



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 5

Agenda Date: April 15, 2024

In Control: Tax Increment Reinvestment Zone No. 31 - Midtown Meeting

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Agreement with Oxbow Real Estate, LLC.. in an amount up \$6,810,000.00 plus interest and fees for public improvements in the Pearl Brewery District.

SUMMARY:

This item will authorize the negotiation and execution of a Development Agreement with Oxbow Real Estate, LLC. in an amount up \$6,810,000.00 plus interest and fees for public improvements in the Pearl Brewery District.

BACKGROUND INFORMATION:

Located just north of downtown San Antonio and generally bounded by Avenue A, Newell, Grayson and Elmira Streets, the Pearl Brewery District is a mixed-use development featuring retail, dining, green spaces, a hotel, and access to the San Antonio River Walk.

In January 2024, Oxbow Real Estate, LLC, as Developer, submitted a proposal request for tax increment fund reimbursement in an amount up to \$6,810,000.00 plus interest and fees for public

improvements, including pedestrian and park improvements to occur within, or adjacent to, the Pearl Brewery District. Oxbow is currently planning additional projects in the Pearl District for approximately 600 multi-family units, 150,000+ square feet of commercial space including office/retail/restaurant/entertainment uses, approximately 166 hotel rooms, and plazas. The total development cost for this next phase is at least \$475 million.

Public improvement projects include sidewalks, bike lanes, exterior stairs, pedestrian connections, street infrastructure, street grading, as well as improvements to plaza areas and parks. The projects will improve pedestrian mobility, access, and safety, increase access to and from the San Antonio River, as well as park and plaza improvements.

Public improvement projects include:

- Sidewalks and Bike Lanes at Newell Street
- New sidewalk at Park Street
- Newell Avenue Stairs to River
- South Bridge – Pedestrian Connections (with stairs)
- Brewmeister’s Alley Bridge – Pedestrian Connections
- Elmira Street – infrastructure updates and street regrading
- Myrtle Street – Plaza area
- Josephine Street Pedestrian Improvements
- City Flood Tunnel Park Improvements
- Stairs from River to Street Level at City Park

ISSUE:

The Midtown TIRZ Board is being asked to authorize the negotiation and execution of a Development Agreement with Oxbow Real Estate, LLC. in an amount up to \$6,810,000.00 plus interest and fees for public improvements in and around the Pearl Brewery District.

Funding for this item will come from the Midtown TIRZ allocation for the undergrounding of utilities for the Broadway Complete Streets Project that was authorized prior to the Midtown TIRZ Board’s reconstitution in January of 2022. The Midtown TIRZ Board and City Council approved \$20 million plus interest and fees to underground the utilities for Broadway Phase 1 of the Broadway Complete Streets Project and another \$17 million plus interest and fees for Phase 2. As a result of the redesign effort by TXDOT, these projects will not proceed. While the funding for the public improvements will come from the underground utility allocation, the actual increment from the \$475 million in development will benefit the reconstituted TIRZ. At full buildout in 2028, the developments will produce approximately \$2.5 million in tax increment annually.

FISCAL IMPACT:

Funding for this agreement is available through the tax increment produced by the Midtown TIRZ that was allocated to a project prior to the Board’s reconstitution and is no longer happening. There is no fiscal impact to the City’s General Fund.

ALTERNATIVES:

If the Midtown TIRZ Board chooses to not authorize the Development Agreement, Oxbow Real Estate, LLC., will need to seek an alternate funding source for the projects. This may delay or lead to cancelation of the projects.

RECOMMENDATION:

Staff recommends the Midtown TIRZ Board authorize the negotiation and execution of a Development Agreement with Oxbow Real Estate, LLC in an amount up to \$6,810,000.00 plus interest and fees for public improvements in and around the Pearl Brewery District.