



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 40

**Agenda Date:** December 16, 2021

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development & Operations

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** District 1

**SUBJECT:**

Westside Tax Increment Reinvestment Zone (TIRZ) Funding Agreement for Historic Market Square improvements.

**SUMMARY:**

This ordinance authorizes the execution of a Funding Agreement between the City of San Antonio and the Westside TIRZ Board to reimburse for eligible public improvements and remediation for an amount not to exceed \$435,000.00 for Historic Market Square.

**BACKGROUND INFORMATION:**

Located in Zona Cultural District and within the boundaries of the Westside TIRZ, Market Square is a culturally vibrant destination in downtown San Antonio. Traditionally a produce market, Market Square has progressed over history to become a Southwestern, Native American, San Antonian, Mexican and Latin American themed marketplace full of art, food, entertainment, events, and unique retail offerings. Market Square is comprised of various city-owned buildings and assets including Farmers Market and El Mercado, which house over 90 locally owned businesses and attract thousands of visitors throughout the year. Over the past three years, the City has invested \$3.4 million in capital improvements to the Farmers Market and El Mercado buildings, including roof repairs, parking deck renovation, HVAC replacements, and interior

improvements.

To support critical public improvements at Market Square, the Westside TIRZ Board approved a resolution for a Funding Agreement between the Westside TIRZ Board of Directors and the City of San Antonio for an amount not to exceed \$435,000.00 on October 15, 2021. The Westside TIRZ funding will help fund two critical projects at Market Square including drainage repairs and mold remediation.

The drainage improvement project at Farmers Market Building includes repairing several floor drains in a back of house area. During major rain events, building floor drains are overburdened causing interior flooding, property damage, and safety concerns. The expected budget is approximately \$250,000.00 to complete drainage system repairs.

The El Mercado Building is completing a building renovation project in December 2021, which mitigates the intrusion of rainwater identified at specific areas of the building. Because of prior reoccurring water intrusions through the roof, mold growth material has been identified in a quantity requiring licensed contractors to abate. The expected budget is approximately \$185,000.00 to complete the mold remediation project.

#### **ISSUE:**

On October 15, 2021, the Westside TIRZ Board approved a resolution for a Funding Agreement between the Westside TIRZ Board of Directors and the City of San Antonio for an amount not to exceed \$435,000.00 to support public improvements at Historic Market Square. City Council consideration is requested for the approval of the Funding Agreement.

#### **ALTERNATIVES:**

The drainage and remediation projects are critical improvements, and Westside TIRZ funding support will ensure the work is completed promptly. If City Council chooses not to approve the Funding Agreement, Center City Development and Operations Department will need to seek an alternate funding source for the \$435,000.000 to complete repairs.

#### **FISCAL IMPACT:**

This Ordinance approves a Funding Agreement with the Board of Directors for Westside Tax Increment Reinvestment Zone in an amount not to exceed \$435,000.00 for costs related to Historic Market Square capital improvements and remediation. There will be no impact to the General Fund or the Market Square Fund.

This item creates the El Mercado Mold Remediation Project and appropriates \$185,000 into the project budget. Funding in the amount of \$250,000 will be appropriated into the Farmers Market Mold Remediation Project.

**RECOMMENDATION:**

Staff recommends approval of the Funding Agreement with the Westside TIRZ Board of Directors and the City of San Antonio in an amount not to exceed \$435,000.00 to support public improvements at Market Square.