



City of San Antonio

Agenda Memorandum

File Number:21-3259

Agenda Item Number: 18.

Agenda Date: 5/20/2021

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks, Director

COUNCIL DISTRICTS IMPACTED: 1 & 2

SUBJECT:

An Ordinance approving the execution of a Professional Services Agreement between the City of San Antonio and TXP, Inc to utilize funding from the Midtown TIRZ for an amount not to exceed \$25,000 for the Impact Study for Underground Conversion of Overhead Utilities on the Broadway Street Corridor in Council Districts 1 & 2.

SUMMARY:

This request authorizes the use of funding in an amount not to exceed \$25,000 from the Midtown #31 Tax Increment Reinvestment Zone for the execution of a Professional Services Agreement between the City and a consultant to analyze the fiscal impact of converting utilities from overhead to underground for the Upper Segment Phase I of the Broadway Street Corridor.

BACKGROUND INFORMATION:

The Broadway Street Corridor project seeks to reconstruct approximately 3.1 miles of the corridor (from Houston Street to Hildebrand Avenue) into a complete street that is pedestrian, bicycle, and transit-friendly. Improvements to the corridor include new sidewalks, driveway approaches, bicycle amenities, lighting, streetscape and landscape amenities, and drainage and traffic enhancements. Voters approved funding in the amount of \$42,000,000 for the project as part of the 2017-2022 Bond Program, which is being combined with \$14 million in funding from TxDOT/Alamo Area MPO, \$8.9 million from City Public Service (CPS), \$7.3 million from San Antonio Water System (SAWS), \$6,000,000 from the Midtown Tax Increment Reinvestment Zone (TIRZ), and \$4 million from AT&T, for a total project cost of more than \$82 million. Construction on the corridor began in summer 2020 and is slated for completion in early 2025.

The project incorporates conversion of utilities from overhead to underground for the lower segment of the corridor, from Houston Street to IH-35. However, utility conversion was not budgeted for the Upper Segment Phase I (IH-35 to Mulberry Avenue) or Upper Segment Phase II (Mulberry Avenue to Hildebrand Avenue).

Based on a review of existing literature, the environmental and social benefits of converting utilities from overhead to underground are well established. However, the fiscal impacts of utility conversions are highly dependent on the context in which the conversion is proposed. A fiscal impact study is being conducted to briefly analyze the fiscal impact of converting utilities from overhead to underground for the Upper Segment Phase I of the Broadway Street Corridor. This segment spans from IH-35 to Mulberry Avenue for a total length of approximately 1.15 miles. The results of the study will be used to determine if additional funding should be identified for the incremental increase in cost to convert utilities along this segment of the corridor project.

ISSUE:

Center City Development & Operations (CCDO), in collaboration with Public Works and Neighborhood & Housing Services, has engaged with TXP, Inc. as the consultant to conduct the Impact Study for Underground Conversion of Overhead Utilities on the Broadway Street Corridor. The study will result in a brief report and presentation which outlines the fiscal impact of converting utilities from overhead to underground for the Upper Segment Phase I of the Broadway Street Corridor. The report will consider previous studies conducted in other communities, a review of relevant literature/academic research, applicable market and demographic trends, potential economic impact of proposed underground utility conversion, interviews with appropriate stakeholders, and any other materials as necessary. TXP, Inc. will present the findings of the study to the Board of Directors for the Midtown #31 Tax Increment Reinvestment Zone in late June 2021.

The Midtown TIRZ was identified as a source of funding for the study. The TIRZ Board of Directors approved this Professional Services Agreement with TIRZ funding up to \$25,000 at their May 11, 2021 meeting. The funds will be transferred to CCDO, which will then be used to reimburse TXP, Inc. for work completed. City Council authorization is required to enable this transfer.

ALTERNATIVES:

City Council may elect not to approve the funds or the Professional Services Agreement for this study. The consultant will be required to cease work and any expenses incurred to date will be paid from Center City Development and Operations operating budget.

FISCAL IMPACT:

Funding in an amount not to exceed \$25,000.00 is available in the Midtown #31 Tax Increment Reinvestment Zone budget for fiscal year 2021. There is no impact to the General Fund associated with this action.

RECOMMENDATION:

Staff recommends approval of funding from the Midtown TIRZ for the Professional Services Agreement in an amount not to exceed \$25,000.00 to complete the Impact Study for Underground Conversion of Overhead Utilities on the Broadway Street Corridor.

