

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
ECONOMIC DEVELOPMENT DEPARTMENT**

TO: Mayor and City Council

FROM: Ramiro A. Cavazos, Director, Economic Development

THROUGH: Terry M. Brechtel, City Manager

COPIES: Christopher J. Brady; Trey Jacobson; Manuel Longoria; Rebecca Waldman;
Thomas G. Wendorf; Milo Nitschke; Andrew Martin; Veronica Zertuche; File

SUBJECT: Requesting an Ordinance to Approve and Authorize Execution of a Field Alteration to the Majestic Courtyard Project Management Agreement for the Design and Funding of a Vehicular Pull-off Space in the 200 Block of East Houston Street.

DATE: November 14, 2002

SUMMARY AND RECOMMENDATIONS

This ordinance would approve and authorize execution of a Field Alteration to the Majestic Courtyard Project Management Agreement with Street Retail San Antonio, L.P. (SRSA) that provides for the design and funding of a vehicular pull-off space in the 200 Block of East Houston Street. The Project Management Agreement (approved by Ordinance No. 94308 on August 9, 2001) is between the City of San Antonio and SRSA, who is the developer responsible for the redevelopment and certain public infrastructure improvements. This Field Alteration implements the applicable provisions of the Development Agreement between the City and SRSA. Staff recommends approval.

BACKGROUND INFORMATION

On December 9, 1999, the City Council (Ordinance No. 90969) designated a development area commonly referred to as the Houston Street/Downtown Area Project, as *Reinvestment Zone Number 9, San Antonio* (TIRZ No. 9). On March 30, 2000, the City Council (Ordinance No. 91539) passed and approved the Development Agreement between the City and SRSA to construct certain public improvements identified in the TIRZ No. 9 Project Plan.

The Development Agreement provided for the ability of the Developer to construct public improvements such as a pull-out lanes, trees and signifiers through the re-allocation of project funds in the Reinvestment Zone. Funding for the Majestic Courtyard has been obtained from proceeds of Certificates of Obligation originally identified for the Houston Street Project. On August 9, 2001, the City Council (Ordinance No. 94308) approved the negotiation and execution of a Project Management Agreement between the City and SRSA for the construction of the Majestic Courtyard Project.

To further assist the redevelopment of the 200 Block of East Houston Street, the Developer, in coordination with the City, has identified the additional need for a vehicular pull-off space for valet service for new restaurants and retail spaces. To fund this public improvement, the City has identified additional funding available from fund balances from various public infrastructure projects associated with the Houston Street/Downtown Area Project. This ordinance will authorize the execution of a Field Alteration to the Majestic Courtyard Project Management Agreement Budget by approving the design and funding of a vehicular pull-off space, which will be constructed by the Developer.

POLICY ANALYSIS

The ordinance approves a Field Alteration that implements the applicable provisions of the Development Agreement, which provided in Article 6.1(b) for "a small number of mid-block pull-out" spaces to facilitate passenger loading and unloading. As with the original Project Management Agreement, this Field Alteration will require the Developer to design and oversee construction, including competitive bidding. The Developer's general contractor will be designated representative responsible for the management of all contractual matters. The City's Economic Development Director will be the City's representative responsible for the administration of this amendment.

Since the funds are made available to the City through the issuance of Certificates of Obligation, the Developer will be required to observe and comply with all City and State Laws, Regulations and Administrative Directives regulating the sale and use of Certificates of Obligation. The Developer is also required to comply with competitive bidding laws for construction work, as would be required of the City. Upon completion, the Developer will convey the improvements to the City by an appropriate legal instrument.

HDRC approved the pull-out lane on the 200 Block of E. Houston Street on November 6, 2002.

FISCAL IMPACT

This ordinance would allow execution of a Field Alteration to the Majestic Courtyard Project Management Agreement Budget. The total of all payments and other obligations made or incurred by the City will not exceed the sum of \$47,500 and be appropriated from funds available from the 2000 C Certificates of Obligation. It is also stipulated that there will be no cost to the City for project management services.

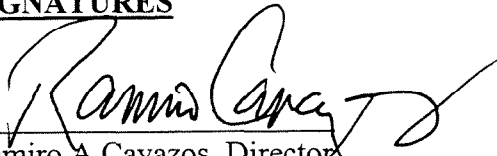
COORDINATION

This item has been coordinated with the Developer, City Manager's Office, City Attorney's Office, Public Works, Asset Management and Finance Departments.

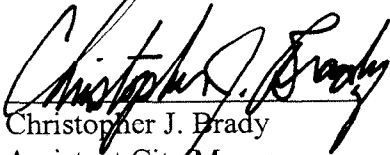
SUPPLEMENTARY COMMENTS

Ethics Disclosure Form is not required.

SIGNATURES



Ramiro A. Cavazos, Director
Economic Development Department



Christopher J. Brady
Assistant City Manager

Approved:



Terry M. Brechtel
City Manager

RC:TJ:ag