

ORDINANCE

APPROVING THE FOLLOWING ACTIONS RELATING TO THE GRANT KRESS BUILDING REHABILITATION PROJECT FOR THE SAN ANTONIO AFRICAN AMERICAN COMMUNITY ARCHIVE AND MUSEUM: (A) THE NEGOTIATION AND EXECUTION OF AN ASSIGNMENT OF RIGHTS UNDER GRANT/KRESS BUILDING REHABILITATION PROJECT DEVELOPMENT AGREEMENT FROM GRAYSTREET HOUSTON – E. 305 HOUSTON STREET, LLC, AND GRAYSTREET HOUSTON – E. 315 HOUSTON STREET, LLC, TO SAN ANTONIO AFRICAN AMERICAN COMMUNITY ARCHIVE AND MUSEUM; (B) THE NEGOTIATION AND EXECUTION OF AN AMENDED AND RESTATED GRANT/KRESS BUILDING REHABILITATION PROJECT DEVELOPMENT AGREEMENT TO PROVIDE FUNDING IN AN AMOUNT NOT TO EXCEED \$900,000.00 IN AVAILABLE TAX INCREMENT FOR THE GRANT/KRESS BUILDING REHABILITATION PROJECT; AND (C) THE NEGOTIATION AND EXECUTION OF LOAN AGREEMENT, REAL ESTATE LIEN NOTE AND DEED OF TRUST TO PROVIDE FUNDING IN AN AMOUNT NOT TO EXCEED \$5,350,000.00 PLUS FINANCING COSTS IN AVAILABLE TAX INCREMENT FROM THE TIRZ FUND FOR THE GRANT/KRESS BUILDING REHABILITATION PROJECT IN SAN ANTONIO, TEXAS AND WITHIN THE HOUSTON STREET TIRZ IN CITY COUNCIL DISTRICT 1.

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WHEREAS, in accordance with the Tax Increment Financing Act (the “Act”), Chapter 311 of the Texas Tax Code, the City of San Antonio through Council Ordinance No. 90969, established Tax Increment Reinvestment Zone Number Nine, known as the Houston Street TIRZ, and a Board of Directors (“Board”) authorized with all the rights, powers, and duties provided by the Act, in order to promote development and revitalization activities within the TIRZ; and

WHEREAS, on October 12, 2023, the San Antonio African American Community Archive and Museum (“SAAACAM”) submitted a proposal requesting TIF funding for the acquisition and rehabilitation of the Grant/Kress Building; and

WHEREAS, SAAACAM requested that City Staff approve the Assignment and Assumption of Rights under Grant/Kress Building Rehabilitation Project Development Agreement from GrayStreet Houston – E. 305 Houston Street, LLC, and GrayStreet Houston – E. 315 Houston Street, LLC to SAAACAM (the “Assumption and Assignment Agreement”); and

WHEREAS, the Houston Street TIRZ Board also considered an Amended and Restated Grant/Kress Building Rehabilitation Project Development Agreement with SAAACAM in an amount not to exceed \$900,000.00 in available tax increment from the TIRZ Fund for the Grant/Kress Building Rehabilitation Project (the “Amended Development Agreement”); and

WHEREAS, SAAACAM also requested funding in an amount not to exceed \$5,350,000.00 in available tax increment plus financing costs from the Houston Street TIRZ Fund for the acquisition of the Grant/Kress Building associated with the Grant/Kress Building Rehabilitation Project (the “Loan Agreement”); and

WHEREAS, in accordance with Section 311.010(b) of the Act, the City is authorized to enter into agreements to dedicate revenue from the tax increment fund to reimburse for eligible project costs that benefit the Midtown TIRZ; and

WHEREAS, on October 30, 2023, the Houston Street TIRZ Board approved a Resolution authorizing: (a) the Assumption and Assignment Agreement; (b) the Loan Agreement and (c) the Amended Development Agreement to make public improvements and/or public infrastructure enhancements related to the Grant/Kress Building Rehabilitation Project; and

WHEREAS, the City desires to provide financial incentives for development and revitalization projects that benefit the City and the Houston Street TIRZ and must now authorize the negotiation and execution of the (a) the Assumption and Assignment Agreement; (b) the Amended Development Agreement; and (c) the Loan Agreement; **NOW THEREFORE**,

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

SECTION 1. The City Manager or his designee is authorized to negotiate and execute an assignment and assumption of rights agreement in connection with the Grant/Kress Building Rehabilitation Project Development Agreement approving the transfer of rights from GrayStreet Houston – E. 305 Houston Street, LLC, and GrayStreet Houston – E. 315 Houston Street, LLC to SAAACAM, as well as take any other ancillary actions necessary to effectuate the intent and purpose of this Ordinance.

SECTION 2. The City Manager or his designee is authorized to negotiate and execute an Amended and Restated Grant/Kress Building Rehabilitation Project Development Agreement between SAAACAM, the City of San Antonio and the Board, as well as take any other ancillary actions necessary to effectuate the intent and purpose of this Ordinance, to provide available tax increment funding in an amount not to exceed NINE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$900,000.00) for public improvements and public infrastructure in connection with the Grant/Kress Building Rehabilitation Project.

SECTION 3. The City Manager or his designee is authorized to negotiate and execute a Loan Agreement, Real Estate Lien Note and Deed of Trust between SAAACAM, the City of San Antonio and the Board, as well as take any other ancillary actions necessary to effectuate the intent and purpose of this Ordinance, to provide available tax increment funding in an amount not to exceed FIVE MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS (\$5,350,000.00) plus financing costs for the acquisition of the Grant/Kress Building in connection with the Grant/Kress Building Rehabilitation Project.

SECTION 4. TIF Department staff is hereby authorized to amend the Houston Street TIRZ Project and Finance Plans to include the Grant/Kress Building Rehabilitation Project.

SECTION 5. Funding in the amount of \$5,350,000.00 for this ordinance is available in Fund 29086006, Cost Center 703280001 and General Ledger 5201040 as part of the Fiscal Year 2024 Adopted Budget approved by City Council.

SECTION 6. Payment in the amount of \$5,350,00.00 is authorized to San Antonio African American Community Archive and Museum and should be encumbered with a purchase order.

SECTION 7. Funding in the amount of \$900,000.00 for this ordinance is available in Fund 29086006, Cost Center 703280001 and General Ledger 5201040 as part of the Fiscal Year 2024 Adopted Budget approved by City Council.

SECTION 8. Payment in the amount of \$900,00.00 is authorized to San Antonio African American Community Archive and Museum and should be encumbered with a purchase order.

SECTION 9. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Fund Numbers, Project Definitions, WBS Elements, Internal Orders, Fund Centers, Cost Centers, Functional Areas, Funds Reservation Document Numbers, and GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 10. This Ordinance is effective immediately upon passage by eight affirmative votes; otherwise, it is effective on the tenth day after passage.

PASSED and APPROVED this 9th day of November, 2023.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney