is the only participating taxing entity.

RECOMMENDATION:

Staff recommends approval of an Ordinance authorizing the execution of a Development Agreement with the R. P. Grant Company in an amount not to exceed \$232,000.00 for the R. P. Grant Development Project located at 12007 and 12019 Perrin Beitel Road in City Council District 10 and within the Northeast Corridor Tax Increment Reinvestment Zone.