

ORDINANCE

APPROVING THE NEGOTIATION AND EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN THE INNER CITY TIRZ, THE CITY OF SAN ANTONIO, AND TEXAS RESEARCH AND TECHNOLOGY FOUNDATION IN AN AMOUNT NOT TO EXCEED \$3,500,000.00 PLUS INTEREST EXPENSES FOR CAPITAL AND INFRASTRUCTURE IMPROVEMENTS TO THE G.J. SUTTON BUILDING PROJECT AND AN AMOUNT NOT TO EXCEED \$5,000,000.00 FOR THE VELOCITY TEXAS INNOVATION CENTER PROJECT, LOCATED AT 1305 EAST HOUSTON STREET IN SAN ANTONIO, TEXAS AND WITHIN THE INNER CITY TIRZ IN CITY COUNCIL DISTRICT 2.

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WHEREAS, in accordance with the Tax Increment Financing Act (the “Act”), Chapter 311 of the Texas Tax Code, the City through Council Ordinance No. 93101, established Tax Increment Reinvestment Zone Number Eleven, known as the Inner City TIRZ, and a Board of Directors (“Board”) authorized with all the rights, powers, and duties provided by the Act, in order to promote development and revitalization activities within TIRZ; and

WHEREAS, the City and Board recognizes the importance of their continued role in economic development, community development and urban design; and

WHEREAS, in January 2022, Texas Research and Technology Foundation applied for funding from the City’s Tax Increment Financing (“TIF”) Program to undertake necessary capital and infrastructure improvements at the G.J. Sutton Building, 321 Center Street, San Antonio, Texas 78202, located within the boundaries of the Inner City TIRZ in City Council District 2; and

WHEREAS, the proposed funding will be utilized for public infrastructure and public improvement costs to complete the G.J. Sutton Building Project; and

WHEREAS, staff recommended funding to Texas Research and Technology Foundation for up to Three Million Five Hundred Thousand Dollars and No Cents (\$3,500,000.00) plus interest expenses in reimbursable TIF funds from the Inner City TIRZ to make the necessary public improvements and/or public infrastructure requirements related to the G.J. Sutton Building Project; and

WHEREAS, Texas Research and Technology Foundation also applied for Five Million Dollars and No Cents (\$5,000,000.00) in incentives for the City and SAWS fee waivers and job creation incentives through the Economic Development Incentive Fund for the Velocity Texas Innovation Center Project; 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 pay for eligible project costs related to the construction of public infrastructure and eligible project costs that benefit the TIRZ; and

WHEREAS, on December 8, 2022, the Inner City TIRZ board approved a Resolution authorizing the negotiation and execution of a Development Agreement between the Inner City TIRZ Board of Directors and Texas Research and Technology Foundation for an amount up to for up to Three Million

Five Hundred Thousand Dollars and No Cents (\$3,500,000.00) plus interest expenses in reimbursable TIF funds from the Inner City TIRZ for the G.J. Sutton Building Project and Five Million Dollars and No Cents (\$5,000,000.00) in reimbursable TIF funds from the Inner City TIRZ for the Velocity Texas Innovation Center Project; and

WHEREAS, it is now necessary for the City Council to approve the Development Agreement between Texas Research and Technology Foundation and the Board for the G.J. Sutton Building Project and the Velocity Texas Innovation Center Project. **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or his designee is authorized to negotiate and execute an Agreement between Texas Research and Technology Foundation, the City of San Antonio and the Board, as well as and any other ancillary actions necessary to effectuate the intent and purpose of this Ordinance, to provide available tax increment funding in an amount not to exceed THREE MILLION FIVE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$3,500,000.00) plus financing costs for eligible project costs for G.J. Sutton Building, 321 Center Street, San Antonio, Texas 78202, located within the boundaries of the Inner City TIRZ in City Council District 2.

SECTION 2. The City Manager or his designee is authorized to negotiate and execute an Agreement between Texas Research and Technology Foundation, the City of San Antonio and the Board, as well as and any other ancillary actions necessary to effectuate the intent and purpose of this Ordinance, to provide available tax increment funding in an amount not to exceed FIVE MILLION DOLLARS AND NO CENTS (\$5,000,000.00) for economic incentives associated with the Velocity Texas Innovation Center Project.

SECTION 3. The City Manager or his designee is authorized to execute this Agreement, which has been incorporated into this Ordinance for all purposes.

SECTION 4. TIF Department staff is hereby authorized to amend the Inner City TIRZ Project and Finance Plans to include this Project.

SECTION 5. Funding for any projects through the Inner City TIRZ will be paid from Fund 29086007, Cost Center 703290001 and General Ledger 5201040. Total funding should not exceed \$3,500,000.00 for the duration of this agreement.

SECTION 6. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 7. This Ordinance is effective immediately upon passage by eight affirmative votes; otherwise, it is effective on the tenth day after passage.

TR
1/12/2023
Item No. 22-188992

PASSED AND APPROVED this ____ day of January, 2023.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney