



City of San Antonio

Agenda Memorandum

File Number:19-1033

Agenda Item Number: 27.

Agenda Date: 1/17/2019

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 2

SUBJECT:

Ordinance approving execution of a Development Agreement with Alamo Inn and Suites for the Alamo Inn & Suites project in an amount not to exceed \$130,000.00. The project is located at 2203 East Commerce Street in City Council District 2 and within the Inner City Tax Increment Reinvestment Zone (TIRZ).

SUMMARY:

City Council is asked to consider an Ordinance approving the execution of a Development Agreement between the Inner City TIRZ Board of Directors, Alamo Inn and Suites and the City of San Antonio for the Alamo Inn & Suites project in an amount not to exceed \$130,000.00 in reimbursable TIRZ funds for increasing the height of the facade and improving the public right of way to include sidewalks, curbs, drainage improvements, storm drains, landscaping, exterior lighting, infrastructure repairs, architecture, and engineering.

BACKGROUND INFORMATION:

On June 15, 2018, Alamo Inn and Suites submitted a request for TIRZ funding for the Alamo Inn & Suites Project to be located at 2203 East Commerce Street. The total development cost of the project is approximately \$1,660,000.00, which includes public infrastructure improvements.

On August 14, 2018, the Board approved a Resolution authorizing staff to negotiate a Development Agreement in an amount not to exceed \$130,000.00 with Alamo Inn and Suites to provide reimbursement for eligible public infrastructure expenses.

On December 7, 2018, the Board approved a Resolution authorizing execution of the Development Agreement with Alamo Inn and Suites to provide reimbursement in an amount not to exceed \$130,000.00 for eligible expenses to include increasing the height of the facade and improving the public right of way to include

sidewalks, curbs, drainage improvements, storm drains, landscaping, exterior lighting, infrastructure repairs, architecture, and engineering.

ISSUE:

The Alamo Inn & Suites Project, located at 2203 East Commerce Street, is in the Inner City TIRZ and City Council District 2. TIRZ funds will be used to reimburse eligible project costs that support the addition of 2,400 square feet of retail space, and hotel to include 34 units (13 existing and 21 new) on 1.87 +/- acres. Total cost of the project is approximately \$1,660,000.00 and 30-40 jobs are expected to be created.

SAGE has been working with Alamo Inn & Suites to improve aesthetics of the area. SAGE supports businesses on the City's eastside. The development will enhance the view of the existing hotel rooms that face New Braunfels by increasing the height of the facade and improving the public right of way to include sidewalks, curbs, drainage improvements, storm drains, landscaping, exterior lighting, infrastructure repairs, architecture, and engineering. New retail space and an outdoor terrace will be part of the project. The 21 new rooms will be available for extended stay. Guests can pay daily, weekly, or monthly and can occupy the rooms indefinitely. The extended stay availability is intended to fill a market void in the area and is expected to attract military personnel and their families as well as students attending St. Phillips College which is nearby.

Alamo Inn & Suites will commence construction at the Project Site on or before March 31, 2019 and shall use commercially reasonable efforts to complete construction no later than May 31, 2020.

The Inner City TIRZ Board approved the Development Agreement in an amount not to exceed \$130,000.00 on December 7, 2018. This Ordinance authorizes the execution of the Agreement between the Alamo Inn and Suites, Board of Directors of the Inner City TIRZ, and the City of San Antonio to address public infrastructure improvements such as increasing the height of the facade and improving the public right of way to include sidewalks, curbs, drainage improvements, storm drains, landscaping, exterior lighting, infrastructure repairs, architecture, and engineering associated with the Alamo Inn & Suites project.

ALTERNATIVES:

City Council could decide not to approve the Development Agreement with Alamo Inn and Suites. If so, this action could negatively affect the Alamo Inn & Suites Project.

FISCAL IMPACT:

If approved, this action will authorize a Development Agreement between the Inner City TIRZ Board of Directors, the City of San Antonio, and Alamo Inn and Suites in an amount not to exceed \$130,000.00. This development agreement will be funded through the Inner City TIRZ and paid solely from the tax increment generated.

RECOMMENDATION:

To promote local economic development, and stimulate commercial activity, staff recommends approval of an Ordinance authorizing the execution of a Development Agreement in an amount not to exceed \$130,000.00 for the Alamo Inn & Suites Project located at 2203 East Commerce Street in City Council District 2, within the Inner City TIRZ boundary.