



City of San Antonio

Agenda Memorandum

File Number:20-1345

Agenda Item Number: 25.

Agenda Date: 2/13/2020

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: 3

SUBJECT:

An ordinance approving the Final Finance Plan and Final Project Plan for Tax Increment Reinvestment Zone (TIRZ) #36, Thea Meadows.

SUMMARY:

On December 5, 2019 through Ordinance 2019-12-05-1001, City Council approved the designation, Development Agreement, and Preliminary Finance Plan for TIRZ #36, Thea Meadows, located in City Council District 3. The ordinance authorizes the Final Finance Plan and Final Project Plan for TIRZ #36, Thea Meadows.

BACKGROUND INFORMATION:

On March 15, 2019, Brown & Ortiz, legal representatives for the Thea Meadows Developer, SA Insignia, LLC submitted an application to the Office of the City Clerk for consideration of a new petition-initiated TIRZ. Thea Meadows is only the second petition-initiated TIRZ in the last 10 years, representing a major step ahead for housing availability and affordability in an underdeveloped and underutilized area of the City.

Thea Meadows comprises approximately 88 acres and is located on the southeast side of San Antonio in Council District 3. The property is bounded on the north by residential properties on Jo Marie Drive, on the east by commercial property along S W.W. White Road, on the south by private property on Utopia Lane, and on the west by Salado Creek. Thea Meadows will include approximately 393 single-family units, a 25 acre linear park, and connectivity into the future extension of the Howard Peak Greenway.

In accordance with the 2015 TIF Policy, approved through Ordinance 2015-05-14-0419, TIF staff reviewed the application alongside the Finance Management Division and City Attorney's Office. Staff recommendations were presented to the TIF Governance Committee which confirmed a term length of approximately 35 years.

On December 5, 2019, City Council designated the Thea Meadows TIRZ, a petition-initiated increment reinvestment zone, to assist with revitalization efforts and housing affordability in City Council District 3.

The total development costs for the Thea Meadows subdivision are estimated at \$82,000,000 with a maximum eligible reimbursement from the TIRZ of \$19,390,205 for public improvements and a maximum eligible reimbursement of \$2,916,000 for financing costs, if any. The effective start date of the Thea Meadows TIRZ is December 5, 2019 with an approximately 35 year term and a termination date of September 30, 2054.

City staff prepared Final Finance and Project Plans for Thea Meadows, in accordance with the Tax Increment Financing (TIF) Act, Chapter 311 of the Texas Tax Code. On December 10, 2019, the Thea Meadows TIRZ Board of Directors convened for the first time. The board approved Resolutions T36-2019-12-10-01R and T36-2019-12-10-02R, approving the Final Finance Plan and Final Project Plan respectively for Thea Meadows.

For the Finance and Project Plans to be considered Final, they are subject to the approval of the governing body of the municipality that designated the zone.

ISSUE:

On December 10, 2019 the Thea Meadows TIRZ Board of Directors approved the Final Finance Plan and Final Project Plan. City Council consideration is requested for the approval of the Final Finance Plan and Final Project Plan.

ALTERNATIVES:

City Council could decide not to approve the Final Finance Plan and Final Project Plan, which would negatively affect the ability of the developer, SA Insignia, LLC, to develop the property for construction of mixed-income single family homes.

FISCAL IMPACT:

This ordinance approves the Final Finance Plan and Final Project Plan for TIRZ #36, Thea Meadows, located in Council District 3.

There is no immediate fiscal impact to the City's General Fund. The future taxes collected on the captured taxable value of parcels within the newly designated TIRZ #36, Thea Meadows will be deposited in the TIRZ #36, Thea Meadows fund to be used for eligible expenses within the TIRZ boundary.

RECOMMENDATION:

Staff recommends approval of the Final Finance Plan and Final Project Plan for TIRZ #36, Thea Meadows.

