



City of San Antonio

Agenda Memorandum

File Number: 19-6852

Agenda Item Number: 26.

Agenda Date: 10/3/2019

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Veronica Soto

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Ordinance approving execution of a Development Agreement with Borden River Road, LP for the Borden Park redevelopment project in an amount not to exceed \$4,000,000.00 from the Midtown TIRZ. The project is located at 815 E. Ashby Place in City Council District 1 and within the Midtown Tax Increment Reinvestment Zone (TIRZ) #31.

SUMMARY:

City Council is being asked to consider an Ordinance approving execution of Development Agreement between the Midtown TIRZ Board of Directors, Borden River Road, LP, and the City of San Antonio for the Borden Park redevelopment project in an amount not to exceed \$4,000,000.00 in reimbursable TIRZ funds for public improvements to the River frontage, a new River bridge extension, trail construction, improvement to Ashby Road, Menefee Park improvements, and Highway 281 beautification improvements through the removal of four billboards on the property. The reimbursement will not exceed \$4 million or 10 years, whichever comes first. Public improvement reimbursement will begin in 2023.

BACKGROUND INFORMATION:

Borden Park will be a five acre mixed-use redevelopment located at 815 E. Ashby Place in Council District 1, North of the Pearl and adjacent to Highway 281. Currently the property is a self-service storage business and the former Borden Milk Creamery. The redevelopment will include the rehabilitation of the historic Borden building for office and commercial use. The storage complex will be demolished and replaced with 344 multi-family units and structured parking to serve both the apartments and the Borden building. Approximately 34 or 10% of the 344 total units will be affordable at 80% of the Area Median Income (AMI). In addition to these

improvements, the project will include significant public improvements, including a trail system connecting the Tobin Hill neighborhood to the River, trails on the River, a bridge across the River, landscaping, LID features, beautification, and street improvements. Further, the project will also include the removal of four large billboards directly adjacent to Highway 281.

Borden River Road, LP, is a subsidiary of Embrey Partners, Ltd (“Embrey”). Embrey is a San Antonio-based real estate investment company that owns, develops and manages multi-family and commercial assets in targeted markets across the United States. Since 1974, Embrey has developed more than 39,000 apartments and over 6 million square feet of commercial property. Embrey is one of the leading developers in the multi-family sector, with approximately 6,000 units under construction or in development. A few examples of Embrey’s notable projects in San Antonio include the Brackenridge at Midtown, Quarry Village, and the Can Plant at the Pearl.

Embrey has partnered with AREA Real Estate, LLC to redevelop this property into a mixed-use development that includes multi-family housing, office, commercial uses and public improvements. In addition Embrey and AREA are working with Pape-Dawson Engineers, civil engineers, Humphreys & Partners Architects, LP, and Rialto Studio, landscape architect, to create their vision for the project.

On August 30, 2019 Borden River Road, LP submitted a Tax Increment Financing Funding application to the Neighborhood and Housing Services Department requesting \$4 million in public improvement from the Midtown TIRZ for the Borden Park redevelopment project. The Midtown TIRZ will reimburse the developer beginning in 2023 for public improvements to the river frontage, new river bridge extension, Highway 281 beautification improvements (construction of a trail and removal of four billboards), Ashby Road improvements, and Menefee Park improvements. The projected investment in the project is \$100,000,000. The property is currently valued by the Bexar County Appraisal District at \$12 million. Investment in this site will greatly increase the appraised value and therefore the overall tax increment within the Midtown TIRZ boundary. The reimbursement is funded through Midtown TIRZ from the increment of increased City Taxes paid by the developer for the project above the current 2019 base value. The reimbursement will not exceed \$4 million or 10 years, whichever comes first.

ISSUE:

The Borden Park redevelopment project is located at 815 E. Ashby Place, in Council District 1 and within the Midtown TIRZ. The projected investment in the project is \$100,000,000. The property is currently valued by the Bexar County Appraisal District at \$12 million. Investment in this site will greatly increase the appraised value and therefore the overall tax increment within the Midtown TIRZ boundary.

Borden Park will be a five acre mixed-use redevelopment located at 815 E. Ashby Place in Council District 1, North of the Pearl and adjacent to Highway 281. Currently the property is a self-service storage business and the former Borden Milk Creamery. The redevelopment will include the rehabilitation of the historic Borden building for office and commercial use. The storage complex will be demolished and replaced with 344 multi-family units and structured parking to serve both the apartments and the Borden building. In addition to these improvements, the project will include significant public improvements, including a trail system connecting the Tobin Hill neighborhood to the River, trails on the River, a bridge across the River, landscaping, LID features, beautification, and street improvements. Further, the project will also include the removal of four large billboards directly adjacent to Highway 281.

Borden River Road, LP, will commence construction July 2020 and is scheduled to be completed July 2023.

The Midtown TIRZ Board approved the Development Agreement in an amount not to exceed \$4,000,000.00 on September 13, 2019. This Ordinance authorizes the execution of a Development Agreement between the Midtown TIRZ Board of Directors, Borden River Road, LP, and the City of San Antonio for the Borden Park redevelopment project in an amount not to exceed \$4,000,000.00 in reimbursable TIRZ funds for public improvements associated with the project.

ALTERNATIVES:

City Council could choose not to approve the Development Agreement with Borden River Road, LP. If so, this action could negatively affect the Borden Park redevelopment project as the developer will need to seek an alternate funding source to make up the gap for the public improvements.

FISCAL IMPACT:

This ordinance authorizes a Development Agreement with Borden River Road, LP for the Borden Park redevelopment project in an amount not to exceed \$4 million. Funding for this agreement is through the Midtown TIRZ. The reimbursement will not exceed \$4 million or 10 years, whichever comes first.

RECOMMENDATION:

Staff recommends approval of the Development Agreement.