

**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:** Approval of Development Agreement for Inner City TIRZ-funded infrastructure improvements to support the Victoria Commons Development Project

**DATE:** March 2, 2006

**SUMMARY AND RECOMMENDATIONS**

This item is an ordinance authorizing the execution of a Development Agreement between the City of San Antonio, Texas, the Board of Directors for Tax Increment Reinvestment Zone Number Eleven, City of San Antonio, Texas and the San Antonio Housing Authority (SAHA) for infrastructure improvements to Labor and Leigh Streets including but not limited to replacement of street, water and sewer utilities, curbs, sidewalks, driveways, electric utilities, drainage and other improvements as required by the City and the Unified Development Code.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

Tax Increment Reinvestment Zone Number 11 ("Inner City TIRZ" or "TIRZ") was designated in 2000 to support redevelopment and public infrastructure improvements through the TIRZ which includes City Council Districts 1, 2 and 5. 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.

The Project Plan includes the support for the Victoria Commons development. The City has negotiated a Development Agreement where SAHA agrees to make infrastructure improvements to Labor and Leigh Streets including but not limited to replacement of street, water and sewer utilities, curbs, sidewalks, driveways, electric utilities, drainage and other improvements as required by the City and the Unified Development Code. The improvements will support Victoria Commons Phase III which includes the development of 172 single family homes with a projected value of \$25,800,000. The project is expected to be completed during the first quarter of 2007. The term of the Agreement begins 10 days after City Council approval of the Agreement. Total reimbursement for services during 8-year term is \$3,362,169, made twice a year as increments are deposited in March and August.

The Agreement includes other requirements such as insurance, payment of prevailing wages, small/minority contracting requirements, indemnification, defaults and remedies, and other stipulations. The Agreement requires approval by the TIRZ Board and the City Council.

### **POLICY ANALYSIS**

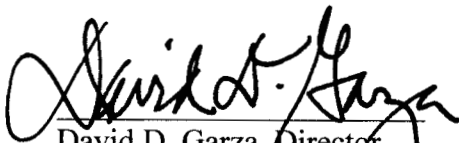
The TIF Statute allows for the cities to enter into agreements that would support a public purpose. Staff has negotiated the Development Agreement which details the construction schedule. The Agreement details the terms and conditions under which the TIRZ fund shall provide for payment.

### **FISCAL IMPACT**


Approval of this ordinance authorizes the Inner City TIRZ Board and the City to issue payment from the Inner City TIRZ Fund to SAHA in an amount not to exceed \$3,362,169 in incremental payments beginning in FY 2007 through FY 2014. All payments to SAHA will be taken from the increment generated through the Inner City TIRZ. If funds are not available from the Inner City TIRZ, payments cannot be made for that given period. There is no impact to the General Fund.

### **COORDINATION**

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



David D. Garza, Director  
Neighborhood Action



Jelynn LeBlanc Burley  
Deputy City Manager

Approved for Council Consideration:



Sheryl Sculley  
City Manager