

THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.

ORDINANCE

APPROVING A DEVELOPMENT AGREEMENT WITH ENCORE MULTIFAMILY, LLC IN AN AMOUNT NOT TO EXCEED \$7,000,000 FOR THE BROADWAY EAST BY ENCORE PROJECT LOCATED AT 1203 AUSTIN STREET, IN CITY COUNCIL DISTRICT 2 AND WITHIN THE MIDTOWN TAX INCREMENT REINVESTMENT ZONE #31.

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WHEREAS, the City of San Antonio (“City”) and the Midtown TIRZ Board of Directors (“Board”) support programs which allow for economic development within its boundaries; and

WHEREAS, in March 2021, Encore Multifamily, LLC (“Developer”) applied for funding from the City’s Tax Increment Finance (“TIF”) Program to undertake the oversight and delivery of the Broadway East by Encore Project, a 23-acre master planned project consisting of the redevelopment of an underutilized/vacant property located at 1203 Austin Street, in San Antonio, Texas, City Council District 2, and within the boundary of the Midtown TIRZ; and

WHEREAS, the total development cost for the project is approximately \$90 Million with an estimated \$100 Million value at completion, which includes a 386-unit multi-family development with significant public infrastructure upgrades and installations benefiting the surrounding area; and

WHEREAS, on April 28, 2021, in accordance with Section 311.010(b) of the Texas Tax Code, the Board adopted a resolution approving a Development Agreement with Encore Multifamily, LLC. For up to Seven Million Dollars and No Cents (\$7,000,000.00) over a period not to exceed ten (10) years; and

WHEREAS, for the initial two years, the TIRZ Fund will provide reimbursement annually of up to \$1,000,000 for eligible public improvements costs, to include utility improvements; street reconstruction; environmental remediation; demolition of outdated buildings, landscaping and common areas; new sidewalks, ramps and covered walkways; parking garage green walls and screening; enhanced lighting, archeological study and reporting; designs costs; and fees; and

WHEREAS, beginning in 2024 and continuing for 8 years or until the maximum reimbursement is reached, Developer may request an annual tax rebate equal to 75% of the incremental property tax paid on the project site, with the remaining 25% deposited into a fund to be utilized by City to encourage the development of affordable housing in the City of San Antonio; and

WHEREAS, it is now necessary for the City Council to approve a Development Agreement with Encore Multifamily, LLC. **NOW THEREFORE:**

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

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09/30/21
Item No. ____

SECTION 1. The terms and conditions of a Development Agreement with Encore Multifamily, LLC are hereby approved. A copy of the agreement, in substantially final form, is attached to this Ordinance as **Exhibit A**.

SECTION 2. The City Manager or his designee is hereby authorized to execute the Development Agreement which has been incorporated into this Ordinance for all purposes.

SECTION 3. TIF Division staff is authorized to amend the Midtown TIRZ Project and Finance Plan to include this Project.

SECTION 4. RESERVED FOR FISCAL LANGUAGE

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.

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

PASSED AND APPROVED this 30th day of September, 2021.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

City Clerk

Andrew Segovia, City Attorney

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09/30/21
Item No. ____

EXHIBIT A

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