



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 49

Agenda Date: June 22, 2023

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

Development Agreement, Final Finance Plan, and Final Project Plan for TIRZ #40, Lone Oak

SUMMARY:

This item authorizes the execution of the Development Agreement and approves the Finance Plan and Project Plan for TIRZ #40, Lone Oak, located in Council District 3.

BACKGROUND INFORMATION:

In October 2022, VT Lone Oak Development Company, LLC petitioned the City pursuant to the provisions of Chapter 311 of the Texas Tax Code to designate a Tax Increment Reinvestment Zone (TIRZ) located at the northwest quadrant of IH-37 South and Loop 1604 in Council District 3. On January 12, 2023, through Ordinance 2023-01-12-0013, City Council approved the designation, a Preliminary Finance Plan, creation of a seven-member Board of Directors, and established a Tax Increment Fund for TIRZ #40, Lone Oak.

The Lone Oak development is comprised of approximately 240 acres at the northwest quadrant of IH-37 South and Loop 1604 in Council District 3. The Development will consist of 957 single family market rate homes. The average home price is projected to be \$275,000 with homes starting at \$260,000. The Development will include a park and other green space for community residents.

The petition initiated TIRZ will exist for approximately 25 years with the term beginning January 13, 2023, and shall terminate no later than September 30, 2048, with the City's participation level of 85%. The developer shall receive up to a maximum reimbursement from the TIRZ of \$48,805,362 for public improvements.

On April 26, 2023, the Lone Oak TIRZ Board Directors approved the Development Agreement, Finance Plan and Project Plan for the Lone Oak #40, in accordance with the Tax Increment Finance (TIF) Act, Chapter 311 of the Texas Tax Code. The City and the Lone Oak TIRZ Board of Directors recognize the importance of their role in economic development, community development, planning and urban design in accordance with the TIF Act.

ISSUE:

For the Development Agreement, Finance Plan, and Project Plan to be considered final, they are subject to the approval of the governing body of the municipality that designated the zone.

ALTERNATIVES:

City Council could decide to not approve the Development Agreement, Finance Plan, and Project Plan which would negatively affect the ability of the developer to develop the property for construction of mixed-income single family homes.

FISCAL IMPACT:

There is no immediate fiscal impact to the City's General Fund. The future taxes collected on the captured taxable value of parcels within the newly designated Lone Oak TIRZ #40 will be deposited in the Lone Oak TIRZ #40 fund to be used for eligible expenses within the TIRZ boundaries.

RECOMMENDATION:

Staff recommends approval of the Development Agreement, Finance Plan, and Project Plan for TIRZ #40, Lone Oak, located in City Council District 3.