



City of San Antonio

Agenda Memorandum

File Number:21-3213

Agenda Item Number: 17.

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: 3

SUBJECT:

An Ordinance approving the execution of a Chapter 380 Economic Development Grant Agreement between the Mission Drive-In TIRZ Board of Directors, Bitterblue, Inc., and the City of San Antonio for eligible public improvements for an amount not to exceed \$4,341,569 for the Roosevelt Heights Project located west of Roosevelt Ave. along the frontage of Interstate Highway Loop 410 within Council District 3.

SUMMARY:

The Roosevelt Heights Project is a 23.724-acre single-family residential development, generally located west of Roosevelt Avenue along the frontage of Interstate Highway Loop 410. The Project will consist of a subdivision with 135 lots developed at an average size of 5,714 square feet with homes to be sold in the price range of the low \$200s to the mid \$200s. Fifty-four (40%) of the housing units will be available to households making up to 120% of the area median income. The Project also includes a park, passive recreation area centralized within the community, and necessary public improvements. Construction is expected to begin in 2020 with completion projected by mid-late 2026. The Project is being developed with a multiple-party project team including Bitterblue, Developer; Jack Walker, Property Owner; and Pape-Dawson, Engineers. With major employers in the area such as Harlandale Independent School District, SA Missions National Park Headquarters, and Qualified Manufacturing Co., this single-family affordable housing development will be a welcome addition.

The developer, Bitterblue, Inc., is requesting TIRZ funding for public infrastructure for an amount not to exceed \$4,341,569 to be reimbursed over 15-years. The reimbursement will be structured as a tax rebate using a Chapter 380 Economic Development Agreement. The tax rebate for the first five years will be reimbursed at 90% by the Mission Drive-In TIRZ, and the last ten years will be reimbursed with General Funds using the City's Operations & Maintenance (O&M) rate, currently at 62.15%.

BACKGROUND INFORMATION:

On April 6, 2021, the Economic and Workforce Development Committee was briefed on the Roosevelt Heights single-family residential development. The Committee approved the project and recommended the project move to City Council for consideration.

On March 23, 2021, the TIF Governance Committee met and recommended that the reimbursement of the requested funding amount be made via a tax rebate using a Chapter 380 Economic Development Agreement.

ISSUE:

City Council consideration is requested for the approval of a Chapter 380 Economic Development Grant Agreement for an amount not to exceed \$4,341,569 in tax rebates for a term of fifteen years.

ALTERNATIVES:

If City Council chooses not to approve the Chapter 380 Economic Development Grant Agreement, the developer will need to seek an alternate funding source to complete the public improvements which could delay the Roosevelt Heights Project.

FISCAL IMPACT:

Funding for the first five years of this agreement is available through the tax increment produced by the Mission Drive-In TIRZ. The TIRZ is anticipated to expire before this agreement. In the event the TIRZ is not extended, funding for the final ten years of this agreement will be funded through incremental City property tax received into the General Fund from the expired TIRZ. Payment of the agreement from the General Fund will be subject to appropriation by the City Council as part of the annual budget process.

RECOMMENDATION:

Staff recommends approval of a Chapter 380 Economic Development Grant Agreement between the Mission Drive-In TIRZ Board of Directors, Bitterblue, Inc., and the City of San Antonio for eligible public improvements for an amount not to exceed \$4,341,569 for the Roosevelt Heights Project located within Council District 3.