



# City of San Antonio

## Agenda Memorandum

### File Number:

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**Agenda Item Number:** 30

**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 1

**SUBJECT:**

Hemisfair TIRZ Infrastructure Agreement

**SUMMARY:**

This ordinance authorizes staff to negotiate and execute a Funding Agreement with the Hemisfair TIRZ Board of Directors in an amount not to exceed \$8,000,000 plus costs associated with debt service for construction of utilities and potential environmental remediation for the northwest quadrant of Hemisfair Park on the corner of South Alamo and Market Streets and an Infrastructure and Development Support Agreement with each of the Developers in connection with the previously approved Public-Private Partnership at Hemisfair Park.

Funding for the Funding Agreement is available through the tax increment produced by the Hemisfair Tax Increment Reinvestment Zone. There is no immediate impact to the City's General Fund.

**BACKGROUND INFORMATION:**

On April 7, 2022, City Council approved several actions related to the redevelopment of the Northwest Quadrant of Hemisfair Park. Staff also briefed the Council on the request for \$8 million in Tax Increment Financing (TIF) funding for utility infrastructure and potential environmental

remediation for the Northwest Quadrant and stated that they would return once the request is considered by the Hemisfair TIRZ Board of Directors. Upon approval on the April 7th items, the City of San Antonio's Public Works Department immediately submitted a proposal request for TIF funding.

The public utilities infrastructure improvements will be installed by the City as part of its Alamo Street project. This infrastructure would support future utility customer connections in the downtown area, particularly at Hemisfair Park and the development parcels in the Northwest Quadrant (Civic Park Area).

On May 6, 2022, the Hemisfair TIRZ Board of Directors approved a Funding Agreement through Resolution T34 2022-05-06-01R for an amount not to exceed \$8,000,000.00 plus costs associated with debt service for the construction of utilities and potential environmental remediation, located in the Northwest Quadrant of Hemisfair Park on the corner of South Alamo Street and Market Street, in Council District 1.

In connection with the funding requested from the Hemisfair TIRZ, the City and each of the Developers in the Public-Private Partnership at Hemisfair Park have negotiated a separate Infrastructure and Development Support Agreement to address the construction of utilities, waiver of Right-of-Way fees, maintenance of Civic Park and allocation of responsibility for the environmental condition of the Premises.

#### **ISSUE:**

City Council consideration is requested for the authority to negotiate and execute a Funding Agreement between the Hemisfair TIRZ Board of Directors and the City of San Antonio for an amount not to exceed \$8,000,000.00 plus costs associated with debt service for the construction of utilities and potential environmental remediation, located in the Northwest Quadrant of Hemisfair Park on the corner of South Alamo Street and Market Street; and an Infrastructure and Development Support Agreement with each of the Developers.

#### **ALTERNATIVES:**

If City Council chooses to not approve the Funding Agreement, the City will need to seek an alternate funding source for the construction of utilities and potential environmental remediation. This would delay the construction of the utilities and environmental remediation and could potentially jeopardize other projects in the Civic Park area of Hemisfair.

If City Council chooses to not approve the Infrastructure and Development Support Agreement with each of the Developers, the Developers may choose to terminate the Public-Private Partnership Agreements that are critical to the overall design of the Civic Park area of Hemisfair. This would delay the construction of these amenities, leading to a diminished utility for Hemisfair Park.

#### **FISCAL IMPACT:**

This ordinance approves a funding agreement between Hemisfair TIRZ Board of Directors and the City of San Antonio in an amount not to exceed \$8,000,000.00 plus costs associated with debt service for the construction of utilities and potential environmental remediation, located in the Northwest Quadrant of Hemisfair Park on the corner of South Alamo Street and Market Street in Council District 1. Funding for this agreement is available through the tax increment produced by the Hemisfair TIRZ. There is no immediate impact to the City's General Fund.

There is no separate fiscal impact, as the environmental remediation funds will come from the funding agreement between Hemisfair TIRZ Board of Directors and the City of San Antonio.

**RECOMMENDATION:**

Staff recommends that staff be given the authority to negotiate and execute a Funding Agreement between the Hemisfair TIRZ Board of Directors and the City of San Antonio for an amount not to exceed \$8,000,000.00 plus costs associated with debt service for the constructions of utilities and potential environment remediation, located in the Northwest Quadrant of Hemisfair Park on the corner of South Alamo Street and Market Street, in Council District 1; and an Infrastructure and Development Support Agreement with each of the Developers.