



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 26

Agenda Date: June 16, 2022

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Interim Director

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Assignment of the Tax Abatement Agreement for South Flores Lofts

SUMMARY:

An ordinance consenting to the assignment of the Tax Abatement Agreement for the South Flores Lofts project at 1010 S. Flores St from Rocky Creek Partners, LLC to Bridge over Troubled Water, LLC and Sylmar Foothill, LLC.

BACKGROUND INFORMATION:

On December 15, 2011, the City of San Antonio approved an Economic Development Grant Agreement and a Tax Abatement with Rocky Creek Partners, LLC for the construction of the South Flores Lofts project. The Agreements provided a 10-year, 100% Tax Abatement Agreement for real property improvements, a \$224,000.00 ICIF grant, and a SAWS Fee Waiver valued at \$100,000.00.

On January 15, 2014, the City approved the First Amendment to the agreement which altered the required total of rental units that had to be created. Due to zoning restrictions, the total number of units to be built lowered from 56 to 46 market-rate rental housing units. This amendment also

confirmed that the project met all requirements for the grant agreement and confirmed the final disbursement of grant funds, concluding the term of the Economic Development Grant Agreement. The Tax Abatement Agreement remains active through the 2022 tax year.

ISSUE:

The current owner, Rocky Creek Partners LLC, is in the process of selling the project and has submitted a request to assign the active Tax Abatement Agreement to the new buyers, Bridge over Troubled Water, LLC. and Sylmar Foothill, LLC. The owner remains in good standing with the City and the abatement agreement. Per the agreement, any assignment requires written consent of the City Council and passage of an ordinance approving such assignment. Approval of the assignment transfers the abatement benefit to the new owner for the final year of the 10-year term.

ALTERNATIVES:

City Council could opt not to approve the assignment of the Tax Abatement Agreement, which may adversely affect the sale to the new buyer.

FISCAL IMPACT:

There is no fiscal impact for this item.

RECOMMENDATION:

Staff recommends approval the assignment of the Tax Abatement Agreement for South Flores Lofts project at 1010 S. Flores St from Rocky Creek Partners, LLC to Bridge over Troubled Water, LLC. and Sylmar Foothill, LLC.