

CONSENT AGENDA
ITEM NO. 30

**CITY OF SAN ANTONIO
NEIGHBORHOOD ACTION DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Sheryl Sculley, City Manager

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

SUBJECT: 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

DATE: March 2, 2006

SUMMARY AND RECOMMENDATIONS

This ordinance approves amendments to the Final Project and Financing Plans for Tax Increment Reinvestment Zone Number Eleven, City of San Antonio, Texas ("Inner City TIRZ") also referred to as the Inner City TIRZ to reflect action by Inner City TIRZ Board on January 30 and February 13, 2006:

- Adding language for funding/reimbursement prioritization of approved TIRZ Projects
- Move the Friedrich/Carver Joint Use Parking Project and its allocation from "Project List B" to "Project List A"
- Remove the Merchants Ice Project and its allocation

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 Inner City TIRZ Board has made several amendments to the Project Plan as a result of a process which identified development projects eligible for TIRZ funding.

On August 25, 2005, City Council approved Ordinance #101269 adding the following seven projects to the Project and Finance Plans.

Project:

1. Dr. Frank Bryant Health Center
2. Friedrich Building
3. Friedrich/Carver Joint Use Parking
4. Merchants Ice
5. Oscar Eason Multiuse Center
6. San Antonio Staybridge Hotel
7. Victoria Commons

Developed By:

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

The City has been negotiating Development Agreements for the projects listed above. On February 13, 2006, the TIRZ Board approved the following amendments to the Project Plan:

- funding/reimbursement prioritization for approved TIRZ Projects including how projects will be addressed in the event of a shortfall of project revenue
- Moved the Friedrich/Carver Joint Use Parking Project and its allocation from “Project List B” to “Project List A” until such time that the project was ready to move forward with the development and financing for the project was secured
- Removed the Merchants Ice Project and its allocation

Development agreements for projects listed in the Final Project and Finance Plans will require City Council approval.

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. All amendments are required to be approved by the City Council through the passage of an ordinance, which will have the attached final amended project and finance plan.

FISCAL IMPACT

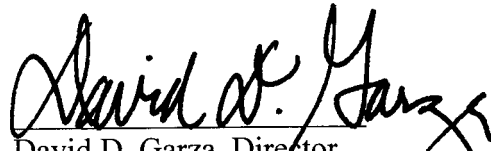
The project plan amendments do not have a fiscal impact on the General Fund. Since the Merchants Ice Project costs and projected value are being deleted from the project and finance plans, the amendments will result in:

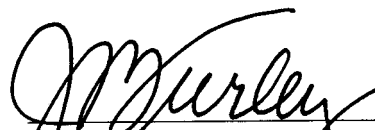
- Projected Revenue totals \$13,778,045
- Project costs totals \$12,520,161
- Total projected ending fund balance is \$1,117,884.

In accordance with the amended Final Finance 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. The TIRZ includes estimated collections through the term of the TIRZ which is September 30, 2015. Any future amendments to the Project Plan will require Board and City Council approval.


COORDINATION

This item has been coordinated with the Inner City TIRZ Board and the City Attorney's Office.


David D. Garza, Director
Neighborhood Action Department


Jelynn LeBlanc Burley
Deputy City Manager

Approved for Council Consideration:


Sheryl Sculley
City Manager