

City of San Antonio



AGENDA

Tax Increment Reinvestment Zone No. 32 - Mission Drive In

Tuesday, May 16, 2023

12:00 PM

**B Room Municipal Plaza
Building, 105 Main Plaza,
San Antonio, TX 78205**

The Tax Increment Reinvestment Zone No. 32 - Mission Drive In will hold its regular meeting in the B Room Municipal Plaza Building, 105 Main Plaza, San Antonio, TX 78205 beginning at 12:00 PM. Once convened, the Tax Increment Reinvestment Zone No. 32 - Mission Drive In will take up the following items no sooner than the designated times.

The meeting will be streamed via WebEx.

Join from the meeting link

<https://sanantonio.webex.com/sanantonio/j.php?MTID=m3bf44f2c1941c982cc1f42044b78c3f5>

Join by meeting number

Meeting number (access code): 2454 927 4196

Meeting password: eGkXFUC6r48

Join by phone

+1-415-655-0001 US Toll

+1-904-900-2303 United States Toll (Jacksonville)

Join from a video system or application

Dial 24549274196@sanantonio.webex.com

You can also dial 173.243.2.68 and enter your meeting number.

Public Comments

1. Members of the public may sign up to comment for, against, or on any item on the agenda. Interested speakers will have 3 minutes to address the Board.

Approval of Minutes

2. Approval of the Tax Increment Reinvestment Zone #32 Mission Drive-In Meeting Minutes from October 13, 2022.

Financial Report

3. The Financial Management Division will present on the current financial status of the Mission Drive-In TIRZ.

Briefing and Possible Action on the following items

4. Update from the City's World Heritage Office (WHO) on the Mission Road Sidewalk Connectivity Project, a project previously funded by the TIRZ.
5. Resolution authorizing an agreement in an amount up to \$1,200,000 with the City's World Heritage Office (WHO) for the Mission Drive-In Campus World Heritage Center Project located in Council District 3 and within the TIRZ.

Staff Updates

1. Board member terms of office expire May 31, 2023

Adjournment

At any time during the meeting, the Tax Increment Reinvestment Zone No. 32 - Mission Drive In may meet in executive session for consultation with the City Attorney's Office concerning attorney client matters under Chapter 551 of the Texas Government Code.

ACCESS STATEMENT

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**Texas 711 or by requesting these services online at
<https://www.sanantonio.gov/gpa/LanguageServices>. Providing
at least 72 hours' notice will help to ensure availability.**

Posted on: 05/12/2023 12:30 PM

1. Public Comments

Members of the public may sign up to comment for, against, or on any item on the agenda.

2. Approval of Minutes

Approval of the Tax Increment Reinvestment Zone #32 Mission Drive-In Meeting Minutes from October 13, 2022.

City of San Antonio



Minutes

Tax Increment Reinvestment Zone 32 – Mission Drive-In

Thursday, October 13, 2022, 2:30 PM

100 W. Houston St., City Tower Conference, Room B 00.W410
San Antonio, TX 78205

Call to Order and Roll Call

Board Members Present:

Debra Perales, Presiding Officer
Arthur Garcia
Lance Elliott
Bernadette Peña

Board Members Absent:

Carmen Lara
Vacancy (2)

COSA Staff

Fedra Chapa, NHSD/TIF; Daniel Sirio, NHSD/TIF; Diana Rosas, NHSD/TIF; Thomas Rice, CAO; Matthew Rodriguez, CAO; Alfred Chang, FMD; Shirley Saucedo, FMD; Chris Villa, City Council District 3.

Guests

Caroline McDonald, Brown & Ortiz; Matthew Gilbert, Brown & Ortiz; Markus Lopez, Bitterblue; Scott Teeter, Bitterblue.

Call to Order

At roll call 4 members were present, representing a quorum. The meeting was called at 3:00 PM.

1. Public to be Heard

None.

2. Approval of Minutes

One edit to the minutes was requested by Debra Perales: to correct the previous minutes from May 19, 2022, to correctly show Debra Perales was absent. The motion to approve the meeting minutes was made by Bernadette Peña and seconded by Arthur Garcia. A vote was taken, were all in favor, the motion carried.

Financial Report

The Financial Report was provided by Shirley Saucedo. Debra Perales asked where the \$50,000 administrative fees were being captured and Shirley Saucedo highlighted the slide that provided the information.

3. Individual Item

Resolution amending the Roosevelt Heights Development Chapter 380 Economic Development Grant Agreement with Bitterblue, Inc.

Caroline McDonald with Brown & Ortiz presented this item. The streets, drainage, water, and sewer were being worked on and the sitework and easements were in progress. Pictures shown on the presentation were about 14 days old. The amendment in part, would allow developer to include the commercial paths along 410 as well as extend the length of the development agreement. Debra Perales asked if the increase was due to unexpected changes or inflation. Caroline McDonald responded that the changes were a result of inflation and the additional property added to the project by Bitterblue. Caroline McDonald added that the developer would be in a position to better forecast AMI as it increased under HUD guidelines, to fully recapture the infrastructure costs.

A motion to approve was made by Bernadette Peña and seconded by Arthur Garcia. A vote was taken, all were in favor, the motion carried.

4. Staff Updates

Fedra Chapa briefed Board Members on their individual holdover status and spoke about the mandatory monthly trainings Board Members were required to complete. She also informed the Board that the Mission Drive-In TIRZ would meet quarterly based on the new TIRZ calendar. The Board would meet on February, May, August, and November, if there was any business to conduct.

5. Adjournment

Hearing no further discussion, Bernadette Pena motioned to adjourn the meeting, and Arthur Garcia seconded. The meeting was adjourned without objection at 3:14 PM.

Certified this _____ day of _____, 2023.

Attest:

Debra Perales
Presiding Officer

Fedra Chapa
Recorder/Transcriber of Minutes

3. Financial Report

Finance Management Division will present on the current financial status of the Mission Drive-In TIRZ.

Finance Plan Highlights

Mission Drive-In TIRZ #32

Designation Date December 11, 2008
Expiration Date September 30, 2027

FY 2023 Taxable Value of All Parcels in the TIRZ ¹	\$	320,504,213
FY 2023 Base Value ²		<u>149,293,997</u>
FY 2023 Captured Taxable Value	\$	171,210,216
FY 2023 Actual Tax Increment Collected	\$	691,645
FY 2023 Projected Tax Increment to be Collected		<u>126,211</u>
FY 2023 Total Actual and Projected Tax Increment ³	\$	817,856

Participating Taxing Entities and Level: City/90%

¹ Total taxable value of all real property in TIRZ.

² Total taxable value of all real property in TIRZ for the year in which the TIRZ was designated.

³ Tax Increment equals the Captured Taxable Value multiplied by the property tax rate multiplied by a collection rate of 98%.

Finance Plan Highlights

Mission Drive-In TIRZ #32

Fiscal Year 2009-2027 (Total Actual and Projected)

Total Tax Increments	\$ 7,799,658
Total Interest Earned	88,121
Total Administrative Fees ¹	(1,603,396)
Total TIRZ Funding/Reimbursements ²	<u>(4,055,358)</u>
Total Available for Other Eligible Projects	\$ 2,229,025

¹ Includes Startup Fee, Annual Administrative Fees and Amendment Fee.

² Includes CH380, Funding, and Development Agreements.

Finance Plan Summary

Mission Drive-In TIRZ #32

Fiscal Year	Total Actual & Projected Tax Increment ^{1,2}	Interest Earned in TIRZ Fund	Administrative Fees ³	Total Reimbursement to Developers and Projects ⁴	Total Available for Other Projects ⁵	Year End Fund Balance
2009-2022	\$ 3,328,535	\$ 27,638	\$ 1,003,396	\$ 617,627	\$ -	\$ 1,735,150
2023	817,856	60,483	120,000	1,723,295	770,194	-
2024	869,504	-	120,000	383,453	366,051	-
2025	927,921	-	120,000	443,661	364,260	-
2026	927,921	-	120,000	443,661	364,260	-
2027	927,921	-	120,000	443,661	364,260	-
	\$ 7,799,658	\$ 88,121	\$ 1,603,396	\$ 4,055,358	\$ 2,229,025	\$ -

¹ Fiscal Year 2009 – Fiscal Year 2022 actual tax increment

² Fiscal Year 2023 – Fiscal Year 2027 projected tax increment

³ Administrative fees include \$50,000 amendment fee

⁴ This is the net of existing Agreements

⁵ Any amount not spent on Eligible Reimbursements will remain in the fund balance

Finance Plan Summary

Mission Drive-In TIRZ #32

Projected Impact To Finance Plan Based On Proposed Project

<u>Fiscal Year</u>	<u>Total Available for Other Projects ¹</u>	<u>World Heritage Headquarters</u>	<u>Total Available for Other Projects ¹</u>
2009-2022	\$ -	\$ -	\$ -
2023	770,194	700,000	70,194
2024	366,051	300,000	66,051
2025	364,260	200,000	164,260
2026	364,260	-	364,260
2027	364,260	-	364,260
	<u>\$ 2,229,025</u>	<u>\$ 1,200,000</u>	<u>\$ 1,029,025</u>

¹ Any amount not spent on Eligible Reimbursements will remain in the fund balance

4. Individual Item #1

Update from the City's World Heritage Office (WHO) on the Mission Road Sidewalk Connectivity Project, a project previously funded by the TIRZ.



City of San Antonio

Agenda Memorandum

File Number:
23-191499

Agenda Item Number: 4

Agenda Date: May 16, 2023

In Control: Tax Increment Reinvestment Zone No. 32 - Mission Drive-in Meeting

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

Update on the Mission Road Sidewalk Connectivity Project

SUMMARY:

The City's World Heritage Office will provide an update on the Mission Road Sidewalk Connectivity Project, a project previously funded by the TIRZ.

BACKGROUND INFORMATION:

The City's World Heritage Office applied for funding for the Mission Road Sidewalk Connectivity Project on May 28, 2019. The Mission Drive In TIRZ Board of Directors subsequently approved this request for funding. In August 2019, a Funding Agreement with the City's World Heritage Office for the Mission Road Sidewalk Connectivity Project for a total amount not to exceed \$1,131,305 was approved by the City Council through Ordinance number 2019-08-22-0646. On May 19, 2022, the Mission Drive-In Board of Directors approved a First Amendment to the Funding Agreement to extend the project completion date for the Mission Road Sidewalk

Connectivity Project.

The Mission Road Sidewalk Connectivity Project hosted a ribbon-cutting on December 6, 2022 at Stinson Municipal Airport to celebrate the completion of Mission Road from San Antonio River to SE Military Drive at the intersection of S.E. Military Drive to 99th Street, north of Runway 14 at Stinson Municipal Airport, in Council District 3; within the Mission Drive-In TIRZ and World Heritage Buffer Zone, and showcase the Corridor Improvements as well as the Shared-Use Paths, Candy Cane Lighting, Brick Pavers and New Sidewalks.

The project completion date occurred on December 1, 2022 and on April 18, 2023 there was a request for reimbursement submitted to NHSD. The Mission Drive-In TIRZ funds will reimburse the WHO for Public Improvements such as the Construction of sidewalks along Mission Road from S.E. Military Drive to 99th Street and the Connectivity project on the World Heritage Trail.

ISSUE:

This item is for briefing purposes only. No action is required.

FISCAL IMPACT:

This item is for briefing purposes only.

ALTERNATIVES:

This item is for briefing purposes only. No action is required.

RECOMMENDATION:

This item is for briefing purposes only. No action is required.



World Heritage Center



TIRZ Mission Road Sidewalk Connectivity Project

**San Antonio Ordinance
No. 2019-08-22-0646**

Background



- **August 22, 2019:** The City entered into a Funding Agreement with the City's World Heritage Office (WHO) for the Mission Road Sidewalk Connectivity Project for a total amount not to exceed \$1,131,305.
- **Location:** At the intersection of S.E. Military Drive to 99th Street, north of Runway 14 at Stinson Municipal Airport, in Council District 3; within the Mission Drive-In TIRZ and World Heritage Buffer Zone.
- **Public Improvements:** TIRZ funds will reimburse the WHO for the Construction of sidewalks along Mission Road from S.E. Military Drive to 99th Street and the Connectivity project on the World Heritage Trail.



Project Status

- **December 1, 2022**
Project Completion
- **April 18, 2023**
Request for Reimbursement
Submitted to NHSD

Description	Value\$
Construction Expenses	1,268,290.62
Street Lighting ¹	(540,372.45)
Other Expenses ²	(4,139.65)
Total	719,639.87

¹ Pending reimbursement from CPSE

² Construction expenses not invoiced

Before & After





MISSION ROAD
2017-2022 BOND PROJECT
Ribbon-Cutting

12.06.2022

9 AM



**at Stinson
Municipal
Airport**
8535 Mission Rd



2017-2022
BOND
PROGRAM
City of San Antonio

- CORRIDOR IMPROVEMENTS
- SHARED-USE PATH
- CANDY CANE LIGHTING
- BRICK PAVERS
- NEW SIDEWALKS

The City of San Antonio invites you to celebrate the completion of Mission Road from San Antonio River to SE Military Drive.





Thank You

**Colleen Swain, Director
World Heritage Office**

5. Individual Item #2

Resolution authorizing an agreement in an amount up to \$1,200,000 with the City's World Heritage Office (WHO) for the Mission Drive-In Campus World Heritage Center Project located in Council District 3 and within the TIRZ.



City of San Antonio

Agenda Memorandum

File Number:
23-191505

Agenda Item Number: 5

Agenda Date: May 16, 2023

In Control: Tax Increment Reinvestment Zone No. 32 - Mission Drive-in Meeting

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

Mission Drive-In Campus World Heritage Center Project located in Council District 3.

SUMMARY:

This item will authorize an agreement in an amount up to \$1,200,000 with the City's World Heritage Office (WHO) for the Mission Drive-In Campus World Heritage Center project located in Council District 3 and within the TIRZ.

BACKGROUND INFORMATION:

In November 2022, the City's World Heritage Office applied for TIF funding in the Mission Drive In TIRZ for its World Heritage Center Mission Drive In Campus. The proposed Project is located on the former Mission Drive In Property on Roosevelt Avenue within the World Heritage Buffer Zone. The Center would serve as a gateway to the historic San Antonio Missions. The project complements the development and activities that are already occurring at the former Mission

Drive-In, which includes the Mission Branch Library, YMCA, and Mission Marquee Plaza with an artisan and farmers market, free cultural programming, and movies for families.

Funding from the TIRZ will fund necessary public infrastructure and public improvements. The Project will include the construction of roadways, parking facilities, pedestrian improvements to include sidewalks/trailways/paving, landscaping, bioswale water drainage, outdoor public assembly space, veranda space, lighting, and completion of interpretive and directional signage.

The Project is expected to begin June 2023. The expected completion date is December 31, 2024.

The City's Public Works Department will provide Project oversight.

ISSUE:

Board consideration is requested for the authorization of an agreement in an amount up to \$1,200,000 with the City's World Heritage Office (WHO) for the Mission Drive-In Campus World Heritage Center project located in Council District 3 and within the TIRZ.

FISCAL IMPACT:

There is no fiscal impact to the General Fund.

ALTERNATIVES:

The Board could decide to not approve the Resolution authorizing an agreement which could delay or jeopardize the Project.

RECOMMENDATION:

Staff recommends the Board approve a Resolution authorizing the execution of an agreement in an amount up to \$1,200,000 with the World Heritage Office (WHO), for the Mission Drive-In campus World Heritage Center Project located in Council District 3.

World Heritage Office



Colleen Swain, Director
May 16, 2023

World Heritage Center



Funding Request - \$1,200,000

For public improvements at the World Heritage Center; a new facility that will serve as an orientation and community complex within the Mission Drive-In TIRZ.

Location

- 3106 Roosevelt Avenue
- City Council District 3
- World Heritage Buffer Zone
- Mission Drive-In TIRZ

Project Timeline

- June 2023 – Projected Public Improvements Start Date
- July 2024 – Projected Substantial Completion Date

Design Team and Contributors: Alta, Dunaway, The Witte Museum, G&A

BACKGROUND



- As part of Proposition 4 Library & Cultural Facilities, the 2017-2022 Bond Program allocated \$5M to leverage funding for a new facility to provide an orientation center, community space, and other facility spaces as needed.
- The City added additional funding of \$2.25M from Proposition 3 Parks & Open Space for the development of a new center.
- In May 2021, City Council approved the reallocation of \$1.46M from Parks Open Space to support campus-wide improvements to the Mission Drive-In for the World Heritage Center, the Mission Branch Library, and the Harvey Najim YMCA.
- An additional \$845K contribution from the Tricentennial Commission will fund a design enhancement and a donor wall as a legacy gift.
- Funding in the amount of \$3.1M was further leveraged from the 2022-2027 Bond Program, Proposition D, Library & Cultural Facilities.

Project Construction Budget



World Heritage Center Budget & Overrun

Item	Description	Value
Base Bid	Phase 1 Site and Bldg	\$ 8,230,000.00
Alternates	Alternates 1-7	\$ 1,770,000.00
PWD	Soft costs	\$ 200,000.00
Funding	FY17 Bond (all three sources) and Tricentennial Funds	\$ (6,200,000.00)
Funding	FY22 Bond	\$ (2,800,000.00)
	Shortfall	\$ 1,200,000.00

World Heritage Center



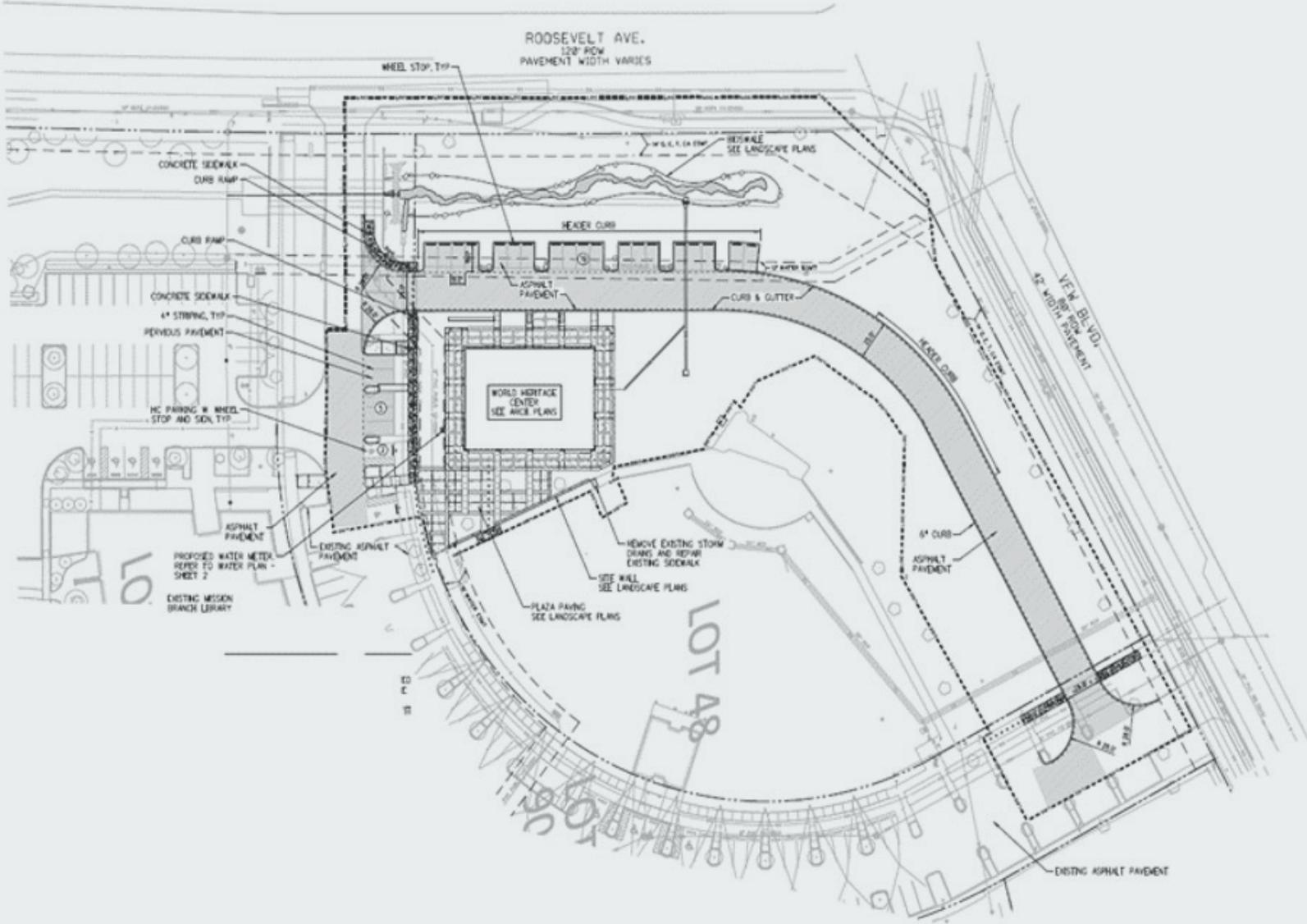
10,077 Square Feet



**5,672 Sq. Ft.
Indoor Space**

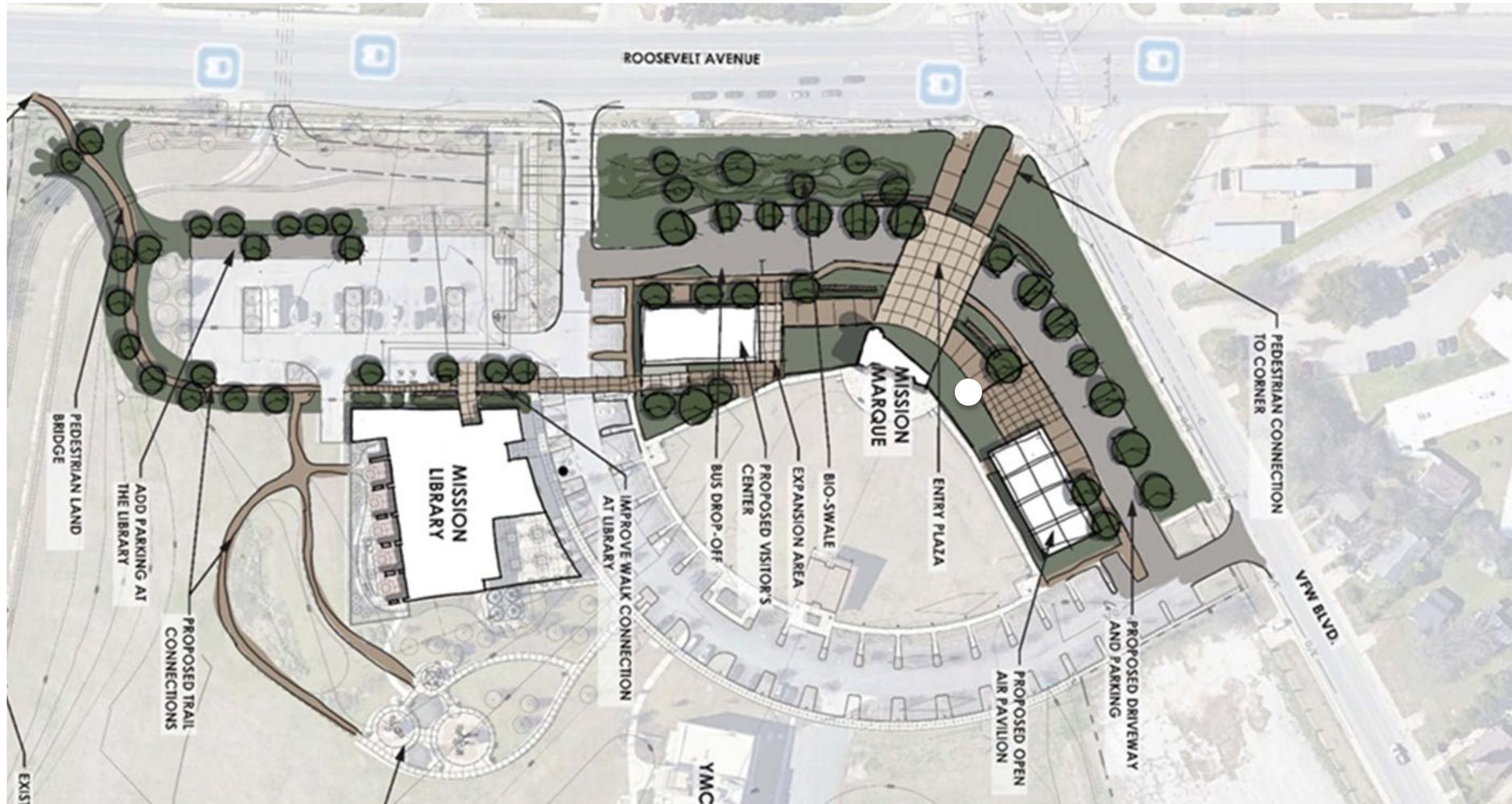


**4,405 Sq. Ft.
Outdoor Space**



Site Plans Base Bid

Site Concept Plan



T32 2023-05-16-01R

RESOLUTION BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER THIRTY-TWO, CITY OF SAN ANTONIO, TEXAS, KNOWN AS THE MISSION DRIVE-IN TAX INCREMENT REINVESTMENT ZONE (“TIRZ”), AUTHORIZING THE NEGOTIATION AND EXECUTION OF A FUNDING AGREEMENT WITH THE WORLD HERITAGE OFFICE IN AN AMOUNT NOT TO EXCEED \$1,200,000.00 IN FUNDS FOR THE WORLD HERITAGE CENTER PROJECT IN SAN ANTONIO, TEXAS IN COUNCIL DISTRICT 3.

* * * * *

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

WHEREAS, the City recognizes the importance of its continued role in economic development; community development and urban design and in accordance with Chapter 311 of the Texas Tax Code (the “Act”), the City through Ordinance No. 2008-12-11-1174 established Tax Increment Reinvestment Zone Number Thirty-Two, San Antonio, Texas, known as the Mission Drive-In TIRZ, to promote development and redevelopment which would not otherwise occur solely through private investment; and

WHEREAS, in November 2022, the City’s World Heritage Office (“WHO”), applied for funding from the City’s Tax Increment Financing Program (“TIF”) in order to undertake the construction of public improvements for the World Heritage Center (the “Project”), which will serve as a gateway to the San Antonio Missions and a gathering place for San Antonio residents and visitors in City Council District 3, and the Mission Drive-In TIRZ; and

WHEREAS, the total cost for the Project is approximately \$10 million with plans to include a multi-use facility, additional parking, enhanced low impact development landscaping, a drum circle, and trail connection from the World Heritage Center to the Mission Branch Library and Roosevelt Ave for pedestrian and bike connection to Mission San Jose; and

WHEREAS, WHO seeks an amount not to exceed One Million Two Hundred Thousand Dollars and No Cents (\$1,200,000.00) in reimbursable TIF funds for necessary public infrastructure, public improvements, and capital administration fees associated with the 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 reimburse for eligible project costs that benefit the Mission Drive-In TIRZ; and

WHEREAS, the Board desires to provide financial incentives for development and revitalization projects that benefit the City and the Mission Drive-In TIRZ and must now authorize the negotiation and execution of the Funding Agreement, attached hereto as **Exhibit A**; **NOW THEREFORE**,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER THIRTY-TWO, THE MISSION DRIVE-IN 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 negotiation and execution of the Funding Agreement, attached hereto as **Exhibit A**, to provide reimbursable funding in an amount not to exceed One Million Two Hundred Thousand Dollars and No Cents (\$1,200,000.00), for the World Heritage Center Project in San Antonio, Texas and within the Mission Drive-In TIRZ in City Council District 3.

SECTION 3. The Board hereby authorizes City staff to make any necessary changes to the Project Plan and Finance Plan.

PASSED AND APPROVED this 16th day of May, 2023.

Debra Perales
Board Chair

APPROVED AS TO FORM:

Thomas Rice
Assistant City Attorney

EXHIBIT A

DRAFT

FUNDING AGREEMENT
WITH THE CITY OF SAN ANTONIO'S WORLD HERITAGE OFFICE, AND
THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER THIRTY-TWO,
CITY OF SAN ANTONIO, TEXAS FOR THE
WORLD HERITAGE CENTER PROJECT

This Funding Agreement ("Agreement") is entered into by and between the City of San Antonio ("City"), a Texas municipal corporation in Bexar County, Texas, acting by and through its City Manager pursuant to Ordinance No. 2023-_____, and the Board of Directors for Tax Increment Reinvestment Zone Number Thirty-Two City of San Antonio, Texas, known as the Mission Drive-In TIRZ ("Board"), together referred as the "Parties".

BACKGROUND:

WHEREAS, the City recognizes the importance of its continued role in economic development; community development and urban design and in accordance with Chapter 311 of the Texas Tax Code (the "Act"), the City through Ordinance No. 2008-12-11-1174, established Tax Increment Reinvestment Zone Number Thirty-Two, San Antonio, Texas, known as the Mission Drive-In TIRZ ("TIRZ"), to promote development and redevelopment which would not otherwise occur solely through private investment; and

WHEREAS, in November 2022, the City's World Heritage Office ("WHO"), applied for funding from the City's Tax Increment Financing Program in order to undertake the construction of public improvements for the World Heritage Center ("WHC") which will serve as a gateway to the San Antonio Missions and a gathering place for San Antonio residents and visitors in City Council District 3, and within the TIRZ; and

WHEREAS, the total cost for the Project is approximately \$10 million with plans to include a multi-use facility, additional parking, enhanced low impact development ("LID") landscaping, a drum circle, and trail connection from the Center to the Mission Branch Library and Roosevelt Ave for pedestrian and bike connection to Mission San Jose; and

WHEREAS, pursuant to Section 311.008 of the Act, the Board has authority to enter into agreements that the Board deems necessary or convenient to implement the Project Plan and to achieve the purposes of developing the TIRZ within the scope of those plans; and

WHEREAS, in accordance Section 311.008 of the Act, on May 16, 2023, the Board approved Resolution T32-2023-05-16-01R, described in attached **Exhibit A**, authorizing approval of this Agreement, which provides a funding commitment for the WHC Project in an amount not to exceed One Million Two Hundred Thousand Dollars and No Cents (\$1,200,000.00) in reimbursable TIF funds for necessary public infrastructure and public improvements associated with the Project and authorizes said commitment to be incorporated into the TIRZ Project Plan; and

WHEREAS, pursuant to Ordinance No. 2023-_____, approved on the ____ day of _____ 2023, the Board and the City agree to enter into a binding agreement to ensure that the City is reimbursed for the public infrastructure and public improvement costs associated

with the Project, described and incorporated herein in the attached **Exhibit B**; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, obligations, and benefits contained in this Agreement, the City and the Board agree as follows:

ARTICLE I. TERM

- 1.1 **TERM.** This term of this Agreement shall commence on the Effective Date of this Agreement and end on whichever of the following dates should occur the earliest: (i) the date the City receives the final reimbursement for completing the Project; (ii) the date this Agreement is terminated as provided in Article X; or, (iii) termination of the TIRZ, provided that all existing warranties and warranty bonds on the Project shall survive termination of this Agreement.

ARTICLE II. DEFINITIONS

- 2.1 **ACT** - The Tax Increment Financing Act of Texas Tax Code, Chapter 311, as may be amended from time to time.
- 2.2 **ADMINISTRATIVE COSTS** – Reasonable costs incurred directly and/or indirectly by the City for the administration of the City's Tax Increment Financing Program.
- 2.3 **AGREEMENT** – This document by and among the City and the Mission Drive-In TIRZ Board, which may be amended from time to time in accordance with Section 11.4 Amendments.
- 2.4 **AVAILABLE TAX INCREMENT FUNDS** – Has the meaning given in the Act, Section 311.012(a)Tax, contributed by each participating taxing entity to the TIF Fund and distributed in accordance with the priority of payment of the TIRZ.
- 2.5 **BOARD** - The Board of Directors of the Mission Drive-In TIRZ.
- 2.6 **CITY** – For the purposes of this Agreement and hereinafter shall mean the City of San Antonio's World Heritage Office.
- 2.7 **COMPLETION** – In order for the Project to achieve a state of "Completion", Public Improvements must be approved and accepted by the Board as "completed" in accordance with Section 2.8 and 4.1 of this Agreement.
- 2.8 **CONSTRUCTION SCHEDULE** - The specific timetable for constructing the improvements specified in this Agreement, which timetable is more particularly set forth in **Exhibit C**, attached hereto and incorporated herein for all purposes and which timetable may be amended from time to time pursuant to the provisions of this Agreement.
- 2.9 **EFFECTIVE DATE** - The date that is listed on the signature page of this Agreement.

- 2.10 **FINANCE PLAN** – The Mission Drive-In TIRZ Financing Plan, as defined in the Act, and as approved and amended from time to time by the Board and the City, which is incorporated by reference into this document as if set out in its entirety, for all purposes.
- 2.11 **PHASE(S)** – The specific timeline and schedule for the Project’s construction and completion, as described in the Construction Schedule incorporated and attached as **Exhibit C**.
- 2.12 **PROJECT** – The City’s World Heritage Center Project, described in Section 4.1 of this Agreement and in attached **Exhibit B**.
- 2.13 **PROJECT COSTS** - Shall have the meaning provided by the Act, and limited to Public Infrastructure and Public Improvements as approved by the Board within the TIRZ boundary, incurred after execution of this Agreement.
- 2.14 **PROJECT PLAN** – The Project Plan as defined in the Act, for the Mission Drive-In TIRZ as approved and amended from time to time by the Board and the City, and incorporated by reference into this document as if set out in its entirety, for all purposes.
- 2.15 **PROJECT SITE** - The real property to be developed by the City and located within the TIRZ at 3106 Roosevelt Ave., San Antonio, Texas, 78214, described in attached **Exhibit D** (Map).
- 2.16 **PROJECT STATUS REPORT** – Statement(s) prepared and submitted by the City in accordance with the requirements of this Agreement, including quarterly updates and reports of compliance with laws, ordinances, and contractual requirements, and as described and attached in **Exhibit E**, attached and incorporated herein, for all purposes.
- 2.17 **PUBLIC IMPROVEMENTS** - Improvements that provide a public benefit, including but not limited to utilities, streets, streetlights, water and sewer facilities, walkways, parks, flood and drainage facilities, parking facilities, demolition work, fencing and landscaping, without regard to location in or outside of the public right of way, and the categories of work included in the definition of Project in this Agreement.
- 2.18 **PUBLIC INFRASTRUCTURE** – A building, highway, road, excavation, and repair work or other project development or public improvement on the Project Site, paid for in whole or in part from public funds, without regard to whether the work is done under public supervision or direction, and the categories of work included in the definition of Project in this Agreement.
- 2.19 **TAX INCREMENT** – Shall have the meaning provided by Section 311.012 of the Texas Tax Code and applies only to taxable real property within the TIRZ.
- 2.20 **TIF** – Tax Increment Financing.
- 2.21 **TIF DIVISION** – The employees of the City department responsible for the management of the City's Tax Increment Financing Program.

- 2.22 **TIF FUND** - The fund created by the City for the deposit of Tax Increments for the Zone, entitled “Tax Increment Reinvestment Zone Number Thirty-Two, City of San Antonio, Texas.”
- 2.23 **TIRZ** - Tax Increment Reinvestment Zone Number Thirty-Two, City of San Antonio, Texas, known as the Mission Drive-In TIRZ.

ARTICLE III. REPRESENTATIONS

- 3.1 **CITY’S AUTHORITY.** The City represents to the Board that as of the date of the execution of this Agreement, the City is a home rule municipality located in Bexar County, Texas, and has authority to carry out the obligations contemplated by this Agreement.
- 3.2 **BOARD’S AUTHORITY.** The Board represents that as of that date of the Board’s signature to this Agreement, the Board established pursuant to City Ordinance No. 2008-12-11-1174, has the authority to carry out the functions and operations contemplated by this Agreement.
- 3.3 **AUTHORITY AND ABILITY TO PERFORM.** The Parties represent that performance hereunder shall not result in any lien, charge, encumbrance or security interest upon any asset of the City or the Board, except that this Agreement shall constitute a claim against the TIF Fund only from Available Tax Increment Funds to the extent provided herein; and the City shall have sufficient capital to perform all of its obligations under this Agreement when it needs to have said capital.
- 3.4 **COOPERATE.** The Parties represent that they shall each cooperate and provide each other all necessary information in order to assist determining compliance with this Agreement.
- 3.5 **DUTY TO COMPLETE IMPROVEMENTS.** The Parties represent that they understand and agree that even after the TIRZ terminates, the City shall ensure the successful completion of all required improvements at no additional cost to the TIRZ beyond the maximum TIRZ funding, in accordance with the terms of this Agreement.
- 3.6 **CITY BEARS RISK OF REIMBURSEMENT.** The City understands and agrees that any expenditure made in anticipation of reimbursement from the TIF Fund shall not be, nor shall be construed to be, the financial obligation of the TIRZ. The City shall bear all risks associated with reimbursement, including, but not limited to: incorrect estimates of tax increment, changes in tax rates or tax collections, changes in law or interpretations thereof, changes in market or economic conditions impacting the Project, changes in interest rates or capital markets, changes in building and development code requirements, changes in City policy, and unanticipated effects covered under legal doctrine of force majeure.

ARTICLE IV. THE PROJECT

- 4.1 **PROJECT.** The Project shall consist of the development of public infrastructure and

public improvements necessary to include the construction of roadways, parking facilities, pedestrian improvements to include sidewalks/trailways/paving, landscaping, bioswale water drainage, outdoor public assembly space, veranda space, lighting, and completion of interpretive and directional signage, at 3106 Roosevelt Ave., San Antonio, Texas 78214, City Council District 3, and within the TIRZ. The City will provide Project oversight and complete or cause the completion of the Project, in accordance with this Agreement and no later than December 31, 2024.

ARTICLE V. OBLIGATIONS OF THE CITY

- 5.1 **PROJECT OVERSIGHT.** The City agrees to monitor activities and provide reasonable oversight of the Project, including the management of construction of Public Infrastructure and Public Improvements. WHO shall be the point of contact on all matters regarding the Project.
- 5.2 **COMMENCEMENT.** The City agrees and shall ensure that construction on any Phase of the Project: (i) has been approved in writing by the appropriate City department; and, (ii) the requirements of all local, State and Federal laws have been met from the effective date of the commencement of construction on the Project.
- 5.3 **WRITTEN AGREEMENT.** The City agrees that any work or services contracted under this Agreement shall be contracted only by written contract and, unless specific waiver is granted in writing by the Board, such contract shall be subject to this Agreement.
- 5.4 **COMPLIANCE.** The City agrees to ensure compliance by Project contractors and subcontractors of all applicable provisions of the Act, the TIF Program Policy, the City Charter, the City Code, (including the Unified Development Code such as Universal Design and Construction requirements), Chapter 2258 of the Texas Government Code, and all applicable local, state, and federal laws and regulations as amended.
- 5.5 **PROJECT INSPECTION.** The City agrees to provide the Board and TIF Division access to the Project Site for inspections during and upon completion of construction of the Project, and access to documents and records considered necessary to assess the Project. The Board and TIF Division shall be provided a right of entry onto the Project Site to conduct random walk-through inspections. All construction site visits must be coordinated with the General Contractor Superintendent at a minimum of 24 hours in advance to coordinate operations and logistics for site safety purposes.
- 5.6 **SUPERVISION OF CONSTRUCTION.** The City agrees to cause the performance of all construction of all Public Infrastructure and Public Improvements, at a minimum, in accordance with all Federal, State and local laws, including, but not limited to the current TIF Program Policy, the Unified Development Code, Universal Design, Prevailing Wage, Chapter 2258 of the Texas Government Code, the City Code, and the plans and specifications approved by the appropriate department of the City. The City also agrees to provide reports including inspections of such construction and of compliance with such laws, ordinances, and contractual requirements.
- 5.7 **COMPLETION.** The City agrees to complete, or cause to be completed, the Public

Infrastructure and Public Improvements, in accordance with Section 2.8 and Section 4.1 of this Agreement and no later than December 31, 2024.

- 5.8 **DELAYS.** The City agrees to complete or cause the completion of the Project, in accordance with this Agreement and no later than December 31, 2024. In the event the Project is not completed substantially in accordance with this Agreement, then at the reasonable discretion of the TIF Manager, the deadlines set forth in the Construction Schedule may be extended but not past the expiration of the TIRZ.
- 5.9 **EXTENSION(S).** The City agrees to provide the TIF Division written Notice of Extension(s) within 30 days of a delay for any deadline of any term of this Agreement. Upon receipt of a Notice of Extension, the TIF Manager shall have reasonable discretion to extend any deadlines set forth herein without further Board approval or City Ordinance.
- 5.10 **FORCE MAJEURE.** The TIF Manager may also grant temporary relief from any deadline for performance of any term of this Agreement if the City is prevented from compliance and performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributed to the fault of the City. The burden of proof for the need of such relief shall rest on the City. To obtain relief based on force majeure, the City must file a written request with the TIF Division. Then, at the TIF Manager's reasonable discretion, the deadlines set forth in this Agreement may be extended without subsequent City Ordinance.
- 5.11 **QUARTERLY STATUS AND COMPLIANCE REPORTS.** The City agrees to submit to the TIF Division written and signed Project Status Reports (see Sections 2.17 and 5.4 above) containing all required information, on the 15th day of January, April, July and October throughout the duration of the Project, or more often if requested by the Board or the TIF Division, using the form attached as **Exhibit E**.
- 5.12 **MAINTENANCE.** The City shall, at its own cost and expense, maintain or cause to be maintained all Public Infrastructure and Public Improvements, to the extent required by this Agreement.

ARTICLE VI. OBLIGATIONS OF THE BOARD

- 6.1 **FUNDING.** Funding shall be in consideration of full and satisfactory performance of the City's obligations required in this Agreement and contingent on: (i.) reasonable oversight of the Project, (ii.) completion of the Project, (iii.) Board approval and, (iv.) availability of TIF Funds.
- 6.2 **BOARD APPROVAL.** Upon execution of this Agreement, the Board shall consider for approval the City's requests for reimbursement of eligible Project Costs, including completion of Public Infrastructure and Public Improvements.
- 6.3 **ELIGIBLE PROJECT COSTS.** Costs shall be considered eligible only if approved by the Board, incurred directly and specifically in the performance of, and in compliance with

this Agreement and all applicable laws.

- 6.4 **PLEDGE OF FUNDS.** The Board hereby pledges Available Tax Increment Funds, as reimbursement to the City for approved Project Costs, up to One Million Two Hundred Thousand Dollars and No Cents (\$1,200,000.00) for the development and design of the Project, located at the Project Site, subject to the terms and conditions in this Agreement, priority of payment schedule, and termination of the TIRZ. The Available Tax Increment Funds will be in the amounts of \$700,000.00 for Fiscal Year 2023, \$300,000.00 for Fiscal Year 2024 and \$200,000.00 for Fiscal Year 2025.

ARTICLE VII. NOTICE

- 7.1 **ADDRESSES.** Any notice sent under this Agreement shall be written and mailed with sufficient postage, sent by certified mail, return receipt requested, documented facsimile or delivered personally to an officer of the receiving Party at the following addresses:

THE CITY

World Heritage Office
Attn: Colleen Swain, Director
City Tower
100 W. Houston, Suite 1500
San Antonio, TX 78205

THE BOARD

Mission Drive-In TIRZ #32
Attn: TIF Division
City Tower
100 W. Houston, 6th Floor
San Antonio, TX 78205

- 7.2 **CHANGE OF ADDRESS.** Notice of change of address by either Party must be made in writing and mailed to the other Party within 5 business days of such change.

ARTICLE VIII. RECORDS

- 8.1 **RIGHT TO REVIEW.** The Board shall have the right to access records related to the Project, including but not limited to the Project's construction schedule and expenditures. At the request of the Board or the TIF Division, the City agrees to provide the Board and the TIF Division access to records related to the Project for examinations during regular business hours.
- 8.2 **PRESERVATION OF RECORDS.** The City shall retain, preserve, and make available to the Board all records and accounts relating to the Project and this Agreement throughout the term of this Agreement and for 12 months after the termination of this Agreement.
- 8.3 **DISCREPANCIES.** Should errors be discovered in internal controls or in record keeping associated with the Project, such discrepancies shall be corrected upon discovery or within a reasonable period of time, not to exceed 60 days after discovery. The Board shall be informed of the action taken to correct such discrepancies.
- 8.4 **OVERCHARGES.** If it is determined that the TIRZ has been overcharged for the cost of the Public Improvements, then such overcharges shall be immediately returned to the TIF Fund and become due and payable with interest at the maximum legal rate under

applicable law from the date the TIRZ paid such overcharges.

ARTICLE IX. REIMBURSEMENT

- 9.1 **PRIMELINK APPROVAL.** City shall be reimbursed on a monthly basis upon receipt and approval of invoices through the City's Project Reporting Information Management Exchange Link (COSA PRIMElink) within thirty (30) days after receipt of an approved invoice.
- 9.2 **PRIMELINK AGREEMENT.** All requests for reimbursement shall be submitted through the COSA PRIMElink. City shall ensure that all of its employees or representatives utilizing PRIMElink sign and comply with an Individual User Agreement. Such requests for reimbursement shall be completed on PRIMElink and/or utilizing forms and instructions approved by the Public Works Department.
- 9.3 **MAXIMUM REIMBURSEMENT.** Following PRIMElink approval, City shall receive in accordance with this Agreement, from the City's Revenue Fund a total maximum reimbursement of ONE MILLION TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$1,200,000.00) for eligible Project Costs.
- 9.4 **REIMBURSEMENT OF CITY FEES.** Departments of the City may seek reimbursement for their customary service charges and fees for management of the Project as eligible Project Costs, but only to the extent that reimbursement of such charges and fees shall not cause the Project to exceed the total maximum reimbursement of ONE MILLION TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$1,200,000.00).
- 9.5 **PRIORITY OF PAYMENT.** The Parties agree that TIF Funds will be used to reimburse City for eligible Projects Costs in the order of priority of payment for the TIRZ.
- 9.6 **SOURCE OF FUNDS.** The Parties agree the sole source of the funds to reimburse City shall be the Available Tax Increment Funds levied and collected on the real property located in the TIRZ and contributed by the participating taxing entity to the TIRZ Fund.
- 9.7 **PARTIAL PAYMENTS.** If TIF funds are not available in an amount sufficient to make payments in full when the payments are due under this Agreement, partial payment shall be made in the order of priority required by section 9.5 above, and the remainder shall be paid as TIF funds become available. No fees, costs, expenses or penalties shall be paid on any partial or late payment.

ARTICLE X. TERMINATION

- 10.1 **TERMINATION.** For purposes of this Agreement, termination shall mean the expiration of the term as provided by Article I. Section 1.1 Term, herein. In addition, the City and/or the Board may terminate this Agreement in the following manners: (1) Termination without Cause pursuant to Section 10.2, (2) Termination for Cause pursuant to Section 10.3, and (3) Termination by law pursuant to Section 10.4.

- 10.2 **TERMINATION FOR WITHOUT CAUSE.** This Agreement may also be terminated by mutual consent and a written agreement of the Parties. In such case, the Parties shall agree upon the reason(s) of such termination, the termination conditions, the proposed pay-back plan of disbursed funds, and the proposed effective date of such termination.
- 10.3 **TERMINATION FOR CAUSE.** Each Party shall have the right to terminate this Agreement in whole or in part for cause if the City fails to perform the terms and conditions herein or, if the City fails to cure a default within 60 days after receiving written notice of Default from the Board, requesting that the failure be cured.
- 10.4 **CURE.** Upon written Notice of Default resulting from a breach of this Agreement, such default may be cured within 60 days from the date of the Notice of Default.
- 10.5 **NOTICE OF TERMINATION.** In the event that a Party fails to comply with this Agreement, such non-compliance shall be deemed a default and this Agreement may summarily be terminated upon the issuance of a written Notice of Termination, which shall include: (1) the reasons for termination; and (2) the effective date of Termination.
- 10.6 **RECAPTURE.** If the Board terminates this Agreement for cause, then the TIRZ shall have the right to recapture all the disbursed TIF funds made under this Agreement and the City shall repay and deposit all TIF funds disbursed to the City under this Agreement to the TIF Fund of the Mission Drive-In TIRZ within 60 days from the date of Notice of Termination. All recaptured funds made under this Agreement shall be deposited into the TIF Fund of the Mission Drive-In TIRZ.
- 10.7 **OTHER REMEDIES AVAILABLE.** The Board shall have the right to seek any remedy in law to which it may be entitled, in addition to termination and repayment of funds, if the City defaults under the material terms of this Agreement.

ARTICLE XI. ASSIGNMENTS, CHANGES AND AMENDMENTS

- 11.1 **ASSIGNMENTS.** The Parties shall not transfer, pledge or assign their rights and obligations under this Agreement without first procuring written approval by the Board as evidenced by Resolution passed and approved by the Board.
- 11.2 **AUTOMATIC INCORPORATION OF LAWS.** Changes in Federal, State and local laws, rules, or regulations may occur during the term of this Agreement and any such change(s) shall be automatically incorporated into this Agreement without written amendment to this Agreement, and shall become a part of this Agreement as of the effective date of the rule, regulation or law.
- 11.3 **INVALID PROVISION.** If any provision of this Agreement is held invalid, ineligible, illegal or unenforceable under City, State, Federal laws, then said provision and the remainder of this Agreement shall be construed as if such provision was never contained in this Agreement.
- 11.4 **AMENDMENTS.** Except when the terms of this Agreement expressly provide otherwise, any alteration, addition, or deletion to the terms of this Agreement shall be by amendment

in writing executed by the passage of Board Resolution and subsequent City Ordinance.

ARTICLE XII. NON-DISCRIMINATION

- 12.1 **NON-DISCRIMINATION.** In accordance with the Non-Discrimination Policy of the City of San Antonio contained in Chapter 2, Article X of the City Code, no person shall, on the ground of race, color, national origin, religion, sex, age, gender (to include transgender), sexual orientation, veteran status or disability, be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied access to any program or activity funded in whole or in part under this Agreement.

ARTICLE XIII. GOVERNING LAW

- 13.1 **TEXAS LAW.** This Agreement shall be construed in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in with this in Bexar County, Texas. Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in Bexar, County Texas.

ARTICLE XIV. CAPTIONS

- 14.1 **CAPTIONS.** All captions herein are only for the convenience of reference and shall not be construed to have any effect or meaning as to this Agreement.

ARTICLE XV. ENTIRE AGREEMENT

- 15.1 **FINAL AGREEMENT.** This written Agreement embodies the final and entire agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties.
- 15.2 **INCORPORATION AND EXHIBITS.** Exhibits referenced below are incorporated herein and shall be considered a part of this Agreement, except that if there is a conflict between an Exhibit and a provision of this Agreement, the provision of this Agreement shall prevail over the Exhibit.

EXHIBIT A - Resolution T32-2023-05-01-01R

EXHIBIT B – World Heritage Center Project

EXHIBIT C - Construction Schedule

EXHIBIT D - Project Site (Map)

EXHIBIT E - Project Status Report Form

Signatures on the following page

EXECUTED BY THE PARTIES IN DUPLICATE ORIGINALS, each of which shall have the full force and effect of an original on this the ___ day of _____, 2023.

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

BOARD OF DIRECTORS
Mission Drive-In TIRZ #32

Erik Walsh
CITY MANAGER
Date: _____

PRESIDING OFFICER
Date: _____

APPROVED AS TO FORM:

ASSISTANT CITY ATTORNEY

DRAFT

6. Staff Updates

Board member terms of office expire May 31, 2023

Adjournment

The Board/Vice Chair shall entertain a motion to adjourn.