



# City of San Antonio

## Agenda Memorandum

### File Number:

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**Agenda Item Number:** 29

**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 2

**SUBJECT:**

Grayson Heights Development Agreement

**SUMMARY:**

This Ordinance authorizes the execution of a Development Agreement between the Inner City TIRZ Board of Directors, the City of San Antonio, and the Grayson Heights, LLC for eligible public improvements for an amount not to exceed \$2,100,000 for the Grayson Heights Project located at 1422 and 1518 E. Grayson, in Council District 2.

**BACKGROUND INFORMATION:**

On May 18, 2021, Grayson Heights, LLC applied for funding from the City's Tax Increment Financing Program to undertake the oversight and delivery of the Grayson Heights Project, a mixed-use development consisting of 281 market rate multi-family units, structured parking, associated amenities, office/retail space, public park, green space, and the necessary infrastructure improvements, within the Inner City Tax Increment Reinvestment Zone #11. The total cost of the development is estimated at over \$78 million with over \$3 million in public infrastructure and public improvement costs.

This project will bring reinvestment and high-quality development to the surrounding community

of Government Hill and Ft. Sam Houston located on 5.9536 acres located across from Ft. Sam Houston in between Quitman St. and E Carson.

On May 6, 2022, the Inner City TIRZ board approved a Resolution authorizing a Development Agreement between the Inner City TIRZ Board of Directors, the City of San Antonio, and Grayson Heights, LLC for an amount not to exceed \$2,100,000.00 for the Grayson Heights Project located at 1422 and 1518 E. Grayson, in City Council District 2. Funding will allow for significant infrastructure improvements, including, but not limited to, utility work, extensive landscaping, new sidewalks, and enhanced lighting. This agreement includes a requirement for the developer to contribute \$500,000.00 to the City's Affordable Housing Fund to support affordable housing rehabilitation in the surrounding area.

**ISSUE:**

City Council consideration is requested for the approval of a Development Agreement between the Inner City TIRZ Board of Directors, the City of San Antonio, and Grayson Heights, LLC for the Grayson Heights Project.

**ALTERNATIVES:**

If City Council chooses not to approve the Development Agreement, Grayson Heights, LLC will need to seek an alternate funding source to help with the public improvements. This could potentially delay or lead to the cancellation of the project.

**FISCAL IMPACT:**

Funding for this agreement in an amount up to \$2,100,000.00 is available through the tax increment produced by the Inner City TIRZ. There is no immediate fiscal impact to the City's General Fund.

**RECOMMENDATION:**

Staff recommends approval of a Development Agreement with Grayson Heights, LLC in an amount not to exceed \$2,100,000.00 for the Grayson Heights Project located at 1422 and 1518 E. Grayson.