



City of San Antonio

Agenda Memorandum

File Number:14-1361

Agenda Item Number: 26.

Agenda Date: 6/19/2014

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: Lori Houston

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT: Hemisfair Park Area Redevelopment Corporation Authority to Solicit Public-Private Partnerships (P3s)

SUMMARY:

An ordinance authorizing Hemisfair Park Area Redevelopment Corporation (HPARC) to solicit for Public-Private Partnership (P3) interest on two parcels of land located within Hemisfair Park and owned by the Hemisfair Park Public Facilities Corporation (Hemisfair Park PFC).

BACKGROUND INFORMATION:

The Hemisfair Park Area Redevelopment Corporation (HPARC) was established in 2009 to manage and oversee the redevelopment and management of Hemisfair. On December 5th, 2013, the City Council approved a transfer of 14.45 acres of land to the Hemisfair Park Public Facilities Corporation (Hemisfair Park PFC) for the purpose of facilitating development on that land, consistent with the City Council approved Hemisfair Master Plan. The Master Plan contemplates the development of mixed-use vertical structures at several sites on the 14.45 acres now held by the Hemisfair Park PFC. This item will authorize HPARC to solicit requests for qualifications and development proposals through Public-Private Partnerships (P3s) on two specific sites that make up approximately 2.48 acres of the 14.45 acres that were transferred by City Council to the Hemisfair Park PFC.

Construction of the public amenities within the southwest corner (currently referenced as Yanaguana Garden) is expected to begin in July 2014 with a Spring 2015 completion. The improvements to this area include open park space, plazas, climbing structures, water and sand elements, and a shaded promenade connecting the elements. Two vertical mixed-use developments are envisioned adjacent to the Yanaguana Garden on property that was transferred to the Hemisfair Park PFC.

HPARC intends to begin a P3 process for the two projects adjacent to the Yanaguana Garden in July 2014 (a

map indicating the approximate location of the projects is attached). The “Water Street Development” will be built on approximately 1.13 acres east of the Yanaguana Garden play area and will consist of approximately 100 mixed-income residential units. The project may also include first floor retail and work/live units. An oversized garage will offer parking for the public and building residents. The parking structure will be wrapped by the residences. The second project, referred to as the “300 South Alamo Development”, will be located on a 1.35 acre site that includes the Magik Theater and the land north of it, and is envisioned as a building of approximately twelve-stories that will consist of a range of 120 to 160 multifamily mixed-income housing units or a hotel compliant with the deed restrictions imposed by Council. 300 South Alamo Development will also include approximately 8,000 sq. ft. of first floor commercial space. This site encompasses the current Magik Theatre which is contemplating an expansion. The vertical development will accommodate such expansion. This ordinance will provide HPARC with the authority to solicit for qualifications and proposals for these two specific development sites.

Rights to sublet these parcels will be given to HPARC pursuant to a Master Lease and a Master Development Agreement between the City, HPARC and Hemisfair Park PFC. It is anticipated that these agreements will be presented to City Council for consideration prior to October 2014. Successful P3 developers (approved by City Council) will enter into long-term sublease agreements with HPARC consistent with the master lease. All revenue from these subleases will be used to fund operations, maintenance, development, administration and activation and to make HPARC (a non-profit 501c3) a financially sustainable organization over time.

HPARC has developed P3 Guidelines in order to create a transparent process for the solicitation and evaluation of these projects. These attached guidelines are similar to the City’s P3 Guidelines and have been adopted by HPARC’s Board of Directors. As outlined in the Hemisfair P3 Guidelines, the City will continue to play an important role in the selection and negotiation process. HPARC will initiate a Request for Qualifications (RFQ) process for each project. From the RFQ process, the selection committee will nominate two to three respondents for Request for Proposals (RFP). All negotiated contracts will be subject to City Council approval.

ISSUE:

This ordinance provides HPARC the authority to initiate a P3 process for two specific parcels owned by the Hemisfair Park PFC.

ALTERNATIVES:

As an alternative, City Council could choose not to authorize HPARC to proceed with P3 development on these parcels. This would adversely affect the timely completion of the Project and require additional public funds to support the operations, maintenance and activation of the public spaces.

FISCAL IMPACT:

No fiscal impact

RECOMMENDATION:

Staff recommends approval of this ordinance