



NEIGHBORHOOD & HOUSING SERVICES

Public Improvements in the Pearl District Midtown TIRZ City Council A Session May 9, 2024 - Item #26

Veronica Garcia, Director, NHSD

Summary

- Consideration for the execution of a Development Agreement between the City of San Antonio, the Midtown TIRZ Board of Directors, and Oxbow Real Estate, LLC for an amount not to exceed \$6,810,000.00 for public improvements in the Pearl District located in Council District 1.

Background Information

- Pearl District, north of downtown San Antonio
- Mixed-use development featuring over 1.4 million square feet of retail, dining, green spaces, and a hotel, with access to the San Antonio River Walk and Broadway corridor.
- The Developer, Oxbow Real Estate LLC, is currently planning additional projects including approximately 600 multi-family units, 150,000+ square feet of commercial space including office, retail, restaurant, and entertainment uses, and approximately 166 hotel rooms, and additional plazas.
- The total development cost for the next phase will be a minimum of \$475 million.



Background Information

In January 2024, the Developer submitted a request to the Midtown TIRZ for TIRZ funding in an amount up to \$6,810,000.00 plus interest and fees for public improvements, including pedestrian and park improvements to occur within, or adjacent to, the Pearl District.

The Midtown TIRZ Board of Directors approved this funding at their April 15, 2024 meeting.

Project Scope

- Public improvement projects include sidewalks, bike lanes, exterior stairs, pedestrian connections, street infrastructure, street grading, as well as improvements to plaza areas and parks.
- The projects will improve pedestrian mobility along Broadway, increase access and safety to and from the San Antonio River and adjoining neighborhoods, as well as provide additional public park and plaza space.



Project Scope

Public improvement projects include:

- Sidewalks and Bike Lanes at Newell Street
- New sidewalk at Park Street
- Newell Avenue Stairs to River
- South Bridge – Pedestrian Connections (with stairs)
- Brewmeister’s Alley Bridge – Pedestrian Connections
- Elmira Street – Infrastructure updates and street regrading
- Myrtle Street – Plaza area
- Josephine Street Pedestrian Improvements
- City Flood Tunnel Park Improvements
- Stairs from River to Street Level at City Park



Funding

- Funding for this item will come from the Midtown TIRZ allocation for the undergrounding of utilities for the Broadway Complete Streets Project that was authorized prior to the Midtown TIRZ Board's reconstitution in January of 2022.
- The Midtown TIRZ Board and City Council approved \$20 million plus interest and fees to underground the utilities for Broadway Phase 1 of the Broadway Complete Streets Project and another \$17 million plus interest and fees for Phase 2. As a result of the redesign effort by TXDOT, these projects will not proceed.
- While the funding for the public improvements will come from the underground utility allocation, the actual increment from the \$475 million in development will benefit the reconstituted TIRZ. At full buildout in 2028, the developments will produce approximately \$2.5 million in tax increment annually.

Funding

- While the funding for the public improvements will come from the underground utility allocation, the actual increment from the \$475 million in development will benefit the reconstituted TIRZ.
- At full buildout in 2028, the developments will produce approximately \$2.5 million in tax increment annually.

| TIRZ Analysis | Taxable Value | Increment |
|---------------|-------------------|-------------------------|
| 2024 | \$ 271,250,000.00 | \$ 1,469,062.88 |
| 2025 | \$ 408,750,000.00 | \$ 2,213,749.13 |
| 2026 | \$ 477,500,000.00 | \$ 2,586,092.25 |
| 2027 | \$ 477,500,000.00 | \$ 2,586,092.25 |
| 2028 | \$ 491,825,000.00 | \$ 2,663,675.02 |
| 2029 | \$ 506,579,750.00 | \$ 2,743,585.27 |
| 2030 | \$ 521,777,142.50 | \$ 2,825,892.83 |
| 2031 | \$ 537,430,456.78 | \$ 2,910,669.61 |
| 2031 | \$ 553,553,370.48 | \$ 2,997,989.70 |
| 2032 | \$ 570,159,971.59 | \$ 3,087,929.39 |
| 2033 | \$ 587,264,770.74 | \$ 3,180,567.27 |
| 2034 | \$ 604,882,713.86 | \$ 3,275,984.29 |
| TOTAL | | \$ 32,541,289.87 |

Fiscal Impact

- Funding for this Agreement is available through the tax increment produced by the Midtown Tax Increment Reinvestment Zone.
- There is no fiscal impact on the City's General Fund.

Recommendation

Staff recommends approval of a Funding Agreement between the City of San Antonio, the Midtown TIRZ Board of Directors, and Oxbow Real Estate, LLC for an amount not to exceed \$6,810,000.00 for public improvements in the Pearl District located in Council District 1.



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