

Agenda Item # 9  
REVISED

CITY OF SAN ANTONIO  
NEIGHBORHOOD ACTION DEPARTMENT  
CITY COUNCIL AGENDA MEMORANDUM

**TO:** Mayor and City Council

**FROM:** David D. Garza, Director, Neighborhood Action Department

**SUBJECT:** **REVISED MEMORANDUM**  
Amendments to the Final Project and Financing Plans for Tax Increment Reinvestment Zone Number Eleven, City of San Antonio, Texas, known as the Inner City TIRZ, to add seven projects submitted in response to a Request for Proposal

**DATE:** August 25, 2005

**SUMMARY AND RECOMMENDATIONS**

This ordinance approves amendments to the Final Project and Financing Plans for Tax Increment Reinvestment Zone ("Zone" or "TIRZ") Number Eleven, City of San Antonio, Texas, also referred to as the Inner City TIRZ, to add seven projects as submitted in response to a Request for Proposal.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

On December 14, 2000, the City Council approved an ordinance establishing the Tax Increment Reinvestment Zone, the Zone Fund, and the Board of Directors for the Zone ("Board"), in accordance with the Tax Increment Finance Act (the "Act"). After approval by the Board, the City Council also approved the Final Project Plan and Final Finance Plan on May 21, 2001 for the TIRZ. The TIRZ expires on September 30, 2015. The Project and Finance plans were amended in 2004 by adding the Eastside Sports Complex to the existing list of 6 projects in the plan.

In September 2004, the Board directed City staff to develop a Request for Proposals (RFP) in order to solicit projects that would stimulate additional development throughout the Zone. In December, after Board approval, the City released the RFP for a 30-day period. The RFP stipulated that all projects will be subject to the *2004 City of San Antonio, Texas Guidelines and Criteria for Tax Increment Financing and Reinvestment Zones* ("Guidelines"). A total of seven (7) proposals were submitted:

<u>Project</u>	<u>Developer</u>
1. Dr. Frank Bryant Health Center	Barrio Comprehensive
2. Friedrich Building	Plan B Development
3. Friedrich/Carver Joint Use Parking	Plan B Development

4. Merchants Ice
5. Oscar Eason Multiuse Center
6. San Antonio Staybridge Hotel
7. Victoria Commons

Plan B Development  
Inner City Enterprises  
Zachry Realty, Inc.  
San Antonio Housing Authority

An RFP review committee comprised of representatives from the Departments of Neighborhood Action, Economic Development, Housing and Community Development, Public Works, and Planning reviewed the proposals. Following a presentation of Staff recommendations to the Board on May 25, 2005, the Board postponed action in order to have staff provide more detail on each proposal. On June 27, 2005, the Board received additional information and approved the addition of all seven projects, to be referenced as "Project List B," and to keep the existing projects on "Project List A" in the TIRZ Project Plan. The description of each project and the estimated costs are detailed in the Amended Final Project Plan attached as Exhibit A.

A committee led by Councilwoman Sheila McNeil was established at the meeting to further evaluate the Staybridge Hotel project in order to recommend a funding level to the full Board at a future board meeting.

Furthermore, the Board's amendment to the Project Plan provides that the projects in "Project List A" will remain in the Project Plan and may be reconsidered for TIRZ Funds by the Board if proper plans and proof of finance is presented in the future. In an effort to ensure projects move forward with the development process, the projects in Project List B are required to: 1) secure adequate funding to complete the entire project; or 2) break ground for construction within twelve (12) months of the date the City approves the project. If the project fails to secure funding or break ground, then that project will be subject to deletion from the list of projects to receive funding from the TIRZ fund. Should any project, by recommendation of the Board and subsequent action by the City Council, be deleted from "Project List B," the funds allocated to that project under the Final Finance Plan shall be available for reallocation by the Board and the City to one or more of the remaining projects on "Project List B," or other projects added by the Board.

### **POLICY ANALYSIS**

Section 311.011(e) of the Act provides that the Board of a reinvestment zone may adopt an amendment to the project plan for the reinvestment zone. That amendment is effective upon approval of the City Council by the passage of an ordinance.

All project developers must enter into a contractual agreement with the Board and the City, which will, in addition to other requirements, stipulate the scope of work, the eligible TIRZ costs, the amount the TIRZ fund will reimburse, and the schedule to complete projects. These agreements will be presented to the Board and City Council for consideration as they are completed.

### **FISCAL IMPACT**

The proposed amendments do not have an impact to the General Fund. In accordance with the amended Final Financing Plan, this ordinance identifies the use of TIRZ Funds for payment of:

(1) administrative fees and (2) all eligible costs related to proposed projects as outlined in the Project Plan.

In accordance with the Guidelines, this Ordinance requires the developers for the new projects in the amended Project Plan to submit the \$31,000 processing fee within ten (10) business days after Council approval of this Ordinance. These fees will be deposited in the TIF Special Revenue Fund and will be used to directly support the staff in the TIF Unit who will be reviewing the details of the proposed projects to ensure they meet all the Guidelines.

With the addition of seven new projects and funding for the Staybridge Hotel project, as approved by the Board, the amended Financing Plan estimates total TIRZ project costs of \$12,060,161 for the projects listed in "Project List B." The costs associated with each of these projects are detailed in the Financing Plan attached as Exhibit B.

The Inner City TIRZ has collected \$500,850 since its designation in 2000. The proposed amendments to the Financing Plan project a total of \$13,530,400 to be collected through the end of the TIRZ in FY 2015.


### **COORDINATION**


This item has been coordinated with the Departments of Finance, Planning, Contract Services, Public Works, Economic Development, Housing and Community Development and the City Attorney's Office.

### **SUPPLEMENTARY COMMENTS**

The Inner City TIRZ Board met on Monday, August 22, 2005 and approved the funding recommendation for the Staybridge Hotel project. The Financing Plan has been amended to include the Board's action.

  
David D. Garza, Director  
Neighborhood Action

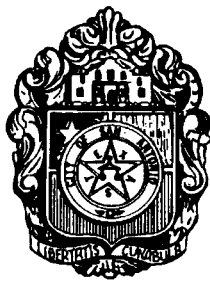
  
Jelynn LeBlanc Burley  
Assistant City Manager

  
J. Rolando Bono  
City Manager

City of San Antonio

**Tax Increment Reinvestment Zone Number 11**  
**City of San Antonio, Texas**

*Inner City TIRZ*



# **FINAL PROJECT PLAN**

**Approved:**  
**May 24, 2001**

**Amended:**  
**December 18, 2003**  
**September 2, 2004**  
**June 30, 2005**  
**August 25, 2005**

# **PROJECT PLAN**

## **Tax Increment Reinvestment Zone Number 11**

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### **Section 1: Executive Summary**

Tax Increment Reinvestment Zone Number 11 (Inner City TIRZ) was designated on December 14, 2000 to support redevelopment and public infrastructure improvements within the boundaries of the following three enterprise zones: 1) Enterprise Community Enterprise Zone, 2) Eastside Enterprise Zone, and 3) Southside Enterprise Zone.

When the zone was created, several projects were identified as eligible for TIRZ funds. In May of 2001, the TIRZ Board and City Council approved the Final Project and Final Finance Plans that identified six projects that were eligible for TIRZ funds. In August 2002, the TIRZ Board re-prioritized the existing projects and began to evaluate those projects that were further in the development process. In December 2003, the Board and City Council approved an amendment to the TIRZ boundaries to include Walters, Houston and Hackberry corridors, in an effort to focus on potential corridor development. This amendment included the addition of 214 net new parcels in the zone. In February of 2004, the Board approved the addition of a new project known as the Eastside Sports Complex. During the September 1, 2004 TIRZ Board meeting, the Board directed staff to develop a Request For Proposals to solicit new projects to be considered for TIRZ funds. On December 13, 2004, staff presented the draft RFP to the TIRZ Board. The staff released the RFP on December 22, 2004, stipulating a deadline to submit proposals on January 24, 2005. On June 27, 2005, the Board approved amending the boundaries of the TIRZ to include a City owned parcel located at 600 E. Market Street, where a convention center hotel is to be constructed, and to add several projects to the list of eligible projects.

The Board intends to use the projected revenue of \$13,530,400 effectively by encouraging private investment, maximizing public benefit and furthering other City goals.

## **Section 2: TIF Policy and Program**

### **Policy**

The City of San Antonio is dedicated to the revitalization of inner-city neighborhoods and commercial districts, particularly in those areas located inside Loop 410 and south of Highway 90, by using a tiered system of incentive tools, such as Tax Increment Financing (TIF). A TIF project should act as an economic stimulus to the surrounding areas. By leveraging private investment for certain types of development within a targeted area, TIF can be a tool used to assist in financing needed public improvements and enhancing infrastructure.

### **TIRZ Designation**

Once a Reinvestment Zone has been established in accordance with Chapter 311 and the TIF Guidelines, incremental real property taxes resulting from new construction, public improvements, and redevelopment efforts will accrue to the various taxing entities. Participating taxing entities may deposit all, a predetermined portion, or none of the incremental property taxes in a designated TIF Fund for the purpose of financing the planning, design, construction or acquisition of public improvements in the Reinvestment Zone. Under the TIF Guidelines, the City of San Antonio will enter into a written agreement with all participating taxing entities to specify: (1) the conditions for payment of the tax increment into a TIF Fund, (2) the portion of tax increment to be paid by each entity into the TIF Fund, and (3) term of the agreement.

### **Participating Entities**

The City is the only participating taxing entity in the Inner City TIRZ.

### **City of San Antonio**

The City of San Antonio roles and responsibilities with the Inner City TIRZ are to administer the TIF process, which include, but are not limited to:

- Administration of TIRZ Board
- Administration of TIRZ Fund
- Review and evaluate project proposals
- Execute legal agreements
- Monitor construction of projects
- Issue reimbursement(s) for Public improvements and other eligible costs completed and submitted, upon approval of the TIRZ Board
- Prepare and send State required reports
- Give status reports to City Council

### **Neighborhood Associations and Community Groups**

The neighborhood associations, community groups and other organizations such as community development corporations play a vital role in the revitalization, development, and/or redevelopment of the Inner City TIRZ. The City strongly encourages community participation in the development of project proposals.

### **Bexar County**

Bexar County does not contribute their increment to the Inner City TIRZ fund; however, Bexar County has committed funds for improvements that would enhance Commerce Street access from IH-37 to the SBC Center. Improvements would include street reconstruction, necessary

drainage improvements, signage, sidewalk repair and other aesthetic improvements that would create a “grand boulevard” effect on this important thoroughfare between downtown San Antonio and the SBC Center.

### **Developer**

Since the project plan identifies several projects that are eligible for TIRZ funds, the Inner City TIRZ may enter into multiple agreements with multiple developers to revitalize, develop and/or redevelop areas within the Inner City TIRZ boundaries. As projects and improvements are proposed and approved by the Board and City Council, the various agreements will outline the scope of services and deliverable details for each specific project.

## **Section 3: Existing Conditions**

### **Regional**

The Inner City TIRZ is located in the center and the eastern quadrant of the City of San Antonio, inside Loop 410, primarily south of Interstate Highway 35, north of Interstate Highway 10, and straddling both sides of Interstate Highway 37. The zone is approximately 2.5 square miles (1570 acres) in size.

### ***Urban Setting***

Due to its size and location, the zone contains a wide variety of neighborhoods, business and entertainment districts that are broadly representative of the City’s development history. The zone also includes some key landmarks such as the Riverwalk, Alamodome, SBC Center, and Sunset Station.

### ***School District(s)***

Project is located in San Antonio Independent School District area.

### ***Neighborhood Associations***

The neighborhood association for the area include: Lone Star, King William, Lavaca, Downtown, Historic Gardens, Nevada Street, Coliseum Oaks, Coliseum Willow Park, Jefferson Heights, Harvard Place/Eastlawn, Government Hill, and Dignowity Hill.

### ***Major Thoroughfare Plan***

The TIRZ has two major highways crossing through the zone: IH-37 north and south and IH 35 east and west. Several corridors make up the major transportation arteries including: Alamo Street, South Presa Street, Hackberry Street, New Braunfels Avenue, Walters Street, East Houston Street, and East Commerce Street.

## Demographics

Fourteen Census Tracts overlap Zone boundaries.

	Percentage of civilians unemployed	Percentage of population living below poverty level	Percentage of population without high school degree	Unhealthy Zip Code <sup>1</sup>
COSA	6.2%	17.3%	24.9%	
TIRZ 11 <sup>2</sup>	5.9%	34.5%	42.4%	
110100	9.0%	37.5%	35.0%	--
110200	6.5%	44.7%	45.0%	--
110300	5.4%	32.9%	55.0%	Yes
110400	3.5%	18.9%	20.7%	--
110900	2.4%	39.6%	40.2%	--
111000	5.4%	29.9%	54.5%	--
130100	7.7%	45.0%	52.1%	--
130200	6.7%	35.7%	49.0%	--
130500	5.7%	44.5%	43.2%	--
130600	5.7%	43.9%	40.7%	--
130700	5.5%	47.3%	50.4%	--
130800	7.1%	27.5%	31.1%	--
140100	10.1%	23.5%	52.0%	Yes
150200	2.7%	12.0%	24.7%	Yes

### *Education*

A higher percentage of people living in the TIRZ do not have a high school degree (42.4%) compared to the City average (24.9%).

### *Poverty level*

The poverty rate within the TIRZ is nearly double that of the City.

### *Employment*

The unemployment rate within the TIRZ is slightly lower than the City.

<sup>1</sup> According to Metropolitan Health District.

<sup>2</sup> Average of the fourteen Census Tracts.



## **Section 4: Proposed Projects**

The proposed projects eligible for Inner City TIRZ funding have changed from time to time since the designation of the zone. In December 2004, the Inner City TIRZ Board released an RFP to solicit new projects. Seven proposals were submitted. During the June 27, 2005 TIRZ Board meeting, the Board approved the addition of these seven projects and furthermore deleted the following projects from being eligible to receive TIRZ Funds: Ellis Alley Restoration, Southtown (South Alamo), East Side Cemeteries, New Light Village Housing and Good Samaritan Hospital. These projects will remain on the Project Plan and may be reconsidered for TIRZ Funds by the Zone Board if proper plans and proof of financing are presented in the future.

Future projects may be added to the Project and Finance Plans. The TIRZ Board will approve the process to solicit new projects. All new projects will be evaluated and added to the Project Plan and Finance Plans upon approval of the TIRZ Board and City Council. The following are brief descriptions of each proposed project.

### ***Eastside Sports Complex – District 2***

The Antioch Community Transformation Network, Inc. (ACTN), a 501 (c)(3) non-profit community development corporation established in April 2000 by the Antioch Missionary Baptist Church, has proposed to make an investment into the community by constructing a privately-owned sports complex & gymnasium. The Eastside Sports Complex will be located on Walters Street and Eross Street in the central eastside of San Antonio. This 22,600 square foot, two-story, state-of-the-art sports complex will house:

- NCAA regulation basketball court with seating for 250 people
- Aerobics/Fitness room
- Ballet & Dance Studio
- Walking Track
- Weight Training Equipment
- Men's & Women's Health Club
- Team Locker and Training Room
- Concession Stand
- Offices

The cost of building the facility is estimated to be approximately \$4 million. ACTN proposes to pay for the construction through a private construction loan, private donations, and grants. No TIRZ funds will be used to pay for the construction of the facility. In order to meet the costs of operating the facility, ACTN proposes to lease the court and other amenities to the Silver Stars WNBA professional basketball team for specific hours and days during the course of their three seasons (training camp, regular season, & off season). ACTN also proposes to lease the court and other amenities to the Amateur Athletic Union for basketball tournaments.

ACTN proposes to offer this facility for public usage in return for a “user fee.” TIRZ funds would be used to pay ACTN for allowing the public to use the facility. The City of San Antonio, the Tax Increment Reinvestment Zone Number Eleven (11) Board and the Antioch Community Transformation Network would enter into a “use agreement” that will outline the specifics of the public use. The total fees for public use of the facility for eight (8) years beginning in FY 2008 are \$1.8 million. Annual fees are outlined in the Finance Plan.

The proposed “use agreement” will allow for this facility to open for public use and allow for activities such as:

- Middle school and high school basketball and volleyball
- Wheelchair basketball
- Basketball camps for community youth
- Non-traditional sports programs (i.e. martial arts, wrestling)
- Senior health and fitness programs
- Health & nutrition fairs
- Mother’s day out programs
- Dances
- Community theatre
- Community exercise equipment

In addition to improving the attractiveness of the neighborhood, this facility will offer positive alternatives for neighborhood youth that in many instances live in poor distressed neighborhoods and face many social problems that range from crime, drug use and gangs. It also will offer opportunities for other potential partnerships with other local community organizations to address issues such as health and wellness for residents of the eastside and San Antonio in general.

### ***Victoria Courts Housing Development - District 1***

The public housing has been demolished for a future mixed use development of approximately 25,000 square feet of commercial services, 240+ apartments, 60 townhouses, and 20 duplexes. The site is owned by the San Antonio Housing Authority (SAHA), a public entity. All infrastructure improvements include sewer, utilities, storm water drainage, streets, sidewalks, curbs, lighting and street landscape. The estimated cost of infrastructure is \$5.0 million.

### ***New Light Village Housing - District 2***

This project includes the acquisition and demolition of the old Super S commercial strip and all the expenses associated with the pre-development costs paid by CERA for the housing project. The 10.072 acres is privately owned, and 3.911 acres owned by the Dellcrest Church of Christ will be sold to a private housing developer for construction of 85 new town homes in the \$75,000 to \$85,000 price range. All land will be dedicated for the public infrastructure improvements for streets, drainage, utilities, etc. will be deeded to the City of San Antonio.

### ***Good Samaritan Hospital - District 2***

A 12,000 square foot building, with historic significance as an African American hospital, is currently in private ownership. CERA, the non profit sponsor, will use the TIRZ funds to acquire the property and provide a portion of the environmental remediation to the structure. Once in public ownership, CERA will apply for a federal or state grant that would be used to renovate the building and its adjacent lot into a first class East Side Telecommunications Business Incubator. Renovations include new electrical, HVAC, plumbing, windows, doors, elevator, rest rooms, interior finish out and installation of telecommunications T1 line, and other necessary equipment. It will also include the paving of a parking lot, fencing, security gate, and security systems. Included in this price is the property acquisition, condemnation costs, and adjacent land parcels surrounding the property currently owned by SADA.

The Telecommunications Incubator will be managed and operated by CERA for the City of San Antonio. The estimated cost of this project is \$1,592,357. The estimate with environmental remediation is \$1.8 million. CERA will seek a \$1.3 million grant to construct the project. The TIRZ will fund the property acquisition, adjacent land for parking and future development, and a portion of the environmental remediation.

### ***Southtown (South Alamo) - District 1***

The Southtown area has grown in recognition as a restaurant and arts district. In a recent market feasibility study commissioned by the City of San Antonio Neighborhood Commercial Revitalization (NCR) Program, the future of Southtown's development is critical upon much needed infrastructure. The condition of sidewalks, curbs, lighting, lack of parking, street landscape, signage is holding the area back from attaining its full potential.

Street improvements have been targeted for South Alamo between Probandt and Durango, Pereida between South Alamo and South St. Mary's, and South St. Mary's between Durango and the intersection of Pereida, including the stretch of Presa from Pereida to South Alamo. All improvements are public infrastructure and imperative as demonstrated in the Southtown Market Feasibility Study as critical to the neighborhoods commercial district development potential.

### ***Ellis Alley Restoration - District 2***

The City of San Antonio and VIA Metropolitan Transit have entered into a collaborative agreement to develop four historic buildings located in the Ellis Alley Transit Center. The buildings are owned by VIA Metropolitan Transit, a public entity. The four buildings are composed of three houses and one commercial structure. All four buildings have significant historical aspects to the history of African Americans in the East side of San Antonio. The buildings were once home to African American freedman slaves. Based on a Market Feasibility Study commissioned by the City of San Antonio a community cultural development plan was developed for the restoration and operations of the Ellis Alley buildings. A limited portion of the TIRZ funds will be used to renovate the four buildings from foundations, structural stabilization,

restoration of windows, doors, roof, interior finish out, electrical, plumbing, HVAC including the site work surrounding and linking the project with walkways, landscape and lighting. The funds will assist to convert the use of the Beacon Light buildings into a community cultural center which will include: arts and crafts gallery and retail sales, multimedia presentation and community room. The three smaller buildings will be converted into office space and rented to small and minority owned businesses. Other activities include: neighborhood cultural bus tours, self-guided bicycle tours, arts and cultural ticket sales, and as a historical attraction for the site itself. Such funds shall be used to create historical displays, videos, presentation equipment, gallery lighting, sound systems, etc. The balance of funds needed to complete this project will be identified through private foundations, future CDBG and future general revenue funds.

### ***East Side Cemeteries - District 2***

The African American and historic cemeteries that are located off East Commerce Street and South New Braunfels have been in deplorable condition. Those cemeteries are located in an area bounded by E. Houston on the north, N. New Braunfels on the east, Nevada on the south and Pine Street on the west.

The project focuses on providing new wrought iron fencing, gated entrances, gateway signage, historical markers, and landscaping. The TIRZ funds may be used to acquire cemeteries for public ownership.

### ***Convention Center Hotel & Condominium Unit Project - District 1***

The City San Antonio hired Faulkner USA, Inc. to develop the parcel of land adjacent to the Convention Center as a convention center hotel. The project is located at 600 E. Market and will be a Grand Hyatt Hotel, which will include condominium units above the hotel. It is proposed that 144 units will be constructed with state of the art finishes, floor to ceiling skyline views and every amenity of living in a hotel with all the advantages of a private residence. The sizes range from a 765 square foot one bedroom unit to a 3,903 square foot penthouse with a private roof deck. The average projected sales price per square foot is \$300.00 to \$400.00. The annual ad valorem taxes levied by the City and paid by the private owners of the condominiums will result in additional revenue to be deposited in the TIRZ Fund. The City Council approved a Purchase and Sale Agreement for the air space in which the condominiums shall be constructed. The City Council declared the Upper Commercial Condominium Unit as surplus, and authorized the sale of the surplus Upper Commercial Condominium Unit, to be located in the airspace immediately above the new Convention Center Hotel Project in accordance with the terms and conditions of the Purchase and Sale Agreement. The declaration of the Upper Condominium Unit is subject to the Developer and the City having met all conditions precedent to the closing, as more particularly set out in the Purchase and Sale Agreement, and provided, further, that the foregoing authorization shall also not be effective until after the date and time the Board approves expansion of the boundaries of the Inner City TIRZ to add the site.

The annual ad valorem taxes levied by the City, that are anticipated to be paid by the condominium owners once the units are all bought, are estimated to be \$350,000. The resulting

increment contributed to the TIRZ fund will enable the Inner City TIRZ to accomplish more public improvements than previously contemplated. The developer and City agree that the developer shall not seek reimbursement from the TIF Fund for infrastructure improvements related to the construction of the Convention Center Hotel or the Upper Condominium Unit or the addition of the site and Convention Center Hotel and Condominium Project to the Inner City TIRZ boundaries. The inclusion of the site and Convention Center Hotel and Condominium Project in the Inner City TIRZ is a means to enhance the performance of the Inner City TIRZ, without requiring any payment from the fund to the developer.

### ***Dr. Frank Bryant Family Health Center – District 2***

The Dr. Frank Bryant Health Center will be a two-story, 40,000 square foot building with a free standing 6,000 square foot storage building and parking lot on a 3.7 acre located at the intersection of East Commerce Street and Spriggsdale Boulevard. The main building will house four medical clinics, an 18-chair dental clinic, a full-service pharmacy and laboratory and behavior health services. The medical clinic will be staffed by Board-certified physicians in family practice, pediatrics, obstetrics-gynecology, and internal medicine.

Barrio Comprehensive Family Health Care Center, Inc will operate the Center. The project will add an estimated 64 new full time jobs and the project will cost \$8.9 million. In the first year of operation, the Center is expected to serve 22,100 patients during 54,150 visits and to serve to increase access to primary health care services on the east side residents.

### ***Friedrich Building – District 2***

Plan B Development from Dallas, TX plans to redevelop this formal industrial building along E. Commerce Street. Phase I of this 400,000 square feet facility includes the redevelopment of 90,000 square feet of commercial space, 20 residential units and the creation of a major interior courtyard. The total redevelopment cost for Phase I is \$23 million, with an estimated property value of \$8 million upon completion. TIRZ funds would be utilized for façade improvements and environmental abatement of asbestos linked to a baking oven and ceiling tiles, and to address transformers containing PCB. The redevelopment of this building will help fulfill the goals of the TIRZ and the East Town on Commerce Neighborhood Commercial Revitalization activities.

### ***Friedrich/Carver Joint Use Parking – District 2***

Plan B Development from Dallas, TX plans to utilize TIRZ Funds to: acquire all property bounded by Commerce, Hackberry, Olive and David Robinson Way, remove existing structures, and build a shared parking facility (200 parking spaces) that would be utilized by principally the Carver Cultural Center, the Carver Academy and the Friedrich Lofts. The contractual agreement entered into by the developer, the TIRZ Board and the City will outline the scope of work, the eligible reimbursable expenses and other requirements. If the parking lot is privately owned and operated, the estimated value of the development is \$1,500,000.

### ***Merchants Ice – District 2***

Plan B Development from Dallas, TX plans to redevelop a former ice manufacturing complex. This 6-building complex totals approximately 120,000 square feet. TIRZ Funds will be utilized to: develop a parking facility, partially demolish a multistory building which included plugging two aged water wells, and perform façade improvements to include landscaping and awnings. The redevelopment of this complex could help compliment the redevelopment efforts from St. Paul Square and the areas just east of IH-37. The estimated value of the development is \$4,000,000.

### ***Oscar Eason Multiuse Center – District 2***

Inner City Enterprises, Inc. propose to demolish five existing structures to construct a four story 48,900 square foot mixed use facility. This building will be located at 1602 E. Commerce Street and will consist of a 68-unit senior apartment complex with a storefront and community center, underground parking facilities. The first floor will contain approximately 12,242 square feet for commercial and retail spaces and for a community room. A total of forty-five of residential parking spaces will be provided below grade. The total costs of the project is estimated to be \$4,150,800. The development of this facility could help compliment the revitalization efforts in the East Town at Commerce Neighborhood Commercial Revitalization activities. The estimated value of the development is \$5,000,000.

### ***San Antonio Staybridge Hotel – District 2***

Zachry Realty, Inc. and Woodward Interest LLC propose to acquire land from the VIA Metropolitan Transit Authority in order to construct a 13-story, 141 room extended stay Staybridge Hotel. The 1.99-acre site is located directly south of the St. Paul Square/Sunset Station. TIRZ Funds will be utilized for acquisition of land and construction of approaches, parking, landscaping, an urban park, sidewalks and utility infrastructure. The estimated value of the development is \$18,315,000. This hotel could help compliment the redevelopment efforts of the St. Paul Square area and the revitalization efforts of the East Town at Commerce Neighborhood Commercial Revitalization.

### ***Victoria Commons – District 2***

The Victoria Commons master planned community will be the result of the redevelopment efforts of the former site of the Victoria Courts public housing development. The San Antonio Housing Authority was awarded a HOPE VI Revitalization Grant of \$18 million to partially fund the redevelopment of the original site. TIRZ Funds will be utilized for the reconstruction of water, sanitary, and stormwater, streets, sidewalks and drainage along Labor and Leigh Streets in order to facilitate the construction of 172 new single-family homes. Some utility lines serving this area are estimated to be more than 100 years old. This estimated value of the development of the 172 single-family homes is \$25.8 million.

## Section 5: Project Plan Costs

The following table shows the estimated costs and funding source for the TIRZ projects. These figures are for planning purposes only. Actual costs may differ.

**Project List A**

<b>Project</b>	<b>Estimated Costs</b>	<b>Fund Source</b>
<b>Arena Townhomes</b> (New Light Village)	\$ 0	<b>TIRZ</b>
<b>Good Samaritan Hospital</b>	\$ 0	<b>TIRZ</b>
<b>Southtown (S. Alamo St.)</b>	\$ 0	<b>TIRZ</b>
<b>Ellis Alley Restoration</b>	\$ 0	<b>TIRZ / CDBG</b>
<b>Eastside Cemeteries</b>	\$ 0	<b>TIRZ</b>
<b>Convention Center Hotel &amp; Condominium Project</b>	\$ 0	
<b>TOTAL</b>	<b>\$ 0</b>	

The projects in Project List A will remain on the Project Plan and may be reconsidered for TIRZ Funds by the Zone Board if proper plans and proof of financing is presented in the future.

**Project List B**

<b>Project</b>	<b>Estimated Costs</b>	<b>Fund Source</b>
<b>Eastside Sports Complex</b>	<b>\$1,832,992</b>	<b>TIRZ</b>
<b>Victoria Courts Housing</b>	<b>\$3,362,169</b>	<b>TIRZ</b>
<b>Staybridge Hotel</b>	<b>\$1,000,000</b>	<b>TIRZ</b>
<b>Barrio Comprehensive</b>	<b>\$1,700,000</b>	<b>TIRZ</b>
<b>Friedrich Building</b>	<b>\$850,000</b>	<b>TIRZ</b>
<b>Friedrich/Carver</b>	<b>\$1,275,000</b>	<b>TIRZ</b>
<b>Oscar Eason Multiuse Center</b>	<b>\$1,700,000</b>	<b>TIRZ</b>
<b>Merchants Ice</b>	<b>\$340,000</b>	<b>TIRZ</b>
<b>TOTAL</b>	<b>\$12,060,161</b>	

The projects approved in Project List B are required to 1) secure adequate funding to complete the entire project or 2) break ground for construction within twelve (12) months of the date the City approves of the project. If the project fails to secure funding or break ground, then that project will be subject to deletion from Approved Project List "B" and placement on Approved Project List "A". Should any project, by recommendation of the Zone Board and subsequent action by the City, be deleted from Approved Project List "B", the funds allocated to that project under the Final Finance Plan shall be available for reallocation by the Zone Board and the City to one or more of the remaining projects on Approved Project List "B", or other projects added by the Zone Board.

All project developers must enter into a contractual agreement with the TIRZ Board and the City, which will stipulate the scope of work, the eligible TIRZ costs and the amount the TIRZ fund

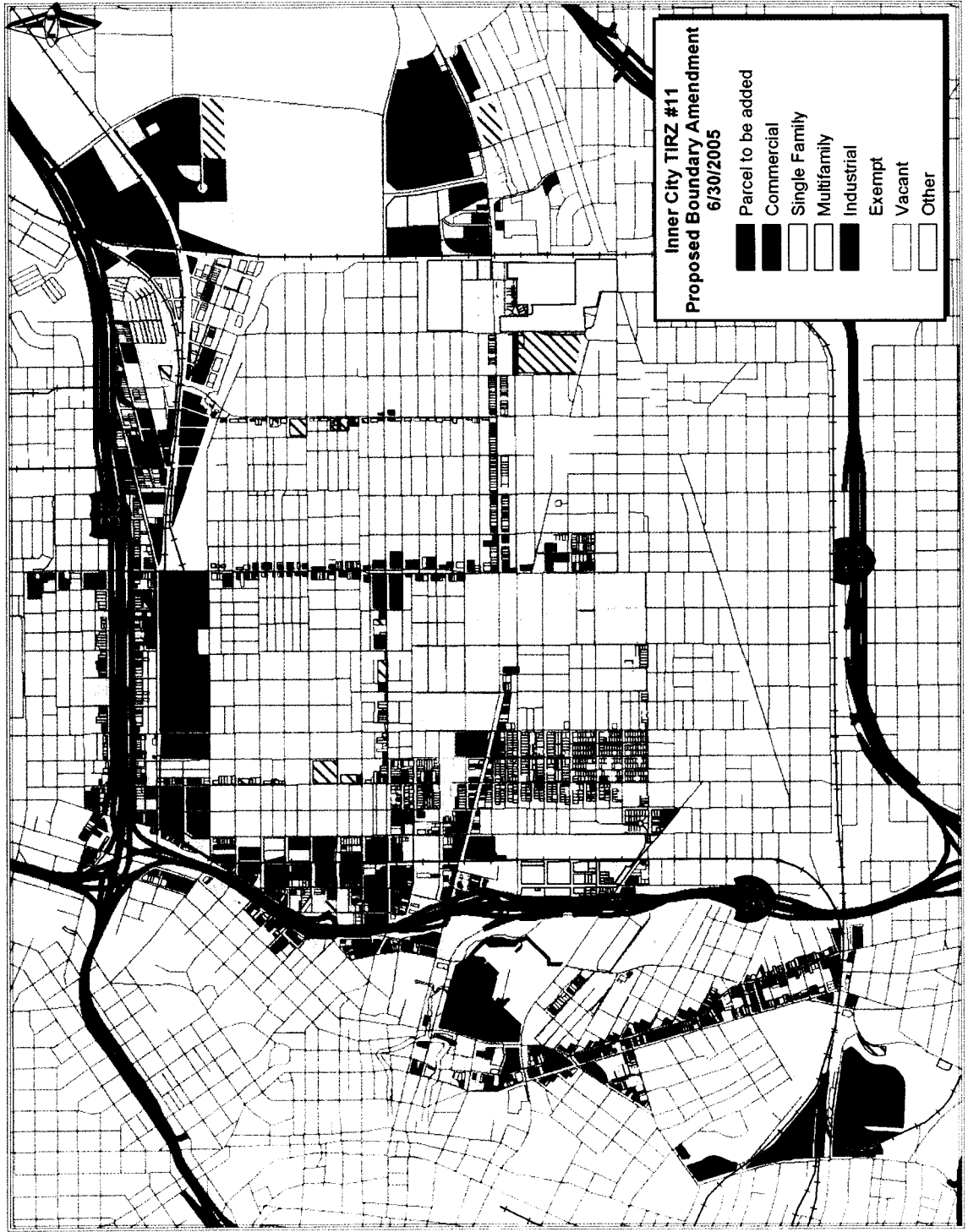
will reimburse, the schedule to complete projects, and other requirements. These agreements will be presented to the TIRZ Board for consideration as they are completed.

## **Section 6: Priority of Projects**

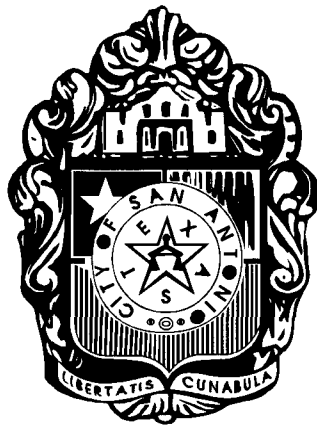
The Eastside Sports complex remains first in priority for TIRZ Funds at the funding level previously approved by the TIRZ Board and City Council. All other projects will be prioritized on a first come first serve basis.







**CITY OF SAN ANTONIO, TEXAS**  
**Neighborhood Action Department**



**Inner City – TIF Reinvestment Zone Eleven**  
**Final Finance Plan**

**August 25, 2005**

# **Inner City Redevelopment Project**

## **Tax Increment Reinvestment Zone No. 11**

### **Final Plan of Finance**

#### **Introduction**

The Inner City Tax Increment Reinvestment Zone is located in the eastside of the City and will encompass approximately 2.5 square miles (1570 acres). The approximate boundaries of Tax Increment Reinvestment Zone Number Eleven ("TIRZ 11") lie approximately one block north of IH-35 on the north between Broadway on the west and Coliseum Rd. on the east, then south on Coliseum Rd. to Commerce St., then west along Commerce St. to New Braunfels St., then south to Iowa St., then east to Hoefgen Ave., then south to Westfall Ave., then west on Westfall Ave. into Star Blvd. to Probrandt St., then north on Probrandt to Alamo St., then northeast on Alamo St. to St. Mary's St., then north on St. Mary's into Navarro St., and continuing north on Navarro St. to Commerce St., then east to Bowie St., and going north on Bowie St. to Alamo St., and continuing northeast on Alamo St. to Jones Ave., then west on Jones Ave. to Broadway, and then north on Broadway to IH-35. The purpose of the TIRZ 11 is to fund public improvements and encourage economic development. The life of TIRZ 11 is projected to be 14.79 years with a termination date of September 30, 2015 (Fiscal Year).

#### **Public Infrastructure**

The public infrastructure improvements and related capital costs include streets, drainage, utilities, sidewalks, and park improvements and other costs approved by the TIRZ Board and City Council. The TIRZ 11 will provide a source of funding for public improvements. Annual construction of public improvements will be made in the amount of the TIRZ 11 revenues received through September 30, 2015. The estimated TIRZ 11 revenue to be received through September 30, 2015 is \$13,530,400. The TIRZ 11 revenues in excess of the estimated \$13,530,400 received through September 30, 2015 may be allocated to other projects as directed by the TIRZ 11 Board of Directors.

#### **Plan of Finance**

The year 2000 base value of the TIRZ 11 is \$304,186,890. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements. Captured taxable incremental values will commence in tax year 2001 with collections commencing in fiscal year 2002. Captured values grow from \$13,111,197 in tax year 2001 to \$351,864,000 in tax year 2014.

The City of San Antonio is the sole taxing jurisdiction utilized in the analysis. The City's participation level is 100% and the City's current tax rate per \$100 valuation is \$0.578540. This produces annual revenues of \$373,474 in fiscal year 2005 to \$1,984,782 in fiscal year 2015. Assessed values are increased at a 1.50% per year with no projected increases in the tax rate.

The cost of the public infrastructure improvements and other approved costs will be paid annually from revenues produced by the TIRZ 11. In addition to the capital costs, other costs to be paid

from the TIRZ 11 revenues include City annual administrative fees. Revenues derived from the TIRZ 11 will be used to pay costs in the following order of priority of payment: (i) administrative fees pertaining to the City; and (ii) second, to fund public improvements, on an annual basis, as TIRZ 11 revenues are available for such payments.

The projected amount of TIRZ 11 revenues to fund capital costs through September 30, 2015 is \$13,530,400. TIRZ 11 revenues in excess of the estimated \$13,530,400 received through September 30, 2015, may be allocated to other projects as directed by the TIRZ 11 Board of Directors and approved by the City Council. It is projected that funds for capital improvements will not be available until fiscal year 2002.

#### **Limited Obligation of the City or Participating Governmental Entities**

The City shall have a limited obligation to impose, collect taxes, and deposit such tax receipts into a TIRZ 11. The TIRZ 11 collections shall not extend beyond September 30, 2015, and may be terminated prior to September 30, 2015. The public improvement infrastructure costs incurred shall be payable from the TIRZ 11 revenues or other sources of funding that may become available.

#### **Reporting**

The City shall submit a project status report and financial report at least annually to the City Council. The City shall also submit a project status report, financial report, or any other report as requested by the City Council within thirty (30) days of such request.

#### **Inspection**

The City shall have the right to inspect a project site or sites without notice and request information from developers.

# Inner City Tax Increment Financing Zone

## Sources and Uses of Funds

<b>Sources of Funds</b>	
Projected TIF Revenues	13,530,400
<b>Total Sources of Funds</b>	<b>13,530,400</b>
<b>Proposed Projects</b>	
Eastside Sports Complex	1,832,992
Victoria Commons	3,362,169
Barrio Comprehensive	1,700,000
Fredrich	850,000
Fredrich Carver	1,275,000
Oscar Eason Center	1,700,000
Merchant's Ice	340,000
Staybridge	1,000,000
<b>Total Project Expenses</b>	<b>12,060,161</b>
Public Improvements	12,060,161
Administrative Costs	140,000
<b>Total TIF Expenses</b>	<b>12,200,161</b>
<b>Total Ending TIF Fund Balance</b>	<b>1,330,239</b>

### **Notes**

-The TIRZ fund will only reimburse up to \$1,832,992 for "user fees" for 'the Eastside Sport complex, \$249,148 in Tax Year 2007, \$218,148 in Tax years 2008-2011 and \$237,084 in tax years 2012-2014

-Tax year 2007 reimbursement to Eastside Sport Complex for \$249,148 includes: \$218,148 plus \$31,000 processing fee which is charged to the project



## Inner City Tax Increment Financing Zone

### TIF Revenues Available for Construction

Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Revenue	TIF Admin. Exp.	Public Improvement Construction Funding	Cumulative Construction
15-Sep-00	2000	-	-	-	-	-
15-Sep-01	2001	-	-	-	-	-
15-Sep-02	2002	65,180	65,180	10,000	55,180	55,180
15-Sep-03	2003	100,078	165,258	10,000	90,078	145,258
15-Sep-04	2004	249,076	414,334	10,000	239,076	384,334
15-Sep-05	2005	373,474	787,807	10,000	363,474	747,807
15-Sep-06	2006	444,076	1,231,883	10,000	434,076	1,181,883
15-Sep-07	2007	513,819	1,745,703	10,000	503,819	1,685,703
15-Sep-08	2008	877,929	2,623,631	10,000	867,929	2,553,631
15-Sep-09	2009	1,102,363	3,725,994	10,000	1,092,363	3,645,994
15-Sep-10	2010	1,292,370	5,018,364	10,000	1,282,370	4,928,364
15-Sep-11	2011	1,339,696	6,358,059	10,000	1,329,696	6,258,059
15-Sep-12	2012	1,387,731	7,745,791	10,000	1,377,731	7,635,791
15-Sep-13	2013	1,871,904	9,617,695	10,000	1,861,904	9,497,695
15-Sep-14	2014	1,927,923	11,545,618	10,000	1,917,923	11,415,618
15-Sep-15	2015	1,984,782	13,530,400	10,000	1,974,782	13,390,400
15-Sep-16	2016					
15-Sep-17	2017					
15-Sep-18	2018					
15-Sep-19	2019					
15-Sep-20	2020					
		<u>13,530,400</u>	<u>13,530,400</u>	<u>140,000</u>	<u>13,390,400</u>	



**Inner City Tax Increment Financing Zone  
Participation Levels**

<u>Entity</u>	<u>Tax Rate</u>	<u>Level of Participation</u>	<u>% of Project</u>	<u>TIF Revenues</u>
San Antonio	0.5785400	100%	100.00%	\$ 13,530,400
	0.5785400		100.00%	\$ 13,530,400

**Projected Property Improvement Value  
(Property Values Added to Tax Roles)**

Fiscal Year	Embassy Suites Hotel	Holiday Inn Express	Best Western Hotel	Ruth's Chris Steakhouse	Enron	Victoria Courts Project	Historic Gardens Phase	Paragon	McDonald's	Springview Hope I Project	Springview Hope II Project	Springview Hope III Project	New Light Village Homes Phase 1
1999													
2000													
2001				721,300	715,300			26,500	70,200				
2002								6,200	310,500				
2003							1,391,775						855,000
2004							507,500			4,200,000	4,800,000		
2005												4,650,000	
2006		1,800,000				4,430,000							
2007	23,000,000	1,800,000				4,430,000							
2008													
2009													
2010						25,800,000							
2011													
2012													
	23,000,000	3,600,000	-	721,300	715,300	34,660,000	1,899,275	32,700	380,700	4,200,000	4,800,000	4,650,000	855,000

Notes:

- Embassy Suites Hotel project is tentatively projected to be added to the tax roles in FY 2007.
- Holiday Inn property value is projected to come online FY 2006 and FY 2007. Developer is securing financing for the project.
- Best Western project is designated as Historic and is 100% non-taxable for the next 4 years. Revenues Division is verifying the 100% non taxable designation with Planning Department/Historic Preservation.
- Ruth Chris Steakhouse 2001 value assessed significantly lower than projected value. Property value for 2002 decreased by \$262,300.
- MCI assess no value increase as a result of improvements in FY 2001. Property value for 2002 decreased by \$218,000.
- Victoria Courts property values are projected to come on the tax roles in FY 2006 and FY 2007.
- Historic Gardens completed 17 of the 24 homes with the property value coming online in FY 2003; the property value of the remaining homes to be built are projected to be added to the tax roles in FY 2004.
- Springview Hope Phases I and II property values are projected to be added to the tax roles in FY 2004. Phase III in FY 2005. Phase IV is dissolved. The total number homes in the project increased from 154 to 182 homes. Phase I, 56 homes; Phase II, 64 homes and Phase III, 62 homes per SAHA.
- La Quinta Inn/San Antonio Convention Center Inn and Suites project added. Current assessed value is \$6,709,600 ( \$6,000,000 land value and \$709,600 improvement value).

Fiscal Year	New Light Village Homes Phase 2	New Light Village Homes Phase 3	La Quinta Convention Center Inn	Merchant's Ice	Staybridge	Fredrich Building	Carver	Oscar Eason Center	Convention Center Condominium Project	Annual Total	Fiscal Year
1999										-	1999
2000										-	2000
2001										1,533,300	2001
2002										316,700	2002
2003										2,246,775	2003
2004	3,420,000									12,927,500	2004
2005		1,920,000								6,570,000	2005
2006										6,230,000	2006
2007			25,000,000	4,000,000						58,230,000	2007
2008					18,000,000	8,000,000	1,500,000	5,000,000		32,500,000	2008
2009										-	2009
2010										25,800,000	2010
2011										-	2011
2012									77,191,100	77,191,100	2012
	3,420,000	1,920,000	25,000,000	4,000,000	18,000,000	8,000,000	1,500,000	5,000,000	77,191,100	223,545,375	

**Inner City Tax Increment Financing Zone**

**Projected Improvements**

Tax Year	Scheduled Improvements	Other Improvements	Total New Improvements Base Model
1999			-
2000	1,533,300		1,533,300
2001	316,700		316,700
2002	2,246,775		2,246,775
2003	12,927,500		12,927,500
2004	6,570,000		6,570,000
2005	6,230,000		6,230,000
2006	58,230,000		58,230,000
2007	32,500,000		32,500,000
2008	-		-
2009	25,800,000		25,800,000
2010	-		-
2011	77,191,100		77,191,100
2012			
	<u>223,545,375</u>	<u>-</u>	<u>223,545,375</u>