

ORDINANCE

AUTHORIZING THE EXECUTION OF TWO FUNDING AGREEMENTS WITH THE HOUSTON STREET BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE #9, GRANTING UP TO \$22,000,000.00 FOR THE DESIGN AND CONSTRUCTION OF THE DOLOROSA STREET (FRIO STREET TO FLORES STREET) PROJECT AND \$14,000,000.00 FOR THE DESIGN AND CONSTRUCTION OF FLORES STREET (CESAR CHAVEZ TO MARTIN STREET) PROJECT LOCATED WITHIN TIRZ BOUNDARIES IN COUNCIL DISTRICT 1; AND, AUTHORIZING THE APPROPRIATION AND AMENDING OF THE FY 2022- FY 2027 CAPITAL IMPROVEMENTS PROGRAM WITH HOUSTON STREET TAX INCREMENT REINVESTMENT ZONE (TIRZ) FUNDS IN THE REIMBURSABLE AMOUNT UP TO \$22,000,000.00 TO DOLOROSA STREET (FRIO STREET TO FLORES STREET) AND \$14,000,000.00 TO FLORES STREET (CESAR CHAVEZ TO MARTIN STREET). THIS WILL ALSO INCLUDE THE REIMBURSABLE AMOUNT UP TO \$330,000 FOR DOLOROSA ST AND \$210,000 FOR FLORES ST FOR PUBLIC ART FOR A TOTAL OF \$540,000.

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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. 90969, established Tax Increment Reinvestment Zone Number Nine, known as the Houston Street 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 recognizes the importance of their continued role in economic development, community development and urban design; and

WHEREAS, on November 15, 2021, the City of San Antonio’s Public Works Department (“PWD”) submitted a proposal request for TIF funding for improvements to Dolorosa Street Capital Project; and

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

WHEREAS, City Staff examined the PWD application and recommends funding in an amount not to exceed \$22,000,000.00 in available tax increment from the TIRZ Fund for the improvements associated with the Dolorosa Street Capital Project located within the Houston Street TIRZ in City Council District 1; and

WHEREAS, certain portions of the Dolorosa Street Project reside outside of the Houston Street TIRZ; however, in order to maintain the continuity of the improvements within the Houston Street TIRZ, which will benefit the Houston Street TIRZ, the funding for the full scope of the Dolorosa Street Project will be made by the Houston Street TIRZ; and

WHEREAS, City Staff also recommends funding in an amount not to exceed \$330,000.00 in available tax increment from the TIRZ Fund for public art associated with the Dolorosa Street Capital Project located within the Houston Street TIRZ in City Council District 1; and

WHEREAS, on November 16, 2021, the Board approved a resolution authorizing the negotiation and execution of a Funding Agreement with the City in an amount not to exceed Twenty-Two Million Three Hundred Thirty Thousand Dollars and No Cents (\$22,330,000.00) plus financing costs in available tax increment from the TIRZ fund to provide reimbursement for eligible public infrastructure improvements for the Project; and

WHEREAS, on November 15, 2021, the PWD submitted a proposal request for TIF funding for improvements to Flores Street; and

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

WHEREAS, City Staff examined the PWD application and recommends funding in an amount not to exceed \$14,000,000.00 in available tax increment from the TIRZ Fund for the improvements associated with the Flores Street Capital Project located within the Houston Street TIRZ in City Council District 1; and

WHEREAS, City Staff also recommends funding in an amount not to exceed \$210,000.00 in available tax increment from the TIRZ Fund for public art associated with the Flores Street Capital Project located within the Houston Street TIRZ in City Council District 1; and

WHEREAS, on November 16, 2021, the Board approved a resolution authorizing the negotiation and execution of a Funding Agreement with the City in an amount not to exceed Fourteen Million Two Hundred Ten Thousand Dollars and No Cents (\$14,210,000.00) plus financing costs in available tax increment from the TIRZ fund to provide reimbursement for eligible public infrastructure improvements for the Project; and

WHEREAS, it is now necessary for the City Council to approve the Funding Agreements between the City and the Board for the Dolorosa Street Project and Flores Street Project. **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of a Funding Agreement by and between the City of San Antonio and the Board of Directors of Tax Increment Reinvestment Zone #9 for the Dolorosa Street Project, attached hereto as **Exhibit A**, are hereby approved.

SECTION 2. The terms and conditions of a Funding Agreement by and between the City of San Antonio and the Board of Directors of Tax Increment Reinvestment Zone #9 for the Flores Street Project, attached hereto as **Exhibit B**, are hereby approved.

SECTION 3. The City Manager or his designee is authorized to execute the Agreements, which have 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 the Dolorosa Street Project and the Flores Street Project.

SECTION 5. Payment not to exceed the budgeted amount is authorized to the City of San Antonio's Public Works Department and paid solely from the tax increment.

SECTION 6. Reimbursement funds not to Exceed \$36,540,000.00 shall be received from Houston Street Board of Directors of Tax Increment Reinvestment Zone #9 in accordance with their Funding Agreement with the City of San Antonio.

SECTION 7. The amount of \$22,330,000.00 is appropriated into Fund 29086006 TIRZ Houston Street, IO# 390000002734, GL account 6102100 Interfund Transfer out entitled Trf fr 29086006 to 23-03763-90-14-01. The amount of \$22,330,000.00 is authorized to be transferred to Fund 45099000.

SECTION 8. The budget in SAP Fund 45099000 GO Capital Projects, Project 23-03763 Dolorosa Street Recon (Flores to Leona), shall be revised by increasing WBS 23-03763-90-14-01 with GL 6101100 by \$22,330,000.00, WBS 23-03763-05-02-08 with GL 5201140 by \$22,000,000.00 and WBS 23-03763-06-09 with GL 5201040 by \$330,000.00.

SECTION 9. The amount of \$14,210,000.00 is appropriated into Fund 29086006 TIRZ Houston Street, IO# 390000002732, GL account 6102100 Interfund Transfer out entitled Trf fr 29086006 to 23-03863-90-14-xx. The amount of \$14,210,000.00 is authorized to be transferred to Fund 45099000.

SECTION 10. The budget in SAP Fund 45099000 GO Capital Projects, Project 23-03863 Flores Str (Cesar Chavez to Martin St), shall be revised by increasing WBS 23-03863-90-14-xx with GL 6101100 by \$14,210,000.00, WBS 23-03863-05-02-01 with GL 5201140 by \$14,000,000.00 and WBS 23-03863-06-09 with GL 5201040 by \$210,000.00

SECTION 11. 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 Fund Numbers, Project Definitions, WBS Elements, Internal Orders, Fund Centers, Cost Centers, Functional Areas, Funds Reservation Document Numbers, and GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 12. This Ordinance shall be effective immediately upon passage by eight affirmative votes; otherwise, it shall be effective on the tenth day after passage.

PASSED AND APPROVED this ____ day of December, 2021.

M A Y O R

Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, Acting City Clerk

Andrew Segovia, City Attorney

Exhibit A

DRAFT

Exhibit B

DRAFT