



City of San Antonio

Agenda Memorandum

File Number:20-6935

Agenda Item Number: 35.

Agenda Date: 12/10/2020

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Ordinances approving an Assignment of Rights and Obligations Agreement between GrayStreet Travis Garage, LLC, GrayStreet Travis Office, LLC and TPP EPA, LLC; a First Amendment to the Development Agreement between TPP EPA, LLC, Houston Street TIRZ Board of Directors, and the City of San Antonio; Assignment of the Chapter 380 Economic Development Loan Agreement between GrayStreet Travis Office, LLC and TPP EPA, LLC.

SUMMARY:

Consideration of three ordinances related to approving the following actions:

- A. Approving an Assignment of Rights and Obligations between GrayStreet Travis Garage, LLC, GrayStreet Travis Office, LLC and TPP EPA, LLC for the Travis Garage Rehabilitation Project located at 213 East Travis and 711 Navarro Street in City Council District 1.
- B. Approving a First Amendment to the Development Agreement between TPP EPA, LLC, Houston Street TIRZ Board of Directors, and City of San Antonio to revise the project completion date and Exhibit G, Project Costs Eligible for Reimbursement, for the Travis Garage Rehabilitation Project located at 213 East Travis and 711 Navarro Street in City Council District 1.
- C. An Ordinance authorizing the Assignment of the Chapter 380 Economic Development Loan Agreement from GrayStreet Travis Office, LLC to TPP EPA, LLC, for the property located at 711 Navarro Street and 213 East Travis Street in Council District 1 and funded by the Inner City Incentive Fund (ICIF).

BACKGROUND INFORMATION:

On June 13, 2019 through Ordinance 2019-06-13-0521 City Council approved the Development Agreement with GrayStreet Travis Garage LLC for the Travis Garage Rehabilitation Project for an amount not to exceed \$1,250,000 located at 213 East Travis and 711 Navarro Street in City Council District 1 and within Houston Street TIRZ #9, and approved a Chapter 380 Economic Development Loan Agreement with GrayStreet Travis Office, LLC for Travis Park Plaza Building Rehabilitation Project for an amount not to exceed \$296,000 located at 213 East Travis and 711 Navarro in City Council District 1 and funded by the Inner City Incentive Fund (ICIF).

On January 30, 2020 GrayStreet Travis Garage, LLC and GrayStreet Travis Office, LLC informed TIF staff that they had sold Travis Park Plaza and Travis Garage to TPP EPA, LLC.

Approval of the Assignment of Rights and Obligations of the Development Agreement and Assignment of the Chapter 380 Economic Loan Agreement from GrayStreet Travis Garage, LLC and GrayStreet Travis Office, LLC to TPP EPA, LLC affirms that all of the rights and obligations within the Agreements are transferred to the Assignee. Plans to complete the improvements to the property are unchanged as a result of the sale of the property to TPP EPA, LLC. Similarly, there is no change to the Houston Street TIRZ funding amount or the ICIF loan amount previously approved by City Council through Ordinance 2019-06-13-0521.

Approval of the First Amendment to the Development Agreement will revise the completion date of the project to December 31, 2021 and revise Exhibit G, Project Costs Eligible for Reimbursement. Eligible public improvement costs will now include parking garage equipment replacement, new interior and exterior signage, interior and exterior painting, and public art.

ISSUE:

A completion date of December 31, 2021 is necessary in order for the new owner, TPP EPA, LLC, to remain in compliance of the TIRZ Development Agreement. Without approval of the First Amendment to the Development Agreement, TPP EPA, LLC will not be able to meet the December 31, 2020 completion date that was previously approved for GrayStreet Travis Garage, LLC and GrayStreet Travis Office, LLC.

City Council consideration is requested for the approval of an Assignment of Rights and Obligations between GrayStreet Travis Garage, LLC, GrayStreet Travis Office, LLC and TPP EPA, LLC, a First Amendment to the Development Agreement between TPP EPA, LLC, Houston Street TIRZ Board of Directors, and the City of San Antonio, and an Assignment of the Chapter 380 Economic Development Loan Agreement between GrayStreet Travis Office, LLC and TPP EPA, LLC.

ALTERNATIVES:

City Council may choose not to approve the Assignment of Rights and Obligations Agreement between GrayStreet Travis Garage, LLC, GrayStreet Travis Office, LLC and TPP EPA, LLC. This action will make the Assignee, TPP EPA, LLC, ineligible to the rights to the Houston Street TIRZ funding available through the Development Agreement.

City Council may choose not to approve the First Amendment to the Development Agreement. This action will make the new owner, TPP EPA, LLC, unable to meet the completion date of December 31, 2020 making the project non-compliant and unable to submit for TIRZ funding reimbursement. The developer will then need to seek alternate funding causing further delay of the completion of the project.

City Council may choose not to approve the Assignment of the Chapter 380 Economic Development Loan Agreement from GrayStreet Travis Office, LLC to TPP EPA, LLC; however, without the acceptance of the Assignment, TPP EPA, LLC may be unable to complete the improvements to the Travis Park Plaza property as planned, which would hinder further economic development activity near the property.

FISCAL IMPACT:

Funding for the First Amendment to the Development Agreement is available through the tax increment produced by the Houston TIRZ #9 as stated in ordinance No. 2019-06-13-0521. There will be no impact to the General Fund.

Funding for the Assignment of the Chapter 380 Economic Development Loan Agreement is available through the Inner City Incentive Fund. There will be no impact to the General Fund.

RECOMMENDATION:

Staff recommends approval of an Assignment of Rights and Obligations Agreement between GrayStreet Travis Garage, LLC, GrayStreet Travis Office, LLC and TPP EPA, LLC, a First Amendment to the Development Agreement between TPP EPA, LLC, Houston Street TIRZ Board of Directors, and the City of San Antonio, and Assignment of the Chapter 380 Economic Development Loan Agreement between GrayStreet Travis Office, LLC and TPP EPA, LLC.