



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 44

Agenda Date: December 16, 2021

In Control: City Council A Session

DEPARTMENT: Public Works Department

DEPARTMENT HEAD: Razi Hosseini

COUNCIL DISTRICTS IMPACTED: District 1, District 2

SUBJECT:

Funding Agreement with the Midtown Board of Directors of Reinvestment Zone #31 for Broadway Upper Segment Phase I & II (IH-35 to Burr Road) and North St. Mary's (East Mistletoe Street to West Josephine Street)

SUMMARY:

An ordinance authorizing the execution of a Funding Agreement with the Midtown Board of Directors of Reinvestment Zone #31, granting up to \$39,500,000.00 in reimbursable funds from Midtown Tax Increment Reinvestment Zone (TIRZ) Fund for the design and construction of utility and infrastructure improvements for the Upper Segments of Broadway Street Corridor and North St. Mary's Street (E. Mistletoe Street to W. Josephine Street) projects, located within TIRZ boundaries in Council District 1; and, authorizing the appropriation and amending of the FY 2022-2027 Capital Improvements Program with funds in the reimbursable amount not to exceed \$39,500,000.00 from Midtown Tax Increment Reinvestment Zone (TIRZ) #31 Fund to Upper Segments of Broadway Corridor (Mulberry Avenue to Burr Road) and North St. Mary's Street (East Mistletoe to West Josephine Street) projects.

BACKGROUND INFORMATION:

On May 6, 2017, San Antonio voters approved the 2017-2022 Bond Program. As part of the Streets, Bridges, and Sidewalks Proposition, a total of \$42,000,000 was approved for Broadway Street Corridor from East Houston Street to East Hildebrand Avenue and \$7,000,000 was approved for North St. Mary's Street (East Mistletoe to West Josephine St). The 2017 Bond Program funds will address community infrastructure needs and improve the overall quality of life in San Antonio.

Broadway Street Corridor

The Broadway Street Corridor (East Houston Street to East Hildebrand Avenue) is divided into three segments:

- Lower Segment Houston Street to IH-35
- Upper Segment Phase 1 - IH-35 to Mulberry Avenue
- Upper Segment Phase 2 - Mulberry Avenue to Burr Road

The Lower Segment from Houston Street to IH-35 project is currently under construction and includes the underground conversion of overhead utilities for the entire limits of the project. However, the Upper Segment Phase 1 from IH-35 to Mulberry Avenue and Phase 2 from Mulberry Avenue to Burr Road projects, currently under design by Pape Dawson, does not include the design for underground utilities. In coordination with Pape Dawson, the Public Works Department (PWD) developed a project cost estimate to design and construct the underground electric utilities needed for the Upper Segment Phase 1 and 2 projects in anticipation of applying for additional funding. Construction funding for the Upper Segment Phase 2 project was recently awarded by the Alamo Area Metropolitan Planning Organization to be included in the FY 2023-2026 Transportation Improvement Plan. This award requires matching funds from the local agency to commit all necessary additional funds for the project's construction.

North St. Mary's Street:

The North St. Mary's Street from East Mistletoe to West Josephine Street project is currently under construction and includes street reconstruction, curbs, sidewalks, traffic, drainage and bike improvements. The project is scheduled to be completed in early 2023. The project did not include funding for pedestrian lighting, landscaping and tree planting. There has been an expressed desire from the community and Council Office to include these improvements in this corridor with the current construction, which requires additional funding.

On November 5, 2021, the Public Works Department presented to the Midtown TIRZ Board of Directors the status and requested additional funding consideration towards Upper Segments of Broadway Street Corridor (East Houston to East Hildebrand) and North St. Mary's (East Mistletoe to West Josephine Street) 2017 Bond projects. On November 10, 2021, the Midtown TIRZ Board of Directors approved the attached Resolution authorizing the execution of a Funding Agreement granting up to \$39,500,000.00 in reimbursable Midtown TIRZ funds for Upper Segments of Broadway Corridor (Mulberry Avenue to Burr Road) and North St. Mary's Street (East Mistletoe to West Josephine Street) projects.

Upon approval of the funding agreement, the design is anticipated to begin in January 2022. The construction of the projects is estimated to start in Summer of 2022 and be completed in early 2023.

for N. St. Mary's Street and late 2025 for the Upper Segments of Broadway Street Corridor.

ISSUE:

This ordinance authorizes the execution of a Funding Agreement with the Midtown Board of Directors of Reinvestment Zone #31, granting up to \$39,500,000.00 in reimbursable funds from Midtown Tax Increment Reinvestment Zone (TIRZ) Fund for the design and construction of utility and infrastructure improvements for the Upper Segments of Broadway Street Corridor and North St. Mary's Street (E. Mistletoe Street to W. Josephine Street) projects, located within TIRZ boundaries in Council District 1; and, authorizes the appropriation and amending of the FY 2022-2027 Capital Improvements Program with funds in the reimbursable amount not to exceed \$39,500,000.00 from Midtown Tax Increment Reinvestment Zone (TIRZ) #31 Fund to Upper Segments of Broadway Corridor (Mulberry Avenue to Burr Road) and North St. Mary's Street (East Mistletoe to West Josephine Street) projects.

Upper Segments of Broadway Street Corridor

The Lower Segment of Broadway Corridor from Houston Street to IH-35 project is currently under construction and includes underground conversion of overhead utilities for the entire project limits, full roadway and sidewalk reconstruction, pedestrian amenities, landscaping and joint-bid utilities. This reconstruction will enhance pedestrian, bike mobility and safety, improve landscaping, and provide connectivity to major downtown cultural, educational and entertainment destinations.

The scope of the project in which TIRZ funding will be leveraged, will include:

- Overall project oversight including managing designs, submittals, and coordination with stakeholders.
- Design and construction of overhead to underground facilities to accommodate CPS Energy electric and other existing pole mounted utilities (Upper Segment Phase 1 and 2).
- Design and construction funding to leverage Alamo Area Metropolitan Planning Organization funding for the street improvements for Upper Broadway Phase 2.

Chapter 311 of the Property Tax Code authorizes the municipality that designated a TIRZ to enter into agreements and construct public improvements necessary to implement the TIRZ project plan. Of the public improvements identified in the Midtown Project Plan, the redevelopment of Broadway as the "face" of Midtown is of high priority. The additional TIRZ funding will allow the construction to extend to Burr Road and ensure the design and construction to convert from overhead to underground utilities from IH-35 to Burr Road for the Broadway Corridor Upper Segment Phase 1 and 2.

North St. Mary's Street

The North St. Mary's Street project includes street reconstruction, curbs, sidewalks, traffic, drainage and bike improvements to enhance pedestrian and bike mobility in this highly visited corridor. The project is scheduled to be completed in early 2023.

The scope of the project in which TIRZ funding will be leveraged will include:

- Funding to design and construct improvements, including pedestrian lighting, landscaping and tree planting within the project limits.
- Overall project oversight including managing designs, submittals, and coordination with stakeholders.
- Coordination with contractors and utilities to construct improvements.

Chapter 311 of the Property Tax Code authorizes the municipality that designated a TIRZ to enter into agreements and construct public improvements necessary to implement the TIRZ project plan. The additional TIRZ funding will allow for the design and construction of pedestrian lighting, landscaping, tree planting, project management oversight, and stakeholder and contractor coordination.

Approval of this ordinance will continue the City's commitment to maintaining and improving existing infrastructure in collaboration with other governmental agencies.

ALTERNATIVES:

As an alternative, City Council could choose not to approve this funding agreement; however, without the acceptance of the funding from the Midtown TIRZ the design and construction of these projects will not be funded and the proposed improvements for the projects will not be constructed.

FISCAL IMPACT:

This ordinance authorizes the execution of a Funding Agreement with the Midtown Board of Directors of Reinvestment Zone #31, to provide funding in the amount up to \$39,500,000.00 of Certificates of Obligation in reimbursable Midtown Tax Increment Reinvestment Zone (TIRZ) #31 funds for the design and construction of utility and infrastructure improvements for the Upper Segments of Broadway Street Corridor and North St. Mary's Street (E. Mistletoe Street to W. Josephine Street) projects, located within TIRZ boundaries in Council District 1.

This ordinance also authorizes the appropriation and amending of the FY 2022-2027 Capital Improvements Program with funds in the reimbursable amount up to \$39,500,000.00 from Midtown Tax Increment Reinvestment Zone (TIRZ) #31 Fund to Upper Segments of Broadway Corridor (Mulberry Avenue to Burr Road) and North St. Mary's Street (East Mistletoe to West Josephine Street) projects, as follows:

Project Name	Approved TIRZ Amount
Broadway Underground Utilities Phase 1	\$10,000,000.00
Broadway Underground Utilities Phase 2	\$10,000,000.00
Broadway, Upper Phase 2 Construction (Mulberry Avenue to Burr Road)	\$17,000,000.00
North St. Mary's (E.Mistletoe to W. Josephine)	\$2,500,000.00
Total Amount	\$39,500,000.00

This ordinance also authorizes amending the Midtown Tax Increment Reinvestment Zone (TIRZ) Project Plan and Finance Plan to include the Broadway & North St. Mary's Project; and providing for a reimbursement from the Midtown TIRZ up to \$39,500,000 in principle amount and associated interest for the Certificates of Obligation.

RECOMMENDATION:

Staff recommends approval of a Funding Agreement with the Midtown TIRZ for the design and construction of utility and infrastructure improvements for the Upper Segments of Broadway Street Corridor and North St. Mary's Street (E. Mistletoe Street to W. Josephine Street) projects, located within TIRZ boundaries in Council District 1, in an amount up to \$39,500,000.00 in reimbursable funds from Midtown Tax Increment Reinvestment Zone (TIRZ) #31 funds.