

## ORDINANCE

**DESIGNATING A CERTAIN GEOGRAPHIC AREA IN THE CITY OF SAN ANTONIO AS “PROJECT FINANCING ZONE NUMBER TWO, CITY OF SAN ANTONIO, TEXAS” AND PROVIDING AN EXPIRATION DATE FOR THE ZONE; MAKING CERTAIN FINDINGS RELATED THERETO; DIRECTING THAT THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS BE NOTIFIED OF THE ZONE’S CREATION WITHIN THIRTY (30) DAYS OF ITS DESIGNATION; REQUESTING THAT THE COMPTROLLER DEPOSIT INCREMENTAL HOTEL-ASSOCIATED TAX REVENUES FROM THE ZONE INTO A SUSPENSE ACCOUNT HELD IN TRUST FOR THE CITY’S FINANCING OF THE QUALIFIED PROJECT; PROVIDING FOR NOTIFICATION TO THE COMPTROLLER IN THE EVENT THAT THE QUALIFIED PROJECT IS ABANDONED OR NOT COMMENCED WITHIN FIVE YEARS OF THE INITIAL DEPOSIT TO THE SUSPENSE ACCOUNT; AND CONTAINING OTHER RELATED MATTERS**

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**WHEREAS**, the City of San Antonio, Texas (the *City*) is a municipality that contains more than 70 percent of the population of Bexar County, Texas, which is a Texas county with a population of 1.5 million or more (according to the 2020 United States census); and

**WHEREAS**, Section 351.1015, as amended, Texas Tax Code (the *PFZ Act*) authorizes a municipality that contains more than 70 percent of the population of a county with a population of 1.5 million or more to designate a project financing zone from which certain incremental state tax revenues and, if the municipality elects, certain incremental municipal tax revenues may be pledged to pay bonds or other obligations issued or incurred to acquire, lease, construct, improve, enlarge and equip qualified projects that are located in the zone; and

**WHEREAS**, the City has identified as a single “qualified project” under Section 351.1015(k), as amended, Texas Tax Code, the “Convention Center Complex”, comprised of the Henry B. Gonzalez Convention Center, located at 900 E. Market Street, San Antonio, Texas (the *Convention Center*), the Alamodome, located at 100 Montana Street, San Antonio, Texas (the *Alamodome*); and a new sports arena to be located on a tract of property with a current address of 801 E. Cesar Chavez Boulevard, San Antonio, Texas (the *Arena*); and

**WHEREAS**, the Convention Center, the Alamodome, and the Arena that comprise the Convention Center Complex are related and synergistically-integral, located in close-proximity to each other, and anchor a City-established sports and entertainment district in the downtown area of the City whose purpose is to enhance, facilitate, and promote the City’s convention, visitor, and tourism business, as contemplated and described in Chapter 351, as amended, Texas Tax Code; and

**WHEREAS**, the City has confirmed with the Office of the Texas Comptroller of Public Accounts its agreement that the Convention Center Complex constitutes a single “qualified project” under Section 351.1015(k), as amended, Texas Tax Code; and

**WHEREAS**, as authorized by Section 351.1015(a)(4), as amended, Texas Tax Code, the City Council of the City (the *Council*) now wishes to designate an area of the City, the border of which

is at all times within a three-mile radius of the Center, as a “project financing zone” (as such term is defined in Section 351.1015(a)(4), as amended, Texas Tax Code) to assist the City in the financing of costs associated with the payment of bonds or other obligations issued or incurred to acquire, lease, construct, improve, enlarge, and equip any element or component of the Convention Center Complex (collectively, *Qualified Project Activities*); **NOW, THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1. DESIGNATION OF ZONE; EXPIRATION.** The City Council hereby designates the area depicted in the map attached hereto as **Exhibit “A”**, which is hereby made a part of this Ordinance for all purposes, as a “project financing zone”, as such term is defined and described in Section 351.1015(a)(4), as amended, Texas Tax Code, pursuant to and in accordance with the PFZ Act. This project financing zone shall be known as “Project Financing Zone Number Two, City of San Antonio, Texas” (the *Zone*). The Zone shall expire on the thirtieth (30<sup>th</sup>) anniversary of the effective date of this Ordinance or, so long as there are no outstanding Qualified Project Activities existing at the time, an earlier expiration date designated by an ordinance adopted by the City Council after the effective date of this Ordinance.

**SECTION 2. FINDINGS.** After reviewing all information before it regarding the establishment of the Zone, the City Council hereby makes the following determinations and findings of fact:

- (a) The Convention Center Complex, comprised of the Henry B. Gonzalez Convention Center, located at 900 E. Market Street, San Antonio, Texas; the Alamodome, located at 100 Montana Street, San Antonio, Texas; and a new sports arena to be located on a tract of property with a current address of 801 E. Cesar Chavez Boulevard, San Antonio, Texas, constitutes a “qualified project,” as such term is defined in Section 351.1015(a)(5), as amended, Texas Tax Code, as further limited by and compliant with Section 351.1015(k), as amended, Texas Tax Code;
- (b) The center of the Convention Center Complex is located at Latitude: 29.41754° N; Longitude -98.4811° W (the *Center*); and
- (c) The entirety of the Zone’s boundaries is within a three-mile radius of the Center.

**SECTION 3. NOTIFICATIONS TO COMPTROLLER.** The City Council hereby directs the City’s Chief Financial Officer to notify the Texas Comptroller of Public Accounts (the *Comptroller*) of the designation of the Zone within thirty (30) calendar days of the effective date of this Ordinance (as determined in accordance with Section 9 hereof) and to request the Comptroller (a) to deposit incremental hotel-associated revenue collected by the Comptroller into a suspense account (the *Suspense Account*) pursuant to the applicable terms and provision of Section 351.1015(g), as amended, Texas Tax Code and (b) to notify the City in writing of the date of the first deposit into the Suspense Account. In addition, the Chief Financial Officer is hereby directed to notify the Comptroller in the event that Qualified Project Activities are abandoned or not commenced within five (5) years of the date of the Comptroller’s first deposit to the Suspense Account.

**SECTION 4. INCORPORATION OF PREAMBLE RECITALS.** The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this

Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council. Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

**SECTION 5. REPEAL OF CONFLICTING ACTIONS.** All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

**SECTION 6. GOVERNING LAW.** This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**SECTION 7. SEVERABILITY.** If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and this Council hereby declares that this Ordinance would have been enacted without such invalid provision.

**SECTION 8. COMPLIANCE WITH OPEN MEETINGS ACT.** It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

**SECTION 9. EFFECTIVE DATE.** The effective date of this Ordinance shall be governed by the provisions of Sections 1-15 of the City Code of San Antonio, Texas. This Ordinance shall take effect immediately if passed by eight (8) affirmative votes; otherwise, this Ordinance shall take effect 10 days from the date of passage.

**PASSED and APPROVED** this 15<sup>th</sup> day of May, 2025.

**M A Y O R**

Ron Nirenburg

**ATTEST:**

**APPROVED AS TO FORM:**

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Debbie Racca-Sittre, City Clerk

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Andrew Segovia, City Attorney