



# City of San Antonio

## Agenda Memorandum

**File Number:**21-3306

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**Agenda Item Number:** 5.

**Agenda Date:** 5/4/2021

**In Control:** Economic and Workforce Development Committee

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**DEPARTMENT:** Economic Development

**DEPARTMENT HEAD:** Alejandra Lopez

**COUNCIL DISTRICTS IMPACTED:** Council Districts 3, 4 & 5

### **SUBJECT:**

Briefing and update on the Southside Opportunity Zones Strategic Plan

### **SUMMARY:**

The Economic Development Department (EDD), World Heritage Office (WHO) and the Southside First (SSF) Economic Development Council partnered for development of a Southside San Antonio Opportunity Zones Strategic Plan (Strategic Plan) to encourage and attract investment for the southside Opportunity Zones, a historically low-income area. This briefing will provide an update on the Plan.

### **BACKGROUND INFORMATION:**

#### ***Opportunity Zones***

Opportunity Zones were established by the *Tax Cuts & Jobs Act of 2017* to provide a tax incentive as an economic development tool to encourage long-term investment in distressed communities. The tax incentive encourages investment of unrealized capital gains in census tracts designated as Opportunity Zones in exchange for deferment, reduction of capital gains taxes, and exclusion of appreciation in any invested capital gains. Opportunity Zone investments require the creation of a Qualified Opportunity Fund (QOF); the investment vehicle that enables capital to be deployed to projects in designated Opportunity Zones. Eligible investments include stock of a qualified corporation, interest in a qualified partnership, or property in designated Opportunity Zones.

The Economic Development Department (EDD), World Heritage Office (WHO) and the Southside First (SSF) Economic Development Council partnered for the development of a Southside San Antonio Opportunity Zones Strategic Plan (Strategic Plan) to encourage and attract investment for the Southside Opportunity Zones in alignment with community priorities and sensitive to the existing residents and small business community.

EDD and WHO released a RFP on July 23, 2020 to contract with a professional respondent to develop a strategic plan to attract investment to this area. This RFP and Strategic Plan focused on four specific southside census tracts: 1609.02; 9800.02; 1922; and 1508. These census tracts encompass the Quintana Road area and neighboring Port San Antonio, along with Brooks and the Mission San Jose. Respondents were expected to demonstrate expertise in economic development and real estate investment and community engagement. Economic Planning Systems (EPS) was selected in the RFP process and they began research in mid-October 2020.

#### **ISSUE:**

The goals of the Plan included outlining strategies specific to the Opportunity Zones based on real estate investment and development, master planning, economic analysis, and community engagement. Overall, the Strategic Plan will identify community redevelopment priorities, infrastructure improvements, and viable investment opportunities while incorporating existing community, historic and culturally relevant infrastructure. This briefing will provide an update on the Strategic Plan for the four Opportunity Zones.

#### **ALTERNATIVES:**

This item is for briefing purposes only.

#### **FISCAL IMPACT:**

There is no fiscal impact associated with this briefing.

#### **RECOMMENDATION:**

This item is for briefing purposes only.