

**FIRST AMENDMENT TO THE ROOSEVELT HEIGHTS DEVELOPMENT
CHAPTER 380 ECONOMIC DEVELOPMENT GRANT AGREEMENT**

STATE OF TEXAS	§	FIRST AMENDMENT TO CHAPTER 380
	§	ECONOMIC DEVELOPMENT PROGRAM
	§	GRANT AGREEMENT OF THE
COUNTY OF BEXAR	§	CITY OF SAN ANTONIO

FOR VALUE RECEIVED, the receipt and sufficiency of which is acknowledged, this First Amendment to the Roosevelt Heights Development Chapter 380 Economic Development Grant Agreement ("First Amendment") is entered into by and between the City of San Antonio ("City"), a Texas Municipal Corporation in Bexar County, Texas, the Board of Directors ("Board") for Tax Increment Reinvestment Zone Number Thirty-Two, City of San Antonio, Texas, and Bitterblue, Inc. ("Grantee"), a for-profit corporation, whom collectively may be to as the "Parties" and individually as the "Party."

RECITALS

WHEREAS, the Parties entered into a Chapter 380 Economic Development Grant Agreement (the "Agreement") authorized by City of San Antonio Ordinance No. 2021-05-06-0306, passed and approved on May 6, 2021, and attached hereto as EXHIBIT 1.

WHEREAS, the Parties now seek to amend the terms and conditions of the Agreement in order to expand the definition of the Project and clarify the terms by which the Grantee shall provide affordable housing in connection with the Project.

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

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

(A) Under the section titled **RECITALS** on Page 1 of the Agreement, the first RECITAL is deleted in its entirety and replaced with the following:

WHEREAS, the City seeks to incentivize Grantee to undertake and complete an economic development project consisting of the construction of: (1) 135 single family residential units; (2) public improvements; (3) park and open space areas; and (4) approximately twenty-six (26) acres of commercial development (the "Project"), generally located west of Roosevelt Avenue along SE Loop 410 in Council District 3, within the Mission Drive-In Tax Increment Reinvestment Zone (the "TIRZ") boundaries, as more accurately described in the Special Warranty Deeds and depicted in the map attached as **Exhibits A and A-1** (the "Project Site") and incorporated into this Agreement for all purposes; and

(B) The **RECITALS** section on Page 1 of the agreement is amended by adding a seventh paragraph as follows:

WHEREAS, on _____, 2022, the Board approved Resolution T32 2022-

__ - __ - __ R authorizing (1) an amendment to the Project and (2) the revisions to the affordability provisions of the Agreement.

(C) **ARTICLE II. THE TERM** is amended by substituting the following language in subsection 2.1:

The term of this Agreement is up to twenty (20) years commencing on the date the Walker Subdivision Plat (Plat No. 21-11800394) was submitted and terminating on June 30, 2041 (the "Term"), unless sooner terminated as provided for in the Agreement.

(D) **ARTICLE III. THE PROJECT** is amended by deleting all of subsection 3.1 and substituting the following in its place:

GRANTEE shall invest approximately SIX MILLION SIX HUNDRED FORTY THOUSAND SIX HUNDRED AND THREE DOLLARS AND NO CENTS (\$6,640,603) (the "Minimum Investment") to develop a residential subdivision located within the city limits of San Antonio and within the boundaries of the Mission Drive-In TIRZ that will consist of approximately one hundred thirty-five (135) newly constructed single family residential housing units, as well as develop surrounding commercial lots; public improvements to include on-and off-site sewer, on-and offsite water infrastructure, streets, sidewalks, utilities, landscaping, and on-site drainage facilities to manage storm water; and park and open space areas, located at the Project Site, as more specifically described herein as **Exhibit D**. The Minimum Investment shall include, but not be limited to, expenditures in land acquisition, design, building construction costs, engineering, public improvement costs, taxes and insurance, administrative and financing costs, and fees.

(E) **ARTICLE III. THE PROJECT** is amended by deleting all of subsection 3.2 and substituting the following in its place:

The initial sale of the single-family housing units built under this Agreement shall be priced as follows:

A minimum of 54 homes	Between 100% - 120% AMI
81 homes	Above 120% AMI

The Parties agree and acknowledge that as of the Effective Date of the Agreement, 100% AMI is equal to Two Hundred Forty Thousand and No/100 (\$240,000) U.S. Dollars and that 120% AMI is equal to Two Hundred Eighty-Eight Thousand and No/100 (\$288,000) U.S. Dollars.

In the Second Quarterly Report due each year of the Term, following the release of the Annual Area Medium Income by the United States Department of Housing and Urban Development for the San Antonio-New Braunfels Area, the Developer will submit the updated price range calculation to the City for administrative review and approval to ensure compliance with the Table directly above. Such administrative review and approval shall occur within thirty (30) days of the submittal of the Second Quarterly Report. Upon City approval the price range will be in effect for one (1) year from such

approval.

If Developer and/or its successors and assigns, cannot stay within the Annual Area Medium Income ranges described in above, Developer, and/or its successors and assigns, may submit proposed changes to for City review and approval along with the reasoning as to why Developer, and/or its successors and assigns, cannot stay within the Annual Area Medium Income ranges.

(F) **ARTICLE VI. ECONOMIC DEVELOPMENT PROGRAM GRANT** is amended by deleting section 6.2(B) and substituting the following in its place:

For Year 6 – Year 20, subject to expiration of the TIRZ as anticipated in September 2027, Grantor shall undertake the Annual Incremental Property Tax Reimbursement and Grantee may request a disbursement of Grant Funds in a reduced amount equal to the Operations & Maintenance (the “O & M”) rate of the annual incremental property tax paid by GRANTEE, less the actual amount of the O & M rate in the real property taxes paid to the City with respect to the Project Site for tax year ending in December 31, 2021 (the “Base Year”), as determined by the Bexar Appraisal District and verified by the City.

(G) **ARTICLE XIV. DEFAULT, TERMINATION AND RECAPTURE** is amended by replacing the Grantee’s address is subsection 14.7 with the following:

Bitterblue, Inc.
Attn: Lloyd A. Denton, Jr.
11 Lynn Batts Lane, Suite 100
San Antonio, Texas, 78218

(H) **ARTICLE XXV. INCORPORATION OF ATTACHMENTS** is amended by deleting all of subsection 25.1 and substituting the following in its place:

Each of the Attachments referenced below are incorporated herein for all purposes as an essential part of this Agreement, which governs the rights and duties of the parties.

- Exhibit A: Project Site- Special Warranty Deeds and map
- Exhibit A-1: Map of Project with Commercial Locations
- Exhibit B: Board Resolution
- Exhibit C: Ordinance
- Exhibit D: Plat, Survey with Field Notes, and Project Site Map
- Exhibit E: *Intentionally omitted*
- Exhibit F: Project Status Update Form

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.

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

SIGNATURE PAGE TO FOLLOW

CITY OF SAN ANTONIO
a Texas Municipal Corporation

GRANTEE
Bitterblue, Inc., a Corporation

Erik Walsh, City Manager

Lloyd A. Denton, Jr, its Manager

DATE

DATE

BOARD OF DIRECTORS
Mission Drive-In TIRZ #31

Board Chair

DATE

APPROVED AS TO FORM:

Andrew Segovia, City Attorney

EXHIBIT A