



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: {{item.number}}

Agenda Date: November 30, 2023

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Second Amendment to the 114 Main Plaza Renovation Project Development Agreement - Houston Street TIRZ

SUMMARY:

This item approves the Second Amendment to the Development Agreement between the Houston Street Tax Increment Reinvestment Zone Board of Directors and 114 Main Plaza, LLC for the 114 Main Plaza Renovation Project located in Council District 1, extending the project completion date to December 31, 2026. There is no additional funding approved by this action.

BACKGROUND INFORMATION:

114 Main Plaza, LLC applied for funding from the City's Tax Increment Financing (TIF) Program to undertake the 114 Main Plaza Renovation Project within the Houston Street TIRZ. The Project includes plans to fully restore the exterior of two historic buildings, add retail and residential units and improve the surrounding public courtyards. The total development cost for the project was estimated to be approximately \$4.1 million. The Houston Street TIRZ Board, and subsequently City Council, approved funding for the project in the amount of \$1,132,912.

In October 2020, the Houston Street TIRZ Board approved the First Amendment to the

Development Agreement postponing the start and completion dates for the project. This amendment was subsequently approved by City Council.

Due to the ongoing COVID pandemic, interest costs, and construction supply chain issues, 114 Main Plaza, LLC is requesting the start and completion dates be extended. Additionally, the City is expected to renovate Main Plaza and coordinating construction schedules could mitigate further delays. On October 30, 2023, the Houston Street TIRZ Board of Directors approved the Second Amendment to extend the project completion date to December 31, 2026.

ISSUE:

City Council approval is required to amend the Development Agreement, including postponing the completion date for the project.

ALTERNATIVES:

If City Council chooses not to approve this amendment to the Development Agreement to extend the project completion date, it would put the project in non-compliance of the existing Funding Agreement which could lead to the project being ineligible to receive TIRZ reimbursement.

FISCAL IMPACT:

Funding for this agreement is available through the tax increment produced by the Houston Street TIRZ. There is no impact to the City's General Fund, and no additional funding is approved by this action.

RECOMMENDATION:

Staff recommends approval of the Second Amendment to the Development Agreement for the 114 Main Plaza Renovation Project located in Council District, 1 extending the project completion date to December 31, 2026.