

**CITY OF SAN ANTONIO  
ECONOMIC DEVELOPMENT DEPARTMENT  
CITY COUNCIL AGENDA MEMORANDUM**

**TO:** Mayor and City Council

**FROM:** Ramiro A. Cavazos, Director

**SUBJECT:** Ordinance approving \$300,000 from the Economic Development Incentive Fund (EDIF) for the Park Centre Project

**DATE:** May 26, 2005

**SUMMARY AND RECOMMENDATIONS**

This Ordinance is in response to a Council Consideration Request from Mayor Garza dated April 21, 2005. The ordinance appropriates and authorizes payment of \$300,000 from the Economic Development Incentive Fund (EDIF) to Park Centre Towers, Ltd. for the Park Centre Project to provide marketing and other pre-development efforts to promote development of two mid-rise condominium towers and town homes on the near Eastside of downtown. This ordinance would also authorize the negotiation and execution of a development agreement in connection with this project.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

A local investment group, led by Jeff Rochelle, Zachry Realty and Presidian Companies, proposes to develop two condominium towers and town homes on the near Eastside of downtown. The developers are seeking predevelopment and marketing assistance, gap financing and long-term tax incentives for the project. The project consists of two phases in which towers of 124 condominium units each will be constructed for a total of 248 units, with a projected sales price of \$308,417 per condo. In addition, 60 three-story town homes are planned with a projected sales price of \$235,236 per unit.

The total project cost is estimated at \$68 million, for both phases. Of that total, the developer's estimated sources total \$61,572,117. The request to the City for marketing assistance is \$300,000. This amount represents a portion of the total \$1,101,286 budgeted for pre-opening and marketing costs for Phase I. The funds are needed to market the project in an area that has not traditionally been targeted for new residential housing to ensure viability of the project by providing the necessary capital to allow the units to be successfully marketed and sold in advance.

### **POLICY ANALYSIS**

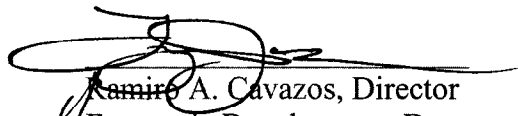
This type of development, in this location and the scale of the project is specifically recommended in the Urban Land Institute (ULI) report, which was approved by the City Council at their meeting of April 21, 2005. Consideration of this ordinance reflects the City Council's interest in promoting residential development in the near Eastside of San Antonio, an area that has historically not experienced the level of residential development that is currently being realized in the Central Business District.

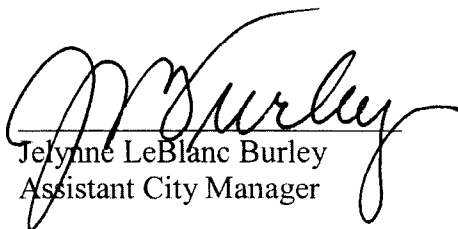
### **FISCAL IMPACT**

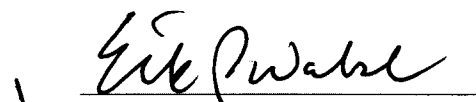
This action would appropriate and authorize payment of \$300,000 from the Economic Development Incentive Fund. A development agreement between the City and the developer will be negotiated to structure the repayment of these funds within this financial agreement.

### **COORDINATION**

This item was reviewed and recommended for City Council consideration by the Governance Committee at their meeting on May 4, 2005.

  
Ramiro A. Cavazos, Director  
Economic Development Department

  
Jelynn LeBlanc Burley  
Assistant City Manager

  
for J. Rolando Bono  
Interim City Manager

CITY OF SAN ANTONIO  
MAYOR'S OFFICE  
INTERDEPARTMENTAL MEMORANDUM

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05 APR 25 AM 11:25

**TO:** City Council Members

**FROM:** Edward D. Garza, Mayor

**COPIES:** J. Rolando Bono, Interim City Manager; Jelynn L. Burley, Assistant City Manager; Ramiro Cavazos, Director, Economic Development Department; Erik W. Walsh, Assistant to the City Manager; Martha Sepeda, Acting City Attorney; Leticia Vacek, City Clerk; Peter Zanoni, Director, Management and Budget; Gayle McDaniel, Assistant to Council

**SUBJECT:** Funding for Economic Development Initiatives

DATE: April 21, 2005

I respectfully request your support in directing staff to place an action item on an upcoming City Council agenda to utilize funding reserved from the Economic Development Incentive Fund (EDIF) for a Neighborhood Improvement District challenge program, to support two economic development initiatives:

1. **Central City Residential Project:** The Zachry Company proposes to develop two mid-rise condominium towers and town homes on the near Eastside, just north of E. Commerce Street. This type and scale of development is specifically recommended in the ULI report, approved by City Council, today. A variety of incentives have been proposed to make the project viable. However, the development will not occur unless a majority of the residential units are successfully marketed and sold in advance. I am requesting that \$300,000 be allocated from the EDIF to support marketing and/or pre-development efforts to assist in making this priority project a reality.
2. **Healthcare and Bioscience Marketing Entity:** The Economic Development Council of the Greater San Antonio Chamber of Commerce has proposed the creation of a healthcare and bioscience marketing entity, which could foster growth of this targeted industry by coordinating community-marketing efforts and heighten awareness of San Antonio's world-class healthcare and biotechnology assets and services. It supports recommendations in the City's *Strategic Plan for Enhanced Economic Development*. I am requesting that \$100,000 be allocated from EDIF to support the establishment and first-year operations of this entity.

Thank you for your support of these efforts.

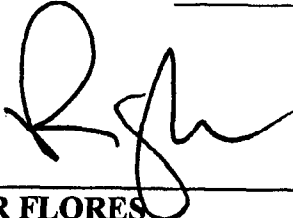
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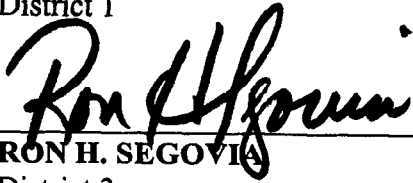
**EDWARD D. GARZA**

Mayor



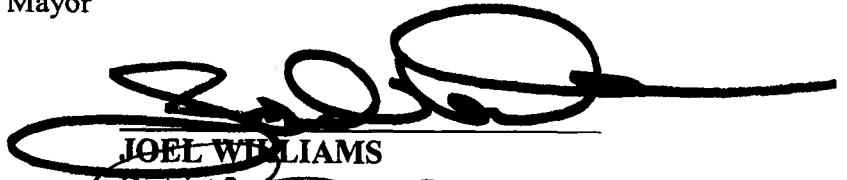
**ROGER FLORES**

District 1



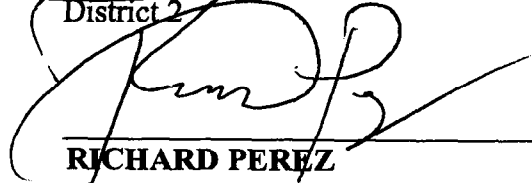
**RON H. SEGOVIA**

District 3



**JOEL WILLIAMS**

District 2



**RICHARD PEREZ**

District 4

**PATTI RADLE**


District 5

**ENRIQUE M. BARRERA**

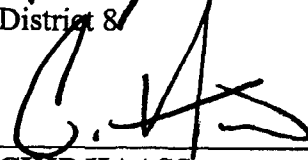
District 6

**JULIAN CASTRO**

District 7

  
**ART A. HALL**

District 8

  
*for discussion*

**CARROLL SCHUBERT**

District 9

**CHIP HAASS**

District 10