



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 47

Agenda Date: December 15, 2022

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Interim Director

COUNCIL DISTRICTS IMPACTED: District 2

SUBJECT:

Cruising Kitchens at 314 Nolan Project

SUMMARY:

This item approves a Development Agreement between the Inner City Tax Increment Reinvestment Zone Board of Directors, the City of San Antonio, and Cruising Kitchens, LLC for eligible public improvements for an amount not to exceed \$400,000.00 for the Cruising Kitchens at 314 Nolan Project located in Council District 2. Funding for this agreement in an amount up to \$400,000.00 is available through the tax increment produced by the Inner City TIRZ.

BACKGROUND INFORMATION:

In February 2022, Cruising Kitchens, LLC applied for TIRZ funding for the Cruising Kitchens at 314 Nolan St. Project, located within the Inner City TIRZ #11 and Council District 2.

The expansion of Cruising Kitchen's second location at 314 Nolan St. and 520 Chestnut St. in San Antonio is due to the rapid expansion of Ghost Kitchens. The 3.48-acre property will be redeveloped to provide a commercial and office space, as well as affordable housing with at least one custom designed container home provided on site.

The developer proposed public improvements include: site work, drainage, curb cuts, utilities, landscaping, fencing, public art (mural on building), affordable housing, exterior lighting, and signage. The Project plans to do the following: beautify the area with landscaping along the right of way, create an art mural in Council District 2, create job mentorship programs, create and prepare the community for new jobs, and improve safety conditions for pedestrians, while hoping to encourage further development nearby.

The Project is in line with the SA Tomorrow Comprehensive Plan's vision of providing economic vitality with redevelopment near major corridors. Without the Project, the existing abandoned warehouse structures will possibly continue to remain vacant and increment tax revenue will not be generated for the TIRZ.

ISSUE:

City Council consideration is requested for the approval of Funding Agreement between the Inner City TIRZ Board of Directors and Cruising Kitchens, LLC for an amount not to exceed \$400,000.00 for for the Cruising Kitchens at 314 Nolan Project in Council District 2.

TIRZ funding agreements require approval by the TIRZ Board and City Council. The Inner City TIRZ Board approved this funding agreement at its September 19, 2022 meeting.

ALTERNATIVES:

If City Council chooses not to approve the Development Agreement, Cruising Kitchens, LLC will need to seek an alternate funding source to help with the public improvements. This could potentially delay or lead to the cancelation of the project.

FISCAL IMPACT:

This ordinance authorizes a Development Agreement between the Inner City TIRZ, the City of San Antonio, and Cruising Kitchens, LLC for an amount not to exceed \$400,000.00 for the Cruising Kitchens at 314 Nolan Project, located at 314 Nolan Street, in Council District 2. Funding for this agreement in an amount up to \$400,000.00 is available through the tax increment produced by the Inner City TIRZ. There is no fiscal impact to the City's General Fund.

RECOMMENDATION:

Staff recommends approval of a Development Agreement with Cruising Kitchens, LLC in an amount not to exceed \$400,000.00 for the Cruising Kitchens at 314 Nolan Project located in Council District 2.