



City of San Antonio

Agenda Memorandum

File Number:18-5702

Agenda Item Number: 26.

Agenda Date: 11/1/2018

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, AICP

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Consideration of an Ordinance authorizing execution of a Development Agreement in an amount not to exceed \$680,000.00 for the Broadway Jones Apartment project located at 1011 Broadway Street, in City Council District 1 and within the Midtown Tax Increment Reinvestment Zone.

SUMMARY:

City Council is asked to consider an Ordinance approving execution of a Development Agreement between the City of San Antonio, the Midtown TIRZ Board of Directors, and the Broadway Jones Apartments LP for the Broadway Jones Apartment project in an amount not to exceed \$680,000.00 in reimbursable TIRZ funds.

The 283 unit multi-family project will consist of a five-story building to include garage, pool, courtyard, clubhouse, restaurant, and roughly 14,500 square feet of retail and commercial space.

BACKGROUND INFORMATION:

TIRZ funds will be utilized to address public improvements including site work, street improvements, overhead power improvements and site assessment associated with the Broadway Jones Apartment project.

On April 19, 2018, Broadway Jones Apartments LP submitted a request for TIRZ funding for the Broadway Jones Apartment project to be located at 1011 Broadway Street. The total development cost of the project is approximately \$55,974,139.00, which includes public infrastructure.

On September 14, 2018, the Midtown TIRZ Board approved a Resolution authorizing execution of the Development Agreement with Broadway Jones Apartments LP to provide reimbursement in an amount not to

exceed \$680,000.00 for eligible expenses.

ISSUE:

The proposed \$55,974,139.00 project will be developed in partnership with the San Antonio Housing Trust Public Facility Corporation (SAHT PFC) for construction of a five-story building to include 283 housing units, garage, pool, courtyard, clubhouse, restaurant, and roughly 14,500 square feet of retail and commercial space. The partnership with the SAHT PFC provides a property tax exemption for the residential portion of the project. To receive the tax exemption, SAHT PFC requires that 50% of the 283 housing units be reserved for residents earning no more than 80% of the Area Median Income. The commercial/retail portion of the project will be subject to full property taxation.

Located on approximately 2.75 acres, construction is set to commence in January 7, 2019 with a tentative completion date of February 28, 2021. The project will include 142 affordable and 141 market rate housing units. The following table illustrates the square footage of the units and the average rent.

Unit Mix			
	Sq. Ft. Range	Rent Range	Average Rent
1 Bedroom	539 - 664SF	\$1,065 - \$1,210	\$1,128
1 Bedroom	664 - 1,086SF	\$1,340 - \$1,875	\$1,528
2 Bedroom	1,070 - 1,330SF	\$1,925 - \$3,200	\$2,197
3 Bedroom	1,594 - 1,687SF	\$2,925 - \$3,100	\$3,000
	Total Units	Average Rent	
Affordable Units	142 units	\$1,128	
Market Rate Units	141 units	\$1,966	

The Midtown TIRZ Board approved the Development Agreement on September 14, 2018. This Ordinance authorizes the execution of the Agreement between the Broadway Jones Apartments LP and the Board of Directors of the Midtown Tax Increment Reinvestment Zone to address public infrastructure and public improvements such as site work, street improvements, overhead power improvements and site assessment associated with the Broadway Jones Apartment project.

The \$680,000.00 in Midtown Tax Increment Reinvestment Zone funding is necessary to ensure that the project is economically feasible and can be completed. In addition to the TIRZ funding, the project will apply for City Fee Waivers totaling \$155,153.00 for SAWS Fee Waivers totaling \$1,014,519.00, and for a Forgivable Mixed Use Loan from the Center City Development and Operations Department for \$368,800.00.

ALTERNATIVES:

City Council could decide not to approve execution of the Development Agreement with Broadway Jones

Apartments LP. If so, this action could negatively affect the Broadway Jones Apartment project making the proposed project infeasible.

FISCAL IMPACT:

If approved, this action will authorize execution of a Development Agreement between the City of San Antonio Midtown TIRZ Board of Directors and the Broadway Jones Apartments LP in an amount not to exceed \$680,000.00. Projects funded through the Midtown TIRZ are paid solely from the tax increment generated and will not impact the City's General fund.

RECOMMENDATION:

Staff recommends approval of an Ordinance authorizing execution of a Development Agreement in an amount not to exceed \$680,000.00 for the Broadway Jones Apartment Project located at 1011 Broadway Street, in City Council District 1 and within the Midtown Tax Increment Reinvestment Zone.