



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 19

Agenda Date: November 10, 2022

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Interim Director

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

Amending the Chapter 380 Economic Development Agreement for the Roosevelt Heights Project

SUMMARY:

This item will amend the Chapter 380 Economic Development Grant Agreement between the Mission Drive-In TIRZ Board of Directors, Bitterblue, Inc., and the City of San Antonio for the Roosevelt Heights Project located west of Roosevelt Ave. along the frontage of Interstate Highway Loop 410 within Council District 3.

BACKGROUND INFORMATION:

The Roosevelt Heights Project is a 23.724-acre single-family residential development, generally located west of Roosevelt Avenue along the frontage of Interstate Highway Loop 410 and within the boundaries of the Mission Drive In Tax Increment Reinvestment Zone (Mission Drive In TIRZ). The Project consists of a subdivision with 135 lots developed at an average size of 5,714 square feet with homes to be sold in the price range of the low \$200s to the mid \$200s. Fifty-four housing units, or 40% of the total project, will be available to households making up to 120% of the area median income. The Project also includes a park, passive recreation area centralized within the community, and necessary public improvements.

On April 28, 2021, the Board of Directors for the Mission Drive-In TIRZ authorized a Chapter 380 Economic Development Grant Agreement with Bitterblue, Inc. (the Developer) for the Roosevelt Heights Development to incentivize the development of this Project. City Council, through Ordinance Number 2021-05-06-0306, subsequently approved the Chapter 380 Economic Development Grant Agreement. The Agreement was structured as a tax rebate using a Chapter 380 Economic Development Agreement where the tax rebate for the first five years will be reimbursed at 90% by the Mission Drive-In TIRZ, and the last ten years will be reimbursed with General Funds using the City's Operations & Maintenance (O&M) rate.

The Developer has requested an amendment to the Chapter 380 Agreement to update the affordability component as it relates to the prices of the residential units in the Development, extend the term of the agreement from 15 years to 20 years, and add 26 acres of commercial land to the Agreement.

ISSUE:

City Council consideration is requested for the approval of an amendment to the Chapter 380 Economic Development Grant Agreement to (1) update the affordability component by adding an Administrative Review process for future AMI calculations; (2) extend the term of the agreement from fifteen years to twenty years, and (3) add 26 acres of commercial land to the Project. There is no additional fiscal impact as a result of this item.

ALTERNATIVES:

If City Council chooses to not approve the amendment to the Chapter 380 Economic Development Grant Agreement, the developer will proceed with the Project under the terms of the original Agreement which will delay the completion of the Project and be unable to add commercial land to the Project.

FISCAL IMPACT:

There is no new fiscal impact as a result of this item. Even with approval of this amendment, total funding should not exceed \$4,341,569 for the duration of this agreement. The Funding for the first five years of this agreement is available through the tax increment produced by the Mission Drive-In TIRZ. The TIRZ is anticipated to expire before this agreement terminates. If this amendment is approved and the TIRZ is not extended, funding for the final fifteen years of this agreement will be funded through incremental City property tax received into the General Fund from the expired TIRZ. Payment of the agreement from the General Fund will be subject to appropriation by the City Council as part of the annual budget process.

RECOMMENDATION:

Staff recommends amending the Chapter 380 Economic Development Grant Agreement between the Mission Drive-In TIRZ Board of Directors, Bitterblue, Inc., and the City of San Antonio for

the Roosevelt Heights Project located west of Roosevelt Ave. along the frontage of Interstate Highway Loop 410 within Council District 3.