



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 28

**Agenda Date:** June 16, 2022

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Interim Director

**COUNCIL DISTRICTS IMPACTED:** District 3

**SUBJECT:**

First Amendment to Development Agreement for Nicha's

**SUMMARY:**

This Ordinance authorizes a First Amendment to the Development Agreement between the Mission Drive-In TIRZ Board of Directors, the City of San Antonio, and R&A Garcia Properties of Lufkin, LLC for the Nicha's Comida Mexicana Project, located at 3331 Roosevelt Ave, in Council District 3, amending the project commencement date to July 2022 and the project completion date to December 31, 2023.

**BACKGROUND INFORMATION:**

On December 10, 2022, City Council approved the execution of a Development Agreement between the Mission Drive-In TIRZ Board of Directors, the City of San Antonio, and R&A Garcia Properties of Lufkin, LLC, for an amount not to exceed \$600,000.00 over six fiscal years for eligible public improvements.

The Project consists of the demolition of the existing buildings on the property, and the construction of a new Nicha's Comida Mexican restaurant to include a surface parking lot with approximately 200 parking spaces. The new restaurant will provide indoor and outdoor dining.

Due to rising labor and material costs, R&A Garcia Properties of Lufkin, LLC had to value engineer and redesign the project. In April 2022, R&A Garcia requested an amendment to the existing Development Agreement to amend the project commencement date to July 2022 and the project completion date to December 31, 2023. No additional funding was requested. On May 19, 2022, the Mission Drive-In TIRZ Board of Directors approved the First Amendment to the Development Agreement.

The overall development cost for the project is estimated at \$4,000,000.00. Eligible public improvements include demolition, site work, public utilities, exterior lighting, landscaping, exterior signage, public sidewalk improvements, public street improvements, curb cuts, bicycle facilities, and fencing.

#### **ISSUE:**

On May 19, 2022, the Mission Drive-In TIRZ Board of Directors approved the First Amendment to the Development Agreement amending the project commencement date to July 2022 and the project completion date to December 31, 2023. No additional funding was requested.

City Council consideration is requested for the approval of the First Amendment to the Development Agreement between the Mission Drive-In Board of Directors, the City of San Antonio, and R&A Garcia Properties of Lufkin, LLC for the Nicha's Comida Mexicana Project, located at 3331 Roosevelt Ave, in Council District 3 amending the project commencement date to July 2022 and the project completion date to December 31, 2023.

#### **ALTERNATIVES:**

If City Council chooses not to approve the First Amendment to the Development Agreement amending the project commencement date to July 2022 and the project completion date to December 31, 2023, it will cause the project to be non-compliant with the existing Development Agreement and make it ineligible to receive TIRZ reimbursement.

#### **FISCAL IMPACT:**

Funding for this agreement is available through the tax increment produced by the Mission Drive-In TIRZ. There is no fiscal impact to the City's General Fund, and this item does not authorize any additional funding.

#### **RECOMMENDATION:**

Staff recommends approval of the First Amendment to the Development Agreement between the Mission Drive-In TIRZ Board of Directors, the City of San Antonio, and R&A Garcia Properties of Lufkin, LLC for the Nicha's Comida Mexicana Project, located at 3331 Roosevelt Ave, in

Council District 3 amending the project commencement date to July 2022 and the project completion date to December 31, 2023.