



City of San Antonio

Agenda Memorandum

File Number:20-1072

Agenda Item Number: 31.

Agenda Date: 1/30/2020

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

An ordinance approving a Development Agreement with 901 Laredo Partners, LLC (dba Kidney & Hypertension Specialists), Westside TIRZ Board of Directors, and the City of San Antonio for eligible public improvements to the Kidney and Hypertension Specialist Medical Building.

SUMMARY:

An ordinance approving a Development Agreement for eligible public improvement expenses for the Kidney and Hypertension Specialist Medical Building project located at 915 S. Laredo St. in Council District 1.

BACKGROUND INFORMATION:

901 Laredo Partners, LLC dba Kidney & Hypertension Specialists owns a lot at 915 S. Laredo St, zoned C-3NA RIO. The Property abuts IH-35 with boundaries enclosed by Guadalupe St. and S. Laredo St. in City Council District 1. The property is currently being developed into a 2-story medical building that will provide medical services, labs, and research ("Project"). Laredo Partners, LLC has requested TIRZ funding to complete the final phase of public improvements for the Project.

The Project will focus on utilizing innovative technology related to bioscience that will allow patients to receive the highest level of care that is unique to Texas. The Project will also include an educational component in the 1st floor lobby/art gallery that will feature artwork and information related to kidney care, as well as public art located on the grounds. The Project will create and/or maintain approximately 20-30 jobs and requires an investment of approximately \$5.4 million.

The Property is located within the State Enterprise Zone, an area that exceeds 20% poverty rate, as well as a blighted area where drug use and homelessness occur under IH-35 off Guadalupe St. The Project complements the SA Tomorrow Comprehensive Plan and the Forefront SA Strategic Plan for Economic Development.

ISSUE:

The Project meets the City's tax abatement program guidelines, which support the City's priorities of:

1. Attracting new targeted industry jobs and investment;
2. Maximizing the competitiveness of local businesses; and
3. Supporting socioeconomic mobility for the residents of San Antonio.

Although the Project was eligible for 10-yr tax abatement, the Property owner did not take advantage of this economic development incentive, which further justifies the need for TIRZ funding. The Project will improve conditions of the surrounding area through its public art, educational art gallery, new sidewalks, landscaping, and lighting, thus encouraging further development nearby.

The Project will contribute to the revitalization activities in the TIRZ in the following ways:

- Improves the safety of pedestrians with new sidewalks and lighting;
- Offers parking to a neighboring business during non-business hours;
- Incorporates an educational component with the goal of empowering the community to take control of their health, treatments and healing process.

The Project meets the following goals established in the City's Comprehensive Plan:

- Maintains the character and integrity of downtown San Antonio, receiving approval of a Certificate of Appropriateness by HDRC on May 2, 2018;
- Ensures that all residents have safe and convenient access to jobs and basic services (medical);
- Connects neighborhoods with a system of walkable streets (new sidewalks);
- Encourages and integrates innovative and sustainable ideas and development;
- Provides residents with enhanced levels of authentic engagement (educational component).

The estimated cost of public improvements for the Project exceeds \$700,000, with an investment of \$100,000 from the Westside TIRZ #30 to reimburse for landscaping and lighting in the final phase of construction.

ALTERNATIVES:

The City could opt not to approve the Development Agreement for the Kidney & Hypertension Specialist Medical Building project. However, 901 Laredo Partners, LLC would need to find alternative financing for the needed public improvements at the site to further add to the beautification of the project.

FISCAL IMPACT:

This ordinance approves a Development Agreement with 901 Laredo Partners, LLC (dba Kidney & Hypertension Specialists) and Westside TIRZ Board of Directors for eligible public improvements for up to \$100,000 for the Kidney and Hypertension Specialist Medical Building at 915 S. Laredo St. There is no impact to the City's General Fund.

RECOMMENDATION:

Staff recommends an ordinance approving a Development Agreement for the eligible public improvement expenses for the Kidney & Hypertension Specialist Medical Building project.