



# City of San Antonio

## Agenda Memorandum

**File Number:**19-1034

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**Agenda Item Number:** 28.

**Agenda Date:** 1/17/2019

**In Control:** City Council A Session

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**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 Healy Murphy Center, Inc. for the Healy Murphy Child Development Center project in an amount not to exceed \$300,000.00. The project is to be located at 611 Chestnut 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, Healy Murphy Center, Inc. and the City of San Antonio for the Healy Murphy Child Development Center project in an amount not to exceed \$300,000.00 in reimbursable TIRZ funds for sidewalks, curbs, drainage improvements, storm drains, landscaping, exterior lighting, infrastructure repairs, architecture, and engineering.

### **BACKGROUND INFORMATION:**

On September 5, 2018, Healy Murphy Center, Inc. submitted a request for TIRZ funding for the Healy Murphy Child Development Center Project to be located at 611 Chestnut Street in Council District 2. The total development cost of the project is approximately \$5,400,000.00, which includes public infrastructure improvements.

On August 14, 2018, the Board approved a Resolution granting TIF Unit staff general authority to negotiate agreements to provide funding in available tax increment within the boundary of the TIRZ.

On December 7, 2018, the Board approved a Resolution authorizing execution of the Development Agreement with Healy Murphy Center, Inc. to provide reimbursement in an amount not to exceed \$300,000.00 for eligible

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

## **ISSUE:**

The Healy Murphy Child Development Center Project is to be located at 611 Chestnut Street, in the Inner City TIRZ, City Council District 2. Total development cost is expected to be approximately \$5,400,000.00

Project construction is to commence February 2019 with an anticipated completion date of February 28, 2021.

The Child Development Center provides daycare and educational services to children ages six weeks to five years of age, offering a dynamic curriculum to help children build the social, emotional and cognitive skills necessary to grow up happy, healthy, and ready for school. The Child Development Center, which accepts both private payment and payment from the City of San Antonio Child Care Services Program for eligible families, is open Monday through Friday from 6:30AM to 6:00PM and offers learning through play and discovery, understanding a child's individual needs, weekly wellness-checks, nutrition consultations with pediatric nurse practitioners from the University of Texas Health Science Center School of Community Nursing, breakfast, lunch and snacks. The center caters to working families of modest income that may have difficulty affording childcare needed to work.

The Property will be a one-story structure with architectural design complementing existing structures located on adjacent lots. A portion of Live Oak St. has been closed to construct an approximate 12 ft. wide sidewalk along the Healy Murphy Center lot. Other public improvements include sidewalks, landscaping, and lighting along Chestnut St. and Nolan St., which is currently occupied by a vacant industrial building. The corner lot will allow public access to parking near downtown when the facility is closed.

The Inner City TIRZ Board approved the Development Agreement in an amount not to exceed \$300,000.00 on December 7, 2018. This Ordinance authorizes the execution of the Agreement between the Healy Murphy Center, Inc., Board of Directors of the Inner City TIRZ, and the City of San Antonio to address public infrastructure improvements such as sidewalks, curbs, drainage improvements, storm drains, landscaping, exterior lighting, infrastructure repairs, architecture, and engineering associated with the Healy Murphy Child Development Center project.

## **ALTERNATIVES:**

City Council could decide not to approve the Development Agreement with Healy Murphy Center, Inc.. If so, this action could negatively affect the Healy Murphy Child Development Center Project.

## **FISCAL IMPACT:**

If approved, this action will authorize execution of a Development Agreement between the Inner City TIRZ Board of Directors, the City of San Antonio, and Healy Murphy Center, Inc. in an amount not to exceed \$300,000.00. 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 prepare children of working families for academic success, staff recommends approval of an Ordinance authorizing the execution of a Development Agreement in an amount not to exceed \$300,000.00 for the Healy Murphy Child Development Center Project to be located at 611

Chestnut Street in City Council District 2; within the Inner City TIRZ boundary.