

T30 2023-09-29-01R

**RESOLUTION BY THE BOARD OF DIRECTORS OF TAX INCREMENT
REINVESTMENT ZONE NUMBER THIRTY, CITY OF SAN ANTONIO,
TEXAS, KNOWN AS THE WESTSIDE TAX INCREMENT
REINVESTMENT ZONE (“TIRZ”), APPROVING A NEW PROJECT
COMMENCEMENT DATE AND COMPLETION DATE FOR THE
BASILA FROCKS PROJECT, AND APPROVAL OF ANY NECESSARY
AMENDMENTS TO THE PROJECT AND FINANCE PLANS**

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WHEREAS, the City of San Antonio (“City”) and the Westside TIRZ Board of Directors (“Board”) support programs which allow for economic development within its boundaries; and

WHEREAS, in accordance with the Tax Increment Financing Act, Texas Tax Code, Chapter 311 (the “Act”), the City through Ordinance No. 2008-12-11-1173 established Tax Increment Reinvestment Zone Number Thirty, San Antonio, Texas, known as the Westside TIRZ, to promote development and redevelopment which would not otherwise occur solely through private investment in the reasonably foreseeable future and created the Board and authorized the Board to exercise all the rights, powers, and duties as provided to such boards under the Act; and

WHEREAS, in June 2021, Prosper West applied for funding from the City’s Tax Increment Financing (“TIF”) program in order to undertake the rehabilitation of real property located at 504 N. Zarzamora Street, San Antonio, TX 78207, in City Council District 5, and within the boundary of the Westside TIRZ; and

WHEREAS, on March 17, 2022, City Council authorized the execution of the Economic Development Loan Agreement (the “Agreement”); and

WHEREAS, Prosper West has requested to amend the rehabilitation Commencement Date of the Agreement to February 29, 2024, and the Completion Date of the Agreement to December 31, 2024, for the Basila Frocks Project; and

WHEREAS, there is no additional funding with this request for a first amendment to the Agreement (the “First Amendment”); and

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

WHEREAS, the Board desires to provide financial incentives for development and revitalization projects that benefit the City and the Westside TIRZ, and must now authorize execution of the First Amendment to the Agreement, attached hereto in substantially final form as **Exhibit A**;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER THIRTY, CITY OF SAN ANTONIO, TEXAS:

SECTION 1. The recitals set out above are adopted in their entirety.

SECTION 2. The Board hereby authorizes the execution of the First Amendment to the Agreement between Prosper West and the City, attached hereto in substantially final form as **Exhibit A**, to amend the rehabilitation Commencement Date of the Agreement to February 29, 2024, and the Completion Date of the Agreement to December 31, 2024, for the Basila Frocks Project in San Antonio, Texas, in City Council District 5, and within the boundary of the Westside TIRZ.

SECTION 3. The Board hereby authorizes the City to make necessary amendments to the Project Plan and Finance Plans to include this amendment.

PASSED AND APPROVED this 29th day of September, 2023.



Teri Castillo
Presiding Officer

APPROVED AS TO FORM:



Assistant City Attorney

TR
9/29/23
Item No. 4

EXHIBIT A

**FIRST AMENDMENT TO THE CHAPTER 380 ECONOMIC DEVELOPMENT LOAN
AGREEMENT FOR THE BASILA FROCKS PROJECT**

STATE OF TEXAS

§

§

COUNTY OF BEXAR

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FOR VALUE RECEIVED, the receipt and sufficiency of which is acknowledged, this First Amendment to the Chapter 380 Economic Development Loan Agreement for the Basila Frocks Project ("First Amendment") is entered into by and between the City of San Antonio ("City"), a Texas municipal corporation of the State of Texas, acting by and through its City Manager or his designee, and the Westside Development Corporation dba Prosper West ("Prosper West"). This First Amendment may refer to City *or* Prosper West as "Party" and City *and* Prosper West as "Parties."

RECITALS

WHEREAS, City and Prosper West entered into an agreement ("Agreement") authorized by City of San Antonio Ordinance No. 2022-03-17-0194, passed and approved on March 17, 2022, and attached hereto as Exhibit A; and

WHEREAS, the Parties now seek to amend the terms and conditions of the Agreement;

NOW THEREFORE, the Parties hereby agree and amend as follows:

A. **SECTION 2. PROJECT REQUIREMENTS** is amended by deleting the entirety of subsection B. Property, and substituting the following in its place:

B. Property. PROSPER WEST shall commence rehabilitation of the Project no later than February 29, 2024 ("Commencement Date") and complete the Project no later than December 31, 2024 ("Completion Date").

B. **SECTION 3. ECONOMIC DEVELOPMENT PROGRAM LOAN** is amended by deleting the entirety of subsection C. Repayment of Loan Funds, and substituting the following in its place:

C. Repayment of Loan Funds. PROSPER WEST shall be obligated to repay City the Loan Funds on the Fifth (5th) year anniversary of the Completion Date. Such payment shall be paid in full by PROSPER WEST to City no later than sixty (60) days following the Due Date.

C. **SECTION 3. ECONOMIC DEVELOPMENT PROGRAM LOAN** is amended by deleting the entirety of subsection H. Loan Forgiveness, and substituting the following in its place:

H. Loan Forgiveness. Due to the economic nature of the City's loan, PROSPER WEST shall have a right to reduce or eliminate the amount of the repayment of the loan by twenty-percent (20%) annually if the following conditions are met:

- 1) On the following dates after the Completion Date, PROSPER WEST shall provide:
 - a. Evidence that the Property is occupied and utilized for office, retail and/or community use in the following occupancy percentages:
 - i. First year following Completion Date – fifty five percent (55%);
 - ii. Second year following the Completion Date – seventy percent (70%); and
 - iii. Third, Fourth, and Fifth years following the Completion Date – eighty percent (80%).
 - b. On each anniversary of the Completion Date:
 - i. Evidence that it has paid ad valorem taxes on the Property for the preceding year;
 - ii. A report detailing programming at the Property in the preceding year; and
 - iii. Evidence that PROSPER WEST is in compliance with any separate agreement with the City.

Any Loan Funds not forgiven through this Section 3(H) shall be due and payable to the City in accordance with Sections 3(C) and 3(D).

- D. All other terms, conditions, covenants, and provisions of the Agreement are hereby continued and shall remain in effect in their original form except for the provisions expressly modified by this First Amendment.

SIGNATURE PAGE TO FOLLOW

This First Amendment has been fully executed as of the date of signature of the last Party to sign.

CITY OF SAN ANTONIO
a Texas municipal corporation

Erik Walsh
CITY MANAGER
Date: _____

WESTSIDE DEVELOPMENT CORPORATION
a local government corporation

Ramiro I. Gonzales
President & CEO

APPROVED AS TO FORM

Assistant City Attorney