



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: {{item.number}}

Agenda Date: October 17, 2024

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 2

SUBJECT:

Development Agreement for Royal Blue Grocery on Commerce Project

SUMMARY:

This ordinance authorizes the execution of a Development Agreement between the City of San Antonio, the Inner City Tax Increment Reinvestment Zone (“TIRZ”) Number Eleven Board of Directors, and Commerce Street Kitchen, LLC in an amount up to \$142,331.00 for the Royal Blue Grocery on Commerce Project, located at 1431 E. Commerce Street and within City Council District 2.

BACKGROUND INFORMATION:

On March 25, 2024, Commerce Street Kitchen, LLC submitted a proposal request to the City for Tax Increment Financing (TIF) funding for Royal Blue Grocery on Commerce.

Royal Blue Grocery, a compact urban market originating in Austin, TX, is expanding its footprint in San Antonio with the opening of a second store location on E. Commerce Street. Offering a fresh and modern shopping experience, Royal Blue competes with fast food outlets and large grocery chains by providing convenience, variety, and locally sourced products from distinctive

brands.

Located near a school, Royal Blue will offer students and nearby residents healthy food alternatives, bring private investment, create service and administrative jobs, and improve safety in the area with operating hours 7:00 a.m. to midnight. The project will enhance both the residential and business communities in the surrounding neighborhoods.

The City is requiring an investment be made to repair the drainage, sidewalks and parking area around the building at 1431 E. Commerce Street before the store can open for business. The sidewalks will improve drainage and pedestrian safety and access around the building, which is near the IDEA Carver Charter School. Students walking to and from school will benefit from these new sidewalks and safety will be improved for pedestrians in the area. The project is seeking funding to build the ADA compliant sidewalks, ramps, curbs, and improvements to the parking area. These public improvements should also lead to improved drainage along Hackberry.

The project is scheduled to begin in September 2024, with an expected completion date of January 2025.

ISSUE:

City Council consideration is requested for the approval of Development Agreement between the City of San Antonio, the Inner City TIRZ Number Eleven Board of Directors, and Commerce Street Kitchen, LLC for an amount not to exceed \$142,331.00 for Royal Blue Grocery on Commerce, located at 1431 E. Commerce Street within City Council District 2.

ALTERNATIVES:

If City Council chooses not to approve the Development Agreement, the Commerce Street Kitchen, LLC will need to seek an alternate funding source for Royal Blue Grocery on Commerce. This may delay or lead to the cancellation of the project.

FISCAL IMPACT:

This ordinance authorizes the execution of a Development Agreement between the City of San Antonio, the Inner City Tax Increment Reinvestment Zone (“TIRZ”) Number Eleven Board of Directors, and Commerce Street Kitchen, LLC in an amount up to \$142,331.00 for the Royal Blue Grocery on Commerce Project, located at 1431 E. Commerce Street and within City Council District 2. Funding for this agreement is available through the tax increment produced by the Inner City TIRZ.

RECOMMENDATION:

Staff recommends approval.