



City of San Antonio

Agenda Memorandum

File Number: 19-1737

Agenda Item Number: 26.

Agenda Date: 2/21/2019

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Public hearing and an Ordinance approving amendments to the Houston Street Tax Increment Reinvestment Zone (TIRZ) #9 Project and Finance Plan.

SUMMARY:

City Council is being asked to consider amendments to the Houston Street TIRZ Project and Finance Plan which will add several new projects and authorize increases to the total estimated project costs of the TIRZ.

BACKGROUND INFORMATION:

The Houston Street TIRZ was designated by City Council, through Ordinance 90969, on December 9, 1999. The initial TIRZ Project and Finance Plans were originally approved by City Council on August 24, 2000 through Ordinance 92409. Since then, the Project and Finance Plans have been amended on occasion to accommodate changes to the TIRZ project list and an amendment to the boundary.

On September 18, 2014, City Council approved amendments to the Houston Street TIRZ through Ordinance 2014-09-18-0713 that extended the term of the TIRZ by 20 years until September 30, 2034. Through the same ordinance, City Council approved changes to the composition of the TIRZ board of directors. The changes to the board composition reduced the size of the board from eleven to seven members with three appointees awarded to Bexar County and four appointees awarded to the City. The change reflected the end of participation in the TIRZ of both the University Health System and Alamo Community Colleges who had both reached their maximum contribution levels.

On June 4, 2015 through Ordinance 2015-06-04-0489, City Council authorized amendments to the Houston Street TIRZ boundary adding 260 parcels or roughly 179.74 acres (.28 square miles). These changes culminated in an amendment of the Project and Finance Plans and approval of a new Interlocal Agreement with Bexar County through Ordinance 2015-10-15-0881.

ISSUE:

In accordance with Chapter 311 of the Texas Tax Code (TIF Statute), the board of directors of a Tax Increment Reinvestment Zone may adopt amendments to the TIRZ project and finance plans at any time, however the amendments must be approved by the governing body that designated the TIRZ. Additionally, if the amendments increase the total estimated project costs of the TIRZ, the Ordinance must be adopted after a public hearing.

All projects to be added to the Project and Finance Plan in this amendment have been approved by the Houston Street TIRZ Board of Directors. With the exception of the Grant/Kress/Travis Building Rehabilitation project and the Main Plaza Conservancy project, they have all been approved by City Council Ordinance. Projects to be added to the Project and Finance Plan and supported by the Houston Street TIRZ include:

Project	CoSA Estimated Cost	Bexar Estimated Cost
Burns Building Rehabilitation	\$255,880.00	
CCHIP Encore Riverwalk - Acequia Plaza	\$4,545,492.00	
CCHIP Floodgate	\$3,119,107.00	
CCHIP Heritage Plaza	\$4,317,916.00	
Grant/Kress/Travis Building Rehabilitation	\$2,500,000.00	
Main Plaza Conservancy	\$900,000.00	
Sam Maverick Spirits	\$15,000.00	
San Pedro Creek Park Redevelopment/ Police	\$4,185,916.00	TBD
USAA Tax Abatement	\$2,000,000.00	
Witte/Fish Market	\$5,324,877.00	
Alameda Theater	\$12,499,209.49	\$10,000,000.00
Frost Bank Tower		\$3,000,000.00
Total Estimated Project Costs	\$39,663,397.49	\$13,000,000.00

- The Burns Building Redevelopment is the renovation of a five-story historic building constructed in 1918 located at 401 East Houston Street.
- Encore Riverwalk Acequia Plaza Project: The Encore Riverwalk project is a 338 unit, “Class A”, market rate multifamily apartment complex with structured parking at 304 & 308 South Flores Street.
- Commerce Street Floodgate Project: approximately fifty-three (53) rental housing units, 15,000 square feet of commercial retail space, and a structured parking garage located at 139-151 E Commerce St.
- Heritage Plaza Argyle Project: three hundred forty-three (343) rental housing units and a structured parking garage located at 410 South Main & 307 Dwyer.
- The Grant Kress project will house approximately 63,000 square feet of office space. The Travis Parking Garage project will house 1054 paid parking spaces in an eight level parking garage.
- Main Plaza Conservancy: The SAGA is an artistic light show. The art projection covers the facade of San Fernando Cathedral and depicts discovery, settlement and development of San Antonio, Texas. The TIRZ will reimburse CCDO’s Inner City Incentive Fund (ICIF) \$150,000.00 annually for six years in support of SAGA.
- The Maverick Whiskey Project will serve as a high end distilled spirits plant for manufacturing craft spirits. The building will feature event space and conference rooms.
- San Pedro Creek Redevelopment/Park Police: Revitalization of a two-mile segment of the creek

through downtown. The Project is expected to enhance the containment of the 100-year floodplain, improve water quality, and drive revitalization efforts for the area.

- USAA Tax Abatement (10 years): Construction/expansion of a parking garage for USAA-owned One Riverwalk Plaza.
- The Witte Fish Market includes the construction of four housing units, approximately 4,400 sq. ft. of retail/restaurant space; approximately 1,000 sq. ft. of banquet/event space; and stairway/elevator providing ADA compliant public access to the Riverwalk.
- Alameda Theater: Renovations of the theater include construction of a new stage house and production building that will allow the theater to better accommodate modern performances.
- Frost Bank Tower: Consolidated administrative office tower for the City, 265 housing units, and a new office tower to serve as the Frost Bank Headquarters located on the northwest corner of Flores and Houston Street.

Each of these projects is intended to continue the revitalization success of the Houston Street TIRZ, support the City's economic development goals for downtown and support program objectives of the Tax Increment Finance Program Policy.

ALTERNATIVES:

Approval of this item will enable the support of several key downtown development projects utilizing City of San Antonio tax increment generated through the Houston Street TIRZ. This increment is set aside for the specific purpose of funding projects within the TIRZ boundary, which is located in the City's central business district. Should Council reject this item, the projects listed in the plans would likely not occur or funding for these projects would have to come from other sources.

FISCAL IMPACT:

This ordinance will approve amendments to the Houston Street Tax Increment Reinvestment Zone (TIRZ) #9 Project and Finance Plan. Projects funded through the Houston Street TIRZ will be paid solely from tax increment generated through the TIRZ.

RECOMMENDATION:

Staff recommends approval of this Ordinance amending the Houston Street TIRZ Project and Finance Plan to add 12 development projects that are within the TIRZ.