



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 38

Agenda Date: December 16, 2021

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto

COUNCIL DISTRICTS IMPACTED: District 1, District 2, District 5

SUBJECT:

An Ordinance approving a Development Agreement with VCSH AV Holdco, LLC in an amount not to exceed \$1,545,000 for The Andy Project located at 215 Coca-Cola Place, in Council District 2.

SUMMARY:

This ordinance authorizes the execution of a Development Agreement between the Inner City TIRZ Board of Directors, VCSH AV Holdco, LLC for eligible public improvements for an amount not to exceed \$1,545,000 for The Andy Project located at 215 Coca-Cola Place in Council District 2.

BACKGROUND INFORMATION:

The Andy was previously known as Arena Vista until the sale of the property in early 2021 to VCSH AV Holdco, LLC out of Austin, TX. The original owners Gene and Betty Braden remain part of the development team as Project Managers and remain committed to seeing the project through to completion.

On May 17, 2018, City Council approved a Development Agreement with Brayco Properties, Inc for an amount not to exceed \$220,000 for Phase I of the project. The new owners are now

requesting funding for Phase II of the project for public improvements associated with this last phase of the project.

Phase I of the project began in September 2017 and Phase II of the project is scheduled to be completed in December 2022. The total cost of the project is \$18,374,158. The total funding approved by the Inner City TIRZ Board of Directors for this project is \$1,765,000.

The TIRZ funding reimbursement of \$220,000 for Phase I was paid in FY2019; and the reimbursement for Phase II will be paid in FY2022 and FY2023 in the amounts of \$700,000 and \$845,000 respectively.

Approved eligible public improvements for Phase II are the following:

Parking lot / Fence / Landscaping
\$265,000

Parking lot lights
\$70,000

Demo (exterior)
\$20,000

Painting (exterior)
\$40,000

Power wash / siding / pointing/ skirting
\$160,000

Façade
\$170,000

Stairs / landing / awning (exterior)
\$170,000

Window openings (demo, steel, welding)
\$150,000

Storefront glass
\$200,000

Doors (commercial exterior)
\$10,000

Awnings (commercial)
\$90,000

Stairs & landings (commercial)
\$90,000

Sidewalks, curbs, and ramps
\$110,000

ISSUE:

The Andy Project is located at 215 Coca-Cola Place, San Antonio, Texas, 78219. The renovation encompasses converting an existing 105,654 SF Handy Andy grocery distribution warehouse building into a mixed-use campus. A 30,000 SF second floor mezzanine has been added. Thirty-five (35) market rate 2-story finished units will make up the 87,000 SF Live/Work portion of the project. The remaining 42,000+ SF of interior Commercial space plus an incremental 20,000 SF rooftop venue space will be marketed to businesses, restaurateurs, and merchants as office/restaurant/retail space.

On November 19, 2021, the Inner City TIRZ board approved a Resolution authorizing a Development Agreement between the Inner City TIRZ Board of Directors, and VCSH AV Holdco, LLC, for an amount not to exceed \$1,545,000 for The Andy Project located at 215 Coca-Cola Place, within the Inner City TIRZ, in City Council District 2.

City Council consideration is requested for the approval of the Development Agreement.

ALTERNATIVES:

If City Council chooses not to approve the Development Agreement, VCSH AV Holdco, LLC will need to seek an alternate funding source to help with the public improvements. This could potentially delay the completion of the project.

FISCAL IMPACT:

Funding for this agreement is available through the tax increment produced by the Inner City TIRZ.

RECOMMENDATION:

Staff recommends approval of the Development Agreement with VCSH AV Holdco, LLC in an amount not to exceed \$1,545,000 to be reimbursed over two fiscal years (FY22 \$700K and FY23 \$845K) for The Andy Project located at 215 Coca-Cola Place, within the Inner City TIRZ in

Council District 2.