



City of San Antonio

Agenda Memorandum

File Number:18-2987

Agenda Item Number: 20.

Agenda Date: 5/17/2018

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: 2

SUBJECT:

Consideration of an Ordinance authorizing the execution of a Development Agreement for the Sam's Barber Shop Project in an amount not to exceed \$160,000.00, located at 2351 E. Commerce, in Council District 2 and within the Inner City Tax Increment Reinvestment Zone 11 (TIRZ).

SUMMARY:

City Council is being asked to consider approval of an Ordinance authorizing the execution of the Development Agreement in an amount not to exceed \$160,000.00 between the City of San Antonio, Inner City Tax Increment Reinvestment Zone 11 Board of Directors and SW and MP, LLC within the Inner City TIRZ at 2351 E. Commerce, located in City Council District 2 to facilitate renovation of an existing retail/commercial building that will include the retention of Sam's Barber Shop and the relocation of Ms. Kitchen Restaurant.

BACKGROUND INFORMATION:

The City Council designated the City-initiated Inner City Tax Increment Reinvestment Zone 11 on December 14, 2000 to assist with revitalization and reinvestment initiatives throughout the zone.

On July 10, 2017, SW and MP, LLC submitted a proposal for Inner City TIRZ #11 funding to be drawn on a reimbursement basis. The funds can be utilized for structural stability and integrity improvements, exterior renovations and landscaping requirements necessary to complete the project. The overall project cost for the facility is approximately \$1,645,790.00.

ISSUE:

On December 8, 2017, the Board authorized the negotiation of an agreement to provide funding in an amount not to exceed \$160,000.00 in available tax increment from the TIRZ fund to SW and MP, LLC for the Sam's Barber Shop Project.

On March 21, 2018, the Inner City TIRZ Board adopted a Resolution authorizing approval of the execution of Development Agreement to provide reimbursement for eligible expenses to include structural stability and integrity improvements, exterior renovations and landscaping requirements in an amount not to exceed \$160,000.00.

The Project consists of the renovation of an existing 5,500 square foot strip shopping center building into a retail/commercial focused building. The renovation includes the retention of Sam's Barber Shop, the relocation of Ms. Kitchen Restaurant and renovation of approximately 500 square feet of Office Space. The businesses will expand their facilities and services on the eastside and two additional vacant lots will be cleared and paved to ensure ample parking. This project is in direct correlation with the San Antonio Eastside efforts to sustain and expand existing small businesses in the community.

The overall project cost is approximately \$1,645,790.00. SW and MP, LLC requested Inner City Reinvestment and Infill Policy (ICRIP) waivers and San Antonio Water System (SAWS) fee waivers from the City of San Antonio. They have also applied for funding from San Antonio for Growth on the Eastside (SAGE). Private funding will make up the balance of the requirements to complete the project.

- \$150,000.00 in Inner City Reinvestment and Infill Policy (ICRIP) Waivers
- \$99,999.00 in San Antonio Water System (SAWS) Fee Waivers
- \$250,000 in San Antonio for Growth on the Eastside (SAGE) funding

The proposed timetable for the Project is October 2018 commencement of construction and completion in January 2021.

This development will revitalize the intersection and will promote the goals and objectives of the Inner City TIRZ. The \$160,000.00 in the Inner City 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 Inner City 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:

If approved, this action will authorize the payment of up to \$160,000.00 from the Inner City TIRZ fund for the reimbursement of eligible expenses related to the Sam's Barber Shop development between the City of San Antonio, SW and MP, LLC and the Inner City TIRZ Board of Directors. The funds will be paid solely from the Inner City TIRZ fund and will have no impact on the City's General Fund.

RECOMMENDATION:

Staff recommends approval of an Ordinance authorizing the execution of a Development Agreement in an amount not to exceed \$160,000.00 for the Sam's Barber Shop Project located at 2351 E. Commerce, in CD 2

and within the Inner City Tax Increment Reinvestment Zone 11.