



City of San Antonio

Agenda Memorandum

File Number:19-2189

Agenda Item Number: 13.

Agenda Date: 5/9/2019

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto

COUNCIL DISTRICTS IMPACTED: Council District 3

SUBJECT:

Public hearing and an Ordinance approving amendments to the Mission Del Lago Tax Increment Reinvestment Zone (TIRZ) #6 Development Agreement, Project and Finance Plans, and Interlocal Agreements with Bexar County, University Health System, and Southside Independent School District.

SUMMARY:

City Council is being asked to consider amendments to the Mission Del Lago TIRZ Development Agreement, Project and Finance Plans, and Interlocal Agreements with Bexar County, University Health System, and Southside Independent School District which will extend the life of the TIRZ for five years from 2027 to 2032. The total revenue cap of the TIRZ will remain unchanged.

BACKGROUND INFORMATION:

Mission Del Lago was designated a TIRZ on August 19, 1999 by Ordinance 90312. The TIRZ encompasses 812 acres and is located approximately 1.5 miles south of Loop 410 South on Hwy 281 South adjacent to Mitchell Lake, near Mission Del Lago Golf Course.

City Council through Ordinance No, 2006-06-29-0801, approved the initial Development Agreement on June 29, 2006 and through Ordinance No, 2014-05-01-0286, approved the First Amendment to the Development Agreement on May 1, 2014.

On February 1, 2019, the Mission Del Lago Board of Director's approved the Amendments to Development Agreement, Project and Finance Plans, and Interlocal Agreements with Bexar County, University Health

System, and Southside Independent School District.

The Developer is requesting to extend the life of the TIRZ from 2027 to 2032 to allow for the completion of 2,510 single-family homes, 520 multi-family units and 288,600 square feet of commercial space with additional common areas and amenities, upgraded wastewater infrastructure, increased ingress and regress for improved traffic flow, the creation of environmental buffers, conservation easements and protection zones and added Highway 281 connectivity. Participation rates of the Participating Tax Entities will each be lowered to accommodate the longer term with no additional reimbursement to Developer

ISSUE:

Developer requested the term of the TIRZ be extended until September 30, 2032 for all Participating Tax Entities. No increase of the revenue cap was requested. The participation rate of each Participating Tax Entity was adjusted to accommodate the longer term without increasing revenue due to the developer. Estimated reimbursement to the developer over the life of the TIRZ is estimated at \$66,304,622.

The developer has requested the TIRZ extension in order to have enough time to complete the project plan that includes 2,510 single-family residences, 520 multi-family residences, and 288,600 sq. ft. of retail/office/commercial space. The project plan has been amended to add more mixed-income housing. Home prices start at \$145,000 which is affordable to a workforce family of 4 earning less than 120% of area median income.

The developer plans additional street work not contemplated in the original project plan that included an extension of the Del Lago Parkway, another access to Hwy 281, additional common areas/amenities, upgraded wastewater infrastructure, and increased ingress/regress for improved traffic flow. They will also create environmental buffers, conservation easements and protection zones. This extra work will benefit all residents in the neighborhood without costing the City additional TIRZ funds. The administrative fee to the TIF division will also be increased to compensate for the additional work necessary to maintain the TIRZ over a longer period than planned when the TIRZ was designated.

To date there have been 686 homes constructed with prices ranging from \$140,000 to \$240,000, averaging \$180,000. There are 131 lots ready for house construction.

ALTERNATIVES:

Approval of this item will enable the continuation and support of several key projects utilizing City of San Antonio tax increment generated through the Mission Del Lago TIRZ. This increment is set aside for the specific purpose of funding projects within the TIRZ boundary. Should Council reject this item, further activity planned 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 Mission Del Lago Tax Increment Reinvestment Zone (TIRZ) #6 Development Agreement, Project and Finance Plans, and Interlocal Agreements with Bexar County, University Health System, and Southside Independent School District. Projects funded through the Mission Del Lago TIRZ will be paid solely from tax increment generated through the TIRZ.

RECOMMENDATION:

Staff recommends approval of this Ordinance amending the Mission Del Lago TIRZ Development Agreement, Project and Finance Plans, and Interlocal Agreements with Bexar County, University Health System, and Southside Independent School District.