



City of San Antonio

Agenda Memorandum

File Number:21-2882

Agenda Item Number: 14.

Agenda Date: 5/6/2021

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

An Ordinance approving the execution of a Development Agreement between the Houston Street TIRZ Board of Directors, 305 Soledad, LTD, and the City of San Antonio for SAWS impact fees for an amount not to exceed \$1,000,000 and to be reimbursed over three fiscal years (FY 2021-23) for the 305 Soledad Project in Council District 1.

SUMMARY:

The 305 Soledad project is the construction of a new 32-story mixed-use high-rise residential building within the boundary of the Houston Street TIRZ. This new development will replace a surface parking lot and includes 351 market rate units, a seven-level parking garage with 356 spaces, and 7,000 square feet of retail space on the ground floor. It will also feature several amenities such as a courtyard, pool, outdoor deck, and areas for residential dining, lounging, working, and fitness. The total development cost is approximately \$100 million. The eligible expenses for this project are SAWS impact fees. The reimbursement of the impact fees will be made over three fiscal years; fiscal year 2021 for an amount of \$400,000, fiscal year 2022 for an amount of \$300,000, and fiscal year 2023 for an amount of \$300,000.

This project is anticipated to begin in May 2021 and be completed by December 2023 and will provide a significant amount of new housing units and street edge retail to one of the most walkable areas in the City. It will contribute to downtown San Antonio being a great place to live, work, and play while enhancing economic vitality.

BACKGROUND INFORMATION:

On February 25, 2021 the Houston Street TIRZ Board of Directors approved a Development Agreement with

305 Soledad, LTD, for eligible impact fees for an amount not to exceed \$1,000,000. The project is also receiving incentives from the Center City Housing Incentive Policy in the form of a 15-year, 75% property tax rebate on city ad valorem taxes. The project was also eligible for a SAWS impact fee waiver up to \$1 million, and this part of the incentive package is being funded by the Houston Street TIRZ. As part of the CCHIP agreement, the project will contribute approximately \$2.2 million into the Affordable Housing Fund which will incentivize future affordable housing projects.

ISSUE:

City Council consideration is requested for the approval of a Development Agreement for an amount not to exceed \$1,000,000 and reimbursement over three fiscal years for the 305 Soledad Project.

ALTERNATIVES:

If City Council chooses not to approve the Development Agreement, 305 Soledad, LTD, will need to seek an alternate funding source to help with the impact fees. This could potentially delay the development of the 305 Soledad project.

FISCAL IMPACT:

Funding for this agreement is available through the tax increment produced by the Houston Street TIRZ #9. There will be no impact to the General Fund.

RECOMMENDATION:

Staff recommends approval of the Development Agreement with the Houston Street TIRZ Board of Directors, 305 Soledad, LTD, and the City of San Antonio for eligible impact fees for an amount not to exceed \$1,000,000 and reimbursed over three fiscal years for the 305 Soledad Project.