

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("MOA") is executed as of the ____ day of ____, 2021, pursuant to City Council Ordinance No _____, by and between City of San Antonio, a Texas municipal corporation ("City") and Board of Directors for Tax Increment Reinvestment Zone #9, also known as the "Houston Street TIRZ" (collectively referred to as "Parties").

WHEREAS, on June 4, 2015, the City Council of San Antonio approved a Comprehensive Development Agreement ("Agreement") utilizing a Public-Private Partnership ("P3") with Weston Urban, LLC and Frost Bank which resulted in the construction of the new Frost Tower by Weston Urban as well as the acquisition, ongoing redevelopment and rebranding of the former Frost Bank Building by City, now known as City Tower, which will serve as a consolidated administrative building for the City; and

WHEREAS, as a result of this P3 development, several previously City-owned properties will now become taxable and generate tax increment, and the new Frost Tower and associated parking garage is anticipated to also generate more tax increment than the former Frost Bank headquarters building; and

WHEREAS, on August 27, 2021, through Resolution **T9 2021-08-27-04R**, the Board of Directors for the Houston Street TIRZ approved an annual transfer of incremental property tax revenue to the City Tower Fund from the properties associated with the Agreement, for fiscal year 2021 through fiscal year 2034. The transfer of tax increment from the Houston Street TIRZ is consistent with the financing plan for the City Tower and the City's overall approach to financing the City Tower project; and

WHEREAS, this MOA sets out the agreed upon terms for payment of said incremental property tax revenue. **NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

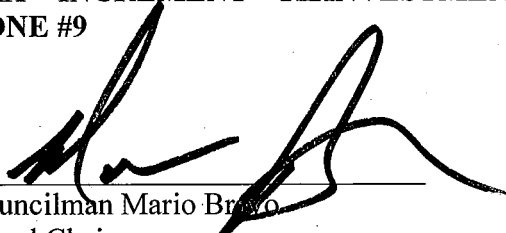
1. The incremental tax revenue generated by the P3 ("the Available Increment") shall be calculated as the annual tax revenue of the properties described in Section 2 below, minus the amount collected in Tax Year 2017 by the TIRZ for the former Frost Bank headquarters building and related properties (the "Base Value") times a 3% annual growth factor.
2. The Available Increment shall include only the new Frost Tower building and associated garage, as well as the condominiumized portion of the Municipal Plaza Building. Per the Agreement, City will retain the City Council Chambers, the B Room, and associated support spaces at the Municipal Plaza Building.
3. The Available Increment shall be transferred annually to the City Tower Fund from the TIRZ Fund for the term of Fiscal Years 2021 through and including 2034, following the availability of the actual property tax information.

----- *Signatures to Follow* -----

CITY OF SAN ANTONIO

**TAX INCREMENT REINVESTMENT
ZONE #9**

Erik Walsh
City Manager



Councilman Mario Briceo
Board Chair

APPROVED AS TO FORM

Christina
Ramirez

Assistant City Attorney

Digitally signed by Christina
Ramirez
Date: 2021.11.17 11:11:50 -06'00'