



# City of San Antonio

## Agenda Memorandum

**File Number:**21-3317

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**Agenda Item Number:** 3.

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

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

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**DEPARTMENT:** Neighborhood and Housing Services Department

**DEPARTMENT HEAD:** Verónica R. Soto, FAICP, Director

**COUNCIL DISTRICTS IMPACTED:** 5

### **SUBJECT:**

Briefing of the Lone Star District Project generally located at 500 and 600 Lone Star Blvd. within the Inner City TIRZ in Council District 5.

### **SUMMARY:**

The Lone Star District is a 32-acre mixed-use development that will include multi-family housing, retail space, commercial space, entertainment, hospitality, office space, and open market space. The core of the development will be the adaptive reuse of the historic Lone Star brewhouse. The project will be built in multiple phases starting in the fourth quarter of 2021 and continuing for approximately a decade. The total built space will exceed 1,000,000 square feet and include approximately 1,282 housing units of which 20% (approximately 256) will be affordable.

The Lone Star District redevelopment-with a total development cost of approximately \$709,267,533-will have both an economic impact and a community impact. During construction, the project is estimated to create approximately 3,900 direct jobs and 7,734 indirect jobs. Once the development is completed, approximately 1,550 full-time jobs are estimate be created. The development will have an impact on the community by transforming a formerly industrial use that has long been vacant to an active use that will include a refurbished Lone Star Boulevard with new widened sidewalks, bikes lanes, and buried overhead utilities. The transformation of Lone Star Boulevard will also create an additional north-south connection with Steves Avenue. New public greenspaces will also be created and additional portals to the Mission Reach Trail. This will provide community gathering space and launching points for the exploration of the San Antonio River, Missions and other cultural amenities thus enhancing community amenities and enhanced access to these community assets.

The developer, GrayStreet Lone Star, LP. in partnership with Midway, is requesting TIRZ funding for public

infrastructure and public improvements for an amount not to exceed \$24,000,000.00 to be reimbursed over 15 years. The reimbursement will be structured as a TIRZ reimbursement and tax rebate using a Chapter 380 Economic Development Grant Agreement. The public improvements for the first two years will be reimbursed at 100% by the Inner City TIRZ in an amount not to exceed \$2,000,000.00. The remaining thirteen years will be a tax reimbursement with the final twelve years being reimbursed using the City's General Fund Operations & Maintenance (O&M) rate, currently at 62.15%.

#### **BACKGROUND INFORMATION:**

In April 2021, GrayStreet Lone Star, LP, submitted a TIF Funding Application seeking funding from the Inner City TIRZ for an amount of \$24,000,000 for eligible public infrastructure and public improvements.

#### **ISSUE:**

Consideration is requested for a Chapter 380 Economic Development Grant Agreement for an amount not to exceed \$24,000,000 in tax rebates for a term of fifteen years.

#### **ALTERNATIVES:**

Economic and Workforce Development Committee may elect not to approve this item which would adversely impact the ability of the developer to proceed with the redevelopment of the Lone Star District.

#### **FISCAL IMPACT:**

Funding for this agreement is available through the tax increment produced by the TIRZ and the City's General Fund using the O&M rate.

#### **RECOMMENDATION:**

Staff recommends forwarding the Lone Star District Project Chapter 380 Economic Development Grant Agreement for an amount not to exceed \$24,000,000 in tax rebates for a term of fifteen years for consideration to the Inner City TIRZ and City Council.