

T09 2023-10-30-07R

**RESOLUTION BY THE BOARD OF DIRECTORS OF TAX INCREMENT
REINVESTMENT ZONE NUMBER NINE, CITY OF SAN ANTONIO,
TEXAS, KNOWN AS THE HOUSTON STREET TAX INCREMENT
REINVESTMENT ZONE (“HOUSTON STREET TIRZ”), APPROVING
THE SECOND AMENDMENT TO THE 114 MAIN PLAZA RENOVATION
PROJECT DEVELOPMENT AGREEMENT AND APPROVAL OF ANY
NECESSARY AMENDMENTS TO THE PROJECT AND FINANCE PLAN**

* * * * *

WHEREAS, the City of San Antonio (“City”) and the Houston Street 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. 90969 established Tax Increment Reinvestment Zone Number Nine, San Antonio, Texas, known as the Houston Street 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 October 2019, 114 Main Plaza, LLC (“Developer”) applied for funding from the City’s Tax Increment Financing (“TIF”) Program in order to undertake the rehabilitation of real property located at 114 Main Plaza, San Antonio, TX 78205 (the “114 Main Plaza Project”), in City Council District 1, and within the boundary of the Houston Street TIRZ; and

WHEREAS, on February 20, 2020, City Council authorized the execution of the 114 Main Plaza Renovation Project Development Agreement (the “Agreement”); and

WHEREAS, because of delays caused by COVID-19, Developer requested to amend the start date of construction to September 30, 2021, and the completion date of the Agreement to August 31, 2023; and

WHEREAS, on December 10, 2020, City Council authorized the execution of the First Amendment to the 114 Main Plaza Renovation Project Development Agreement (the “First Amendment”); and

WHEREAS, Developer has requested to further amend the start date of construction to July 1, 2025, and the completion date of the Agreement to December 31, 2026; and

WHEREAS, the delay in construction will be accompanied by a postponement in the timing of available reimbursement to Fiscal Year 2026; and

WHEREAS, there is no additional funding with this request for a Second Amendment to the Agreement, and all other terms remain the same; 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 Houston Street TIRZ, and must now authorize execution of the Second Amendment to the Agreement, attached hereto in substantially final form as **Exhibit A**;

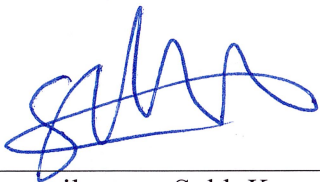
NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER NINE, THE HOUSTON STREET TIRZ, CITY OF SAN ANTONIO, TEXAS:

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

SECTION 2. The Board hereby authorizes the execution of the Second Amendment to the Agreement between 114 Main Plaza, LLC and the Board, attached hereto in substantially final form as **Exhibit A**, to amend certain terms of the Agreement for the 114 Main Plaza Project in San Antonio, Texas, in City Council District 1, and within the boundary of the Houston Street TIRZ.

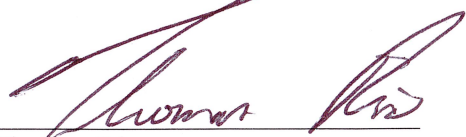
SECTION 3. The Board hereby authorizes the City to make necessary amendments to the Project Plan and Finance Plan to include this amendment.

PASSED AND APPROVED this 30th day of October, 2023.



Councilperson Sukh Kaur
Board Chair

APPROVED AS TO FORM:



Thomas Rice
Assistant City Attorney

TR
10/30/23
Item No. 10

EXHIBIT A

SECOND AMENDMENT TO THE 114 MAIN PLAZA RENOVATION PROJECT DEVELOPMENT AGREEMENT

This Second Amendment to the 114 Main Plaza Renovation Project Development Agreement (“Second Amendment”) is entered into by and between the City of San Antonio (“City”), a Texas Municipal Corporation, the Board of Directors (“Board”) for the Houston Street Tax Increment Reinvestment Zone Number Nine (“TIRZ”), and 114 Main Plaza, LLC (“Developer”), a for profit limited liability company registered in the State of Texas, (collectively, the “Parties”).

RECITALS

WHEREAS, City and Developer entered into the 114 Main Plaza Renovation Project Development Agreement (the “Agreement”) authorized by City of San Antonio Ordinance No. 2020-02-20-0114, passed and approved on February 20, 2020, and attached hereto as EXHIBIT A; and

WHEREAS, City and Developer entered into the First Amendment to the 114 Main Plaza Renovation Project (the “First Amendment”) authorized by City of San Antonio Ordinance No. 2020-12-10-0901, passed and approved on December 10, 2020, and attached hereto as EXHIBIT B; and

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

1. The Parties mutually agree to amend the following sections of the Agreement and First Amendment:

- (A) Section 5.1 PROJECT is deleted in its entirety and replaced with the following paragraph:

5.1 PROJECT. The Project consists of the renovation of two historic buildings located at 114 Main Plaza and includes the design and construction of a mixed use development combining residential and commercial tenants with approximately 2,000 square feet of retail space and approximately 1,100 square feet of storage space for both the residential and retail tenants. The Project includes and is not limited to the following public improvements including exterior restoration, exterior lighting, landscaping, awnings, as well as improvements to the surrounding public courtyards and alleyway. The Project is anticipated to commence no later than July 1, 2025 and shall be completed no later than December 31, 2026, subject to Force Majeure.

- (B) Section 5.3 REIMBURSEMENT is deleted in its entirety and replaced with the following:

5.3 REIMBURSEMENT. Reimbursement of TIRZ Funds are subject to availability and priority of payment and are not intended to reimburse all costs incurred in connection with the Project or expenses incurred by Developer for performance of the obligations under this Agreement. Neither the City nor the Board can guarantee that Available Tax Increment shall completely reimburse Developer. Available Tax Increment in TIRZ Fund shall constitute the only source of reimbursement to Developer for construction of eligible Public Improvements including but not limited to, exterior restoration, landscaping,

awnings, exterior lighting, and courtyard enhancement. Total reimbursement to Developer from the TIRZ Fund will not exceed ONE MILLION ONE HUNDRED THIRTY-TWO THOUSAND NINE HUNDRED AND TWELVE DOLLARS AND NO CENTS (\$1,132,912.00) (“Maximum Reimbursement Amount”). The Terms by which eligible Project Costs will be reimbursed are further defined in **Exhibit F**, attached hereto and incorporated herein for all purposes, and Article VIII. Compensation to Developer. The terms by which eligible Project Costs will be reimbursed are as follows:

5.3.1 Reimbursement will be available in the following maximum amount during the fiscal year set forth below:

FY 2026: \$1,132,912.00

5.3.2 Subject to Section 8.6 of this Agreement, any amounts available in any given fiscal year that are not reimbursed to Developer for any reason are not forfeited and shall remain available for reimbursement, up to \$1,132,912.00 total, until the expiration or termination of this Agreement, regardless of the fiscal year in which costs were incurred.

(C) Section 6.8 DELAYS is deleted in its entirety and replaced with the following:

6.8 DELAYS. Developer is responsible for the Project’s construction, which shall be completed no later than December 31, 2026. If the commencement or completion of the Project is delayed by reason(s) beyond the Developer’s control (including, without limitation, events of Force Majeure), then at the reasonable discretion of the Director of the City’s Neighborhood & Housing Services (or successor) Department, the commencement and completion deadlines set forth in this Agreement may be extended by no more than twelve (12) months. In the event that Developer does not complete the Project substantially in accordance with the Construction Schedule (or extended schedule), then, in accordance with Article XXII Changes and Amendments of this Agreement, the Parties may extend the deadlines in the Construction Schedule, but not past the expiration of the TIRZ. If the parties cannot reasonably reach an agreement on the extension of the Construction Schedule, or if Developer fails to complete the Project in compliance with the revised Construction Schedule, other than as a result of Force Majeure, this constitutes a material breach.

2. 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**

City Manager or his designee

Date: _____

**114 MAIN PLAZA, LLC
a Texas Limited Liability Company**

Date: _____

APPROVED AS TO FORM:

Thomas Rice
Assistant City Attorney

**BOARD OF DIRECTORS
Houston Street TIRZ #9**

Sukh Kaur

Board Chair

Date: _____