

Agenda Item #6

Nabors Tract

Proposed Petition Initiated TIRZ

Planning and Land Development Committee
March 29, 2021



CITY OF SAN ANTONIO
**NEIGHBORHOOD & HOUSING
SERVICES DEPARTMENT**

Verónica R. Soto, FAICP, Director



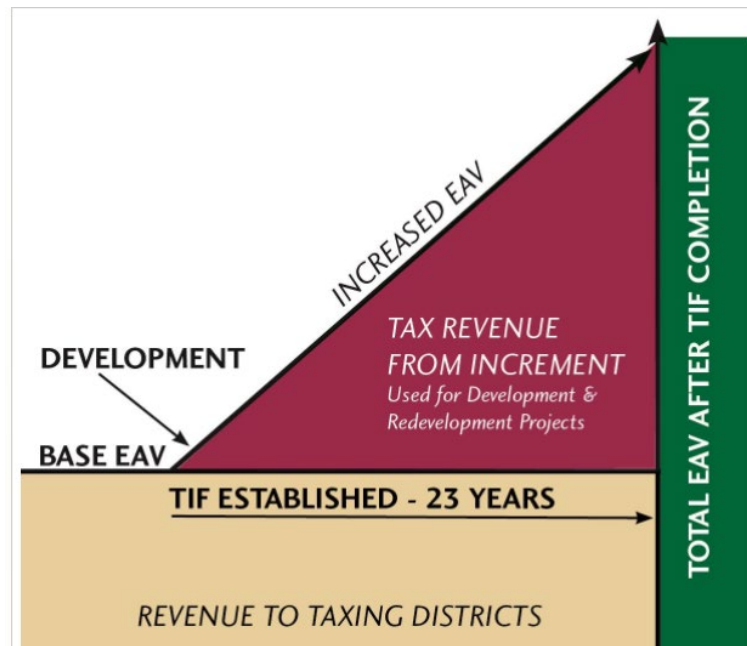
What is Tax Increment Financing?

Governed by Chapter 311 of Texas Tax Code

- An economic development tool used to spur development or redevelopment of blighted or underperforming areas that would otherwise remain stagnant.

Mechanics

- Designated area is called a Tax Increment Reinvestment Zone (TIRZ)
- A portion of collected taxes are contributed to a TIRZ fund
- The base year is the year the TIRZ is designated and the TIRZ fund revenue is the increment or portion of the increment from the base year





How does a TIRZ get designated?

City-Initiated TIRZ

- Staff working with Council to select and approve a boundary
- Various projects are eligible for reimbursement within the boundary if they meet the statute and funding is available
- Affordable housing eligible city-wide
- Reimbursement basis for individual projects

Petition-Initiated TIRZ

- Developer submits TIF Funding Application and application fee
- Typically one project (housing development subdivision) is reimbursed and usually submitted by the subdivision developer
- Reimbursement on eligible public infrastructure over a set term



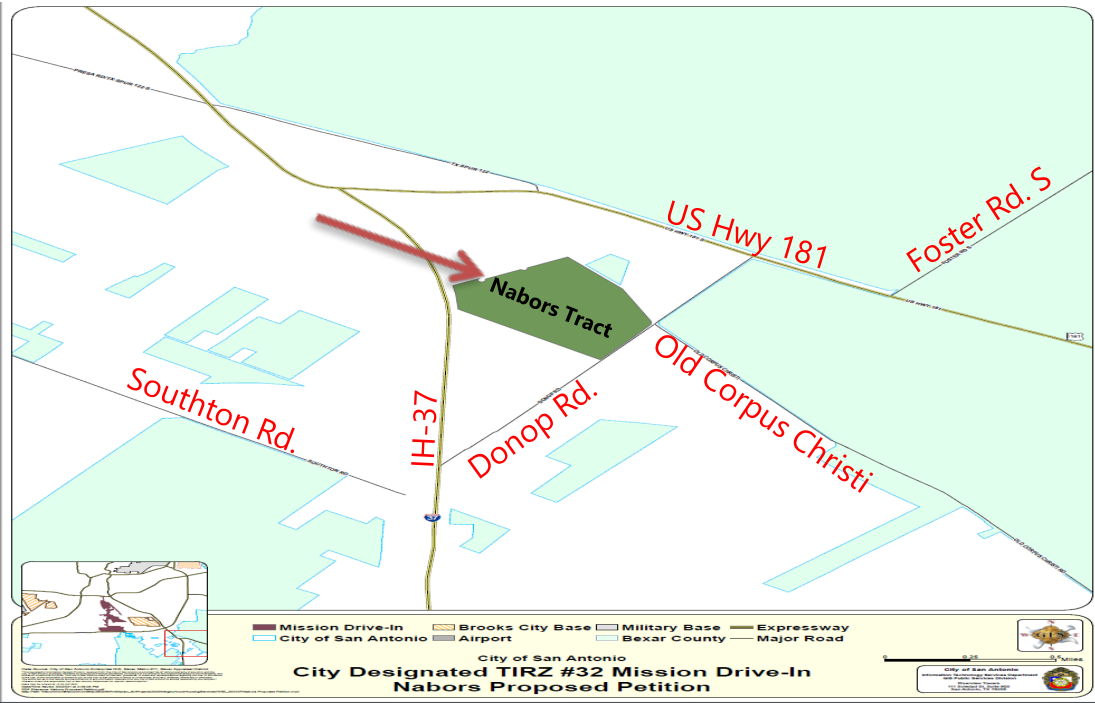
San Antonio TIRZ Review Process

- Developer submits TIF Funding Application & application fee
- Finance Management Division (FMD) analyzes financials
- Present to TIF Governance Committee*
- Council Committee (Planning and Land Development Committee) review
- City Council for approval of TIRZ designation, boundaries, preliminary finance plan, and formation of board
- TIRZ board meeting for approval of Development Agreement, Finance Plan, and Project Plan

*TIF Governance Committee was established in March 2014. It is a high level decision making body charged with overseeing the TIF Program. The Governance Committee was a recommendation from a 2013 audit of the TIF Program. The audit was part of an annual Audit Plan approved by City Council.



Background on current request



Nabors Tract

- In February 2021 Bitterblue Development submitted an application for the creation of a petition initiated TIRZ
- 11625 Old Corpus Christi Highway in southeast San Antonio
- Council District 3



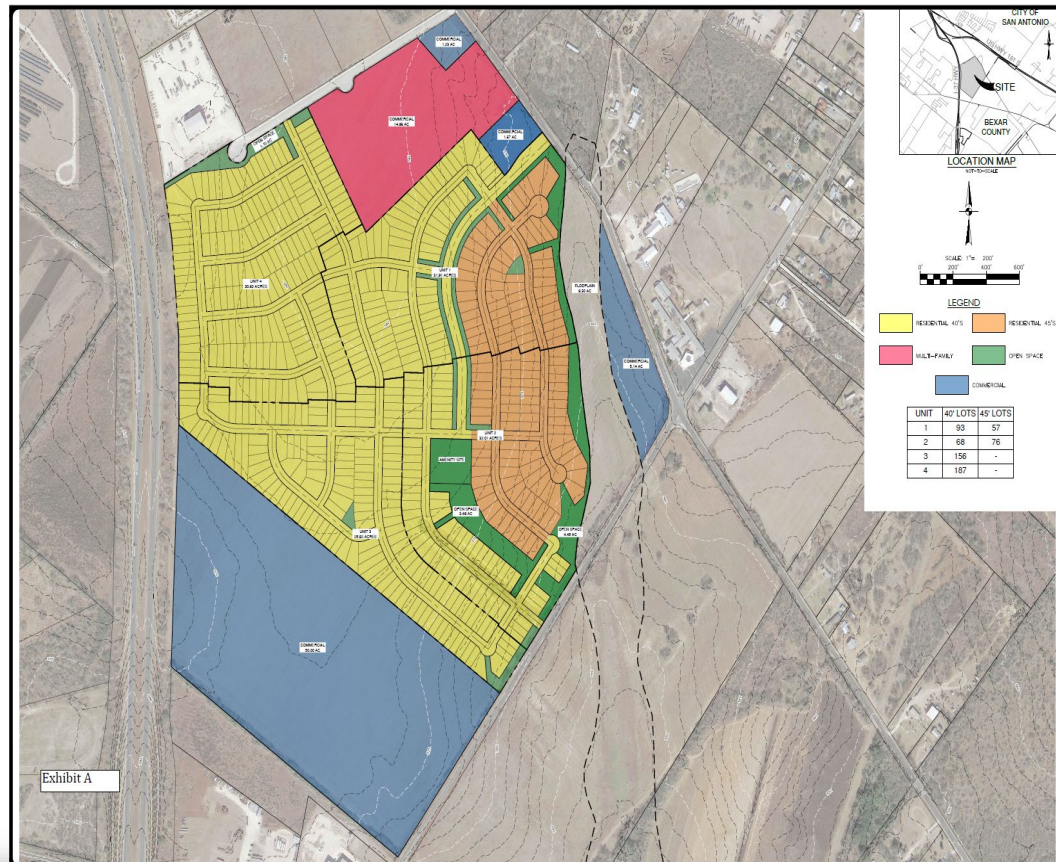
Nabors Tract

Project: mixed-use

- 120 acres of single family with two car garage – 637 lots
- 15 acres of multi-family – 340 units
- 8 acres of neighborhood retail
- 50 acres of industrial (data center)
- 18 acres of open space/drainage

Single Family Home Prices:

- \$177K - \$200K – 75 homes (12%)
 - \$200K - \$240K – 319 homes (50%)
 - Above \$240K – 243 homes (38%)
- Total development cost is approximately \$25,984,257.
 - Public infrastructure reimbursement request of \$18,838,599





Reimbursement

Total Development Cost: \$25,984,257

TIRZ Public Infrastructure Reimbursement Request:

- \$18,838,599 for public improvements over life of the TIRZ (72.5% of total development cost)

Public Infrastructure Cost:

Sewer extension to
provide service across
37 to the East and
support a proposed
public school

Streets/Sidewalks	\$	4,883,448
Drainage	\$	1,055,650
Water Off site/On-site	\$	1,684,543
Sewer Off site/On-site	\$	4,077,265
CPS Energy and Street Lights	\$	1,601,400
Entry/Landscape/Parkway	\$	835,000
SWPPP	\$	60,000
Engineering/Platting Fees	\$	1,815,017
Project Management	\$	956,524 *
Geotechnical/Environmental/Cultural	\$	268,800
Formation Expense	\$	65,000 *
Project Contingency	\$	<u>1,535,952 *</u>
Total Infrastructure Capital Cost	\$	18,838,599

* Reimbursements for these items will be reviewed for eligibility





Staff Recommendation/Tentative Timeline

Staff is recommending a 25-year term with the city participating at 85%.

- **March 3, 2021** – TIF Governance Committee
- **March 29, 2021** - PLDC
- **March 2021** – Negotiate and draft agreement
- **April/May 2021** – Council Consideration

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