

ORDINANCE 2022-06-16-0457

APPROVING THE TRANSFER OF INCREMENTAL PROPERTY TAX REVENUE RESULTING FROM THE COMPREHENSIVE DEVELOPMENT AGREEMENT (CDA) BY AND BETWEEN THE CITY OF SAN ANTONIO, WESTON URBAN LLC AND FROST BANK CONSISTENT WITH THE FY2022 PROPOSED BUDGET, FOR FY2021 THROUGH AND INCLUDING FY2034 FOR THE PURPOSE OF FUNDING THE CITY TOWER PROJECT LOCATED IN COUNCIL DISTRICT 1.

* * * * *

WHEREAS, the City of San Antonio ("City") and the Houston Street TIRZ Board of Directors ("Board") recognize the importance of their continued role in economic development within the zone; and

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 2027-08-27-05R, the Board approved the transfer of incremental property tax revenue resulting from the Comprehensive Development Agreement by and among the City of San Antonio, Weston Urban LLC and Frost Bank, consistent with the FY22 Proposed Budget, for FY2021 through and including FY2034 for the purpose of funding the City Tower Project; and

WHEREAS, it is now necessary for the City Council to approve a Memorandum of Agreement that sets forth the terms and conditions for the transfer of incremental tax revenue from the TIRZ fund to the City Tower Fund. **NOW THEREFORE**,

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

SECTION 1. The recitals set out above are adopted in their entirety.

SECTION 2. The terms and conditions of the Memorandum of Agreement that transfers incremental property tax revenue resulting from the Comprehensive Development Agreement by and among the City of San Antonio, Weston Urban LLC and Frost Bank, consistent with the FY22 Proposed Budget, for FY2021 through and including FY2034 for the purpose of funding the City Tower Project are hereby approved. A copy of the agreement, in substantially final form, is attached to this Ordinance as **Exhibit A**.

SECTION 3. The City Manager or his designee is authorized to execute this Memorandum of Agreement, which has been incorporated into this Ordinance for all purposes.

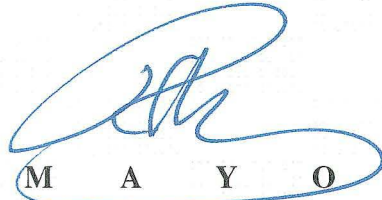
SECTION 4. TIF Division staff is hereby authorized to amend the Houston Street TIRZ Project and Finance Plans to include this Project.

SECTION 5. Funding for any projects through the Houston Street TIRZ will be paid from Fund 29086006, Cost Center 0703280001 and General Ledger 5201040. Total funding should not exceed \$377,966.00 for the duration of this agreement.

SECTION 6. 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.

SECTION 7. 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 16th day of June, 2022.


M A Y O R
Ron Nirenberg

ATTEST:


Debbie Racca-Sittre, City Clerk

APPROVED AS TO FORM:


Andrew Segovia, City Attorney



City of San Antonio

City Council A Session Meeting June 16, 2022

31.

2022-06-16-0457

Ordinance approving the transfer of Incremental Property Tax Revenue resulting from the Comprehensive Development Agreement (CDA) between the City of San Antonio, Weston Urban LLC and Frost Bank consistent with the City's FY2022 proposed budget, for FY2021 through FY2034 for the purpose of funding the City Tower Project. [Lori Houston, Assistant City Manager; Veronica Garcia, Interim Director, Neighborhood and Housing Services Department]

Councilmember Castillo moved to Approve on the Consent Agenda. Councilmember Rocha Garcia seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Bravo, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello
Havrda, Courage, Perry

No: Pelaez

Absent: Sandoval

Exhibit A

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:**

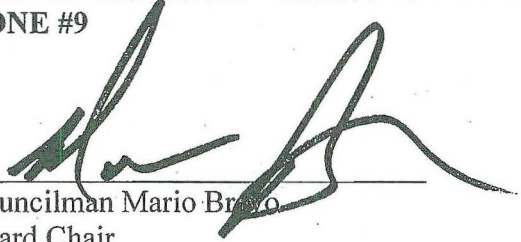
1. The incremental tax revenue generated by the P3 ("the Available Increment") shall be calculated as the annual tax revenue of the properties described in Section 2 below, minus the amount collected in Tax Year 2017 by the TIRZ for the former Frost Bank headquarters building and related properties (the "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**

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

Assistant City Attorney