



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 6

Agenda Date: April 23, 2024

In Control: Tax Increment Reinvestment Zone No. 28 - Verano

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 3|District 4

SUBJECT:

Authorizing payment of Invoice #3 to South Star at Verano, LLC for an amount up to \$4,426,083.36 in allowable reimbursable expenses within the approved Development Agreement.

SUMMARY:

With Board approval, the Developer of record, South Star at Verano, LLC shall receive the permitted payment for allowable reimbursable expenses of up to \$4,426,083.36 in future increment.

BACKGROUND INFORMATION:

The City of San Antonio's Verano TIRZ was originally designated on December 6, 2007. The Verano TIRZ boundary, originally 2,700 acres, has been amended to include portions of the area north of South Loop 410 to include Palo Alto College and surrounding properties. The new TIRZ boundary is now 3,100 acres of largely undeveloped land that will be utilized to construct 2,542 single-family detached homes, 3,375 multi-family homes, 1,021 condos/town homes, 5,977,200

square feet of commercial, and the new Texas A&M – San Antonio "TAMU-SA" campus with an estimated 25,000 student enrolled at full build-out. The Verano Site is located within a Texas Enterprise Zone eligible area and is eligible for the Tax Increment Financing Tool as defined in the City's 2006 TIF Guidelines. The TIRZ is located in City Council Districts 3 and 4, and Bexar County Precinct 1 in the south section of the City, generally along and south of Loop 410. The project is located in the Southwest, Southside, South San Antonio, and Harlandale Independent School Districts.

This TIRZ will enhance the quality of life for the existing residents of the region, and the City will gain a self-sustaining, mixed use community in the spirit of the initiatives set by the City South Community Plan. Participating taxing entities are the City of San Antonio, Bexar County, Alamo Community College District, and San Antonio River Authority. The City of San Antonio has negotiated a 75% participation level and a maximum contribution to the developer's cost of \$135,000,000 plus an additional \$3,700,000 to cover administrative fees; The TIRZ will reimburse costs associated with the public improvements for this project which include: streets, drainage/retention, water, sewer, street lights, street signs, streetscapes, linear parks, parks/plazas, platting/zoning fees, storm water pollution prevention, park fees, drainage impact fees, off site drainage, sewer/water impact fees, and environmental review.

The Verano TIRZ will be in existence through September 30, 2045.

ISSUE:

Board consideration is requested to authorize payment of Invoice #3 to South Star at Verano, LLC seeking reimbursement for allowable reimbursable expenses for an amount up to \$4,426,083.36.

FISCAL IMPACT:

South Star at Verano, LLC is seeking reimbursement for allowable reimbursable expenses for an amount up to \$4,426,083.36. There is no fiscal impact to the General Fund. The funds come from the Verano TIRZ increment fund.

ALTERNATIVES:

The Board could decide to not authorize payment of Invoice #3 to South Star at Verano, LLC for allowable reimbursable expenses for an amount up to \$4,426,083.36. However, this would result in delays or lead to the cancellation of the TIRZ.

RECOMMENDATION:

Staff recommends approval of the Resolution authorizing payment of Invoice #3 to South Star at Verano, LLC for an amount up to \$4,426,083.36 from future increment for allowable reimbursable expenses within the approved Development Agreement.