



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: {{item.number}}

Agenda Date: January 27, 2022

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

An ordinance approving the execution of the Development Agreement, approving the Final Finance Plan and Final Project Plan for TIRZ #37, Nabors, located in Council District 3.

SUMMARY:

This Ordinance authorizes the execution of the Development Agreement, approves the Final Finance Plan and Final Project Plan for TIRZ #37, Nabors, located in Council District 3.

BACKGROUND INFORMATION:

On February 3, 2021, 2020 FI Nabors, LLC, a subsidiary of Bitterblue Development, petitioned the City pursuant to the provisions of Chapter 311 of the Texas Tax Code to designate TIRZ #37, Nabors, located in City Council District 3.

On May 13, 2021, through Ordinance 2021-05-13-0341, City Council approved the designation, Preliminary Finance Plan, creation of a seven-member Board of Directors, and establishing a Tax Increment Fund for TIRZ #37, Nabors, located in City Council District 3.

On December 13, 2021, through Resolutions 2021-12-13-01R, 2021-12-13-02R, and 2021-12-13-

03R, the Nabors TIRZ #37 Board of Director's approved the Development Agreement, Final Finance Plan, and Final Project Plan for TIRZ #37, Nabors, located in City Council District 3.

Nabors is only the third petition initiated TIRZ in the last 10 years, representing a major step ahead for housing availability and affordability in an underdeveloped and underutilized area of the city.

Nabors is comprised of approximately 203 acres and is located at 11625 Old Corpus Christi Highway in the southeast side of San Antonio in Council District 3. Nabors will be comprised of approximately 637 single-family homes on 120 acres, 340 multi-family units on 15 acres, 8 acres for retail, 50 acres for industrial, and 18 acres of open space and drainage. Sixty-two percent (62%) of the single-family homes will be affordable to families earning 80% to 120% of Area Median Income (AMI).

The petition initiated TIRZ will exist for approximately 25 years with the term beginning May 13, 2021, and shall terminate no later than September 30, 2046, with the City's participation level of 85%. The developer shall receive up to a maximum reimbursement from the TIRZ of \$17,817,075 for public improvements.

City staff prepared the Development Agreement, Finance and Project Plans for Nabors TIRZ #37, in accordance with the Tax Increment Finance (TIF) Act.

On December 13, 2021, the Nabors TIRZ Board of Directors convened for the first time. The Board approved Resolutions T37 2021-12-13-01R, 2021-12-13-02R, 2021-12-13-03R, approving the Development Agreement, Final Finance Plan, and Final Project Plan for Nabors TIRZ #37.

The City and the Nabors TIRZ Board of Directors recognize the importance of their role in economic development, community development, planning and urban design in accordance with the TIF Act, Chapter 311, of the Texas Tax Code.

For the Development Agreement, Finance Plan, and Project Plan to be considered Final, they are subject to the approval of the governing body of the municipality that designated the zone.

ISSUE:

City Council consideration is requested for the approval of the Development Agreement, Final Finance Plan, and Final Project Plan for TIRZ #37, Nabors, located in City Council District 3.

ALTERNATIVES:

City Council could decide not to approve the Development Agreement, Final Finance Plan, and Final Project Plan, which would negatively affect the ability of the developer, 2020 FI Nabors, LLC, to develop the property for construction of mixed-income single family homes.

FISCAL IMPACT:

There is no immediate fiscal impact to the City's General Fund. The future taxes collected on the captured taxable value of parcels within the newly designated Nabors TIRZ #37 will be deposited in the Nabors TIRZ #37 fund to be used for eligible expenses within the TIRZ boundary.

RECOMMENDATION:

Staff recommends approval of the Development Agreement, Final Finance Plan, and Final Project Plan for TIRZ #37, Nabors, located in City Council District 3.