



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: Citywide

SUBJECT:

Midtown TIRZ Extension and Revised Governance Structure

SUMMARY:

A public hearing and an ordinance as it relates to the Midtown TIRZ:

1. Extension of the Midtown TIRZ Termination Date to September 30, 2041.
2. Restructuring the Midtown TIRZ Board to five Board members to include the following: City Manager or his designee, Director of Parks and Recreation, and the Director of Finance. Additionally, the Board will include 2 representatives from two of the following 4 organizations: Witte Museum, Brackenridge Park Conservancy, San Antonio Botanical Garden, and the San Antonio Zoo. The two representatives will rotate among the entities every four years.
3. Appointing the following individuals to the Midtown TIRZ Board: Lori Houston, Assistant City Manager; Troy Elliott, Director Chief Financial Officer; Homer Garcia, Director of Parks and Recreation, Marise McDermott, Witte Museum; and Suzanne Scott, Brackenridge Park Conservancy.
4. Amending the Midtown TIRZ Project and Finance Plans to reflect the extended term and the board modifications.

BACKGROUND INFORMATION:

The Witte Museum, San Antonio Zoo, Brackenridge Park, and San Antonio Botanical Gardens are city owned facilities. The leadership of each of these entities requested a combined \$71.5 million for improvements and renovations to their respective facilities from the proposed 2022 Bond Program.

The initial draft project list for the 2022 Bond Program that was presented to the Mayor and City Council in October included \$40 million for these projects. These projects were considered city wide and several Council Members expressed concern about the amount of bond funding proposed for city wide projects and requested more funding for street and drainage projects within their City Council District. Therefore, City staff proposed an alternative funding strategy that would leverage funding through the Midtown Tax Increment Reinvestment Zone (TIRZ) for these projects and create additional capacity within the 2022 Bond Program for street and drainage projects. City Council indicated their support for the strategy prior to proceeding to the Community Bond Committee process.

There is a continued need for improved public infrastructure within the Midtown TIRZ and the strategy to fulfill this need requires a 10-year extension of the Midtown TIRZ through September 30, 2041 and a revised governance structure. Once a new Board is appointed, the Board will amend the proposed project and finance plans for the TIRZ and consider funding recommendations for each project. Staff will return to City Council on February 10, 2022, with the recommend project and finance plans along with the request to negotiate and execute the necessary funding agreements with each of the entities.

ISSUE:

Staff is recommending an extension of the Midtown TIRZ which is currently set to expire on September 30, 2031. Staff is recommending that the TIRZ term be extended thru September 30, 2041. This will increase capacity in the TIRZ that will be used to service the debt for these projects. However, any debt issuance will require City Council approval.

Staff is also recommending a revised governance structure. The current board is comprised of 15 property owners, developers, and stakeholders within the Midtown TIRZ. Due to the public nature of these projects and revised focus of the Midtown TIRZ on the city owned assets, staff recommends decreasing the Midtown TIRZ Board to five Board members. The Board shall include the following: City Manager or his designee, Director of Parks and Recreation, and the Director of Finance. Additionally, the Board will include 2 representatives from two of the following 4 organizations: Witte Museum, Brackenridge Park Conservancy, San Antonio Botanical Garden, and the San Antonio Zoo. The two representatives will rotate among the entities every four years. For the first four year term, staff is recommending the following appointments: Lori Houston, Assistant City Manager; Troy Elliott, Director of Finance; Homer Garcia, Director of Parks and Recreation, Marise McDermott, Witte Museum; and Suzanne Scott, Brackenridge Park Conservancy.

Finally, staff recommends amendments to the Midtown TIRZ Project and Finance Plans to reflect the extended 10 year term and the board modifications.

Staff will return in February with the recommended funding amounts for each of the projects along

with a request to negotiate and execute the funding agreements with each of the entities responsible for the project.

ALTERNATIVES:

If Council does not approve staff's recommendation, these city-owned facilities will not receive the necessary funding for needed repairs, expansion, or improvement.

FISCAL IMPACT:

The City is the sole taxing jurisdiction in the Midtown TIRZ and participates at 100%. The tax increment for the proposed ten-year extension from Fiscal Year 2032 to 2041 is estimated at \$146,131,350 assuming an annual 3% growth rate in taxable value. The ten-year extension will increase capacity in the TIRZ to finance the projects that are proposed to be funded.

RECOMMENDATION:

Staff recommends approval.