

ORDINANCE

AUTHORIZING STAFF TO NEGOTIATE AND EXECUTE A FUNDING AGREEMENT WITH THE HEMISFAIR TIRZ BOARD OF DIRECTORS IN AN AMOUNT NOT TO EXCEED \$8,000,000 PLUS INTEREST AND FINANCING COSTS FOR CONSTRUCTION OF UTILITIES AND POTENTIAL ENVIRONMENTAL REMEDIATION FOR THE NORTHWEST QUADRANT OF HEMISFAIR PARK ON THE CORNER OF SOUTH ALAMO AND MARKET STREETS AND AN INFRASTRUCTURE AND DEVELOPMENT SUPPORT AGREEMENT WITH EACH OF THE DEVELOPERS IN CONNECTION WITH THE PREVIOUSLY APPROVED PUBLIC-PRIVATE PARTNERSHIP AT HEMISFAIR PARK.

FUNDING FOR THE FUNDING AGREEMENT IS AVAILABLE THROUGH THE TAX INCREMENT PRODUCED BY THE HEMISFAIR TAX INCREMENT REINVESTMENT ZONE. THERE IS NO IMMEDIATE IMPACT TO THE CITY'S GENERAL FUND.

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WHEREAS, in accordance with the Tax Increment Financing Act (the "Act"), Chapter 311 of the Texas Tax Code, the City through Council Ordinance No. 2017-02-02-0066, established Tax Increment Reinvestment Zone Number Thirty-Four, known as the Hemisfair TIRZ, and a Board of Directors ("Board") authorized with all the rights, powers, and duties provided by the Act, in order to promote development and revitalization activities within TIRZ; and

WHEREAS, the City and Board recognize the importance of their continued role in economic development; community development and urban design; and

WHEREAS, in April 2022, the City of San Antonio's Public Works Department ("PWD") submitted a proposal request for TIF funding for utility improvements and potential environmental remediation to the Northwest Quadrant of Hemisfair Park on the corner of South Alamo Street and Market Street (the "Project"); and

WHEREAS, the proposed funding will be utilized for public infrastructure, public improvement costs, and other necessary costs to complete the Project; and

WHEREAS, City Staff examined the PWD application and recommends funding in an amount not to exceed \$8,000,000.00 plus interest and financing costs in available tax increment from the TIRZ Fund for (a) public utility improvements associated with the Project in the amount of \$7,000,000.00 and (b) potential environmental remediation costs associated with the Civic Park Public-Private Partnership Sublease Agreements in the amount of \$1,000,000.00; located within the Hemisfair TIRZ in City Council District 1; and

WHEREAS, on May 6, 2022, through Resolution T34 2022-05-06-01R, the Board approved the negotiation and execution of a Funding Agreement for the Project in a cumulative amount not to exceed \$8,000,000; and

WHEREAS, in accordance with Section 311.010(b) of the Act, the Board is authorized to enter into agreements to dedicate revenue from the tax increment fund to fund the eligible project costs that benefit the Hemisfair TIRZ; and

WHEREAS, in connection with the Civic Park Public-Private Partnership Sublease Agreements, the City and each of the Developers have negotiated an Infrastructure and Development Support Agreement, whereby the City agrees to undertake certain obligations, including, but not limited to, the cost of potential environmental remediation associated with the Civic Park Public-Private Partnership Sublease Agreements, waiver of Right-of-Way Closure Fees, construction of the utilities in connection with the Project and maintenance of Civic Park; and

WHEREAS, it is now necessary for the City Council to approve the financial incentives for development and revitalization projects that benefit the City and the Hemisfair TIRZ; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or his designee is authorized to negotiate and execute a Funding Agreement between the City of San Antonio and the Board, as well as and any other ancillary actions necessary to effectuate the intent and purpose of this Ordinance, to provide available tax increment funding in an amount not to exceed EIGHT MILLION DOLLARS AND NO CENTS (\$8,000,000.00) plus interest and financing costs for (a) eligible project costs for public utility improvements associated with the Project in the amount of \$7,000,000.00 and (b) potential environmental remediation costs associated with the Civic Park Public-Private Partnership Sublease Agreements in the amount of \$1,000,000.00; located within the Hemisfair TIRZ in City Council District 1.

SECTION 2. The City Manager or his designee is authorized to negotiate and execute an Infrastructure and Development Support Agreement between the City of San Antonio and each of the Developers identified in the Civic Park Public-Private Partnership Sublease Agreements, as well as and any other ancillary actions necessary to effectuate the intent and purpose of this Ordinance.

SECTION 3. The TIF Division staff is authorized to amend the Hemisfair TIRZ Project and Finance Plans to address the revisions made in this Ordinance.

SECTION 4. Funding for any projects through the Hemisfair City TIRZ will be paid from Fund 29086034, Cost Center 0706240001 and General Ledger 5201040. Total funding should not exceed \$8,000,000.00 for the duration of this agreement.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

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6/16/22
Item No. 22-184960

SECTION 6. This Ordinance is effective immediately upon passage by eight affirmative votes; otherwise, it is effective on the tenth day after passage.

PASSED AND APPROVED this ____ day of _____ 2022.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney