



# City of San Antonio

## Agenda Memorandum

**File Number:**  
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**Agenda Item Number:** 5

**Agenda Date:** May 12, 2023

**In Control:** Tax Increment Reinvestment Zone No. 30 - Westside Meeting

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** District 1|District 5

**SUBJECT:**

City Tower Renovation Project

**SUMMARY:**

This item is a request for consideration by the Westside TIRZ to transfer incremental property tax revenue from properties transferred or sold as a result of the Weston Urban P3 into the City Tower Fund, consistent with the adopted budget, for the purpose of funding the City Tower Renovation Project.

**BACKGROUND INFORMATION:**

The City Council approved a Comprehensive Development Agreement with Weston Urban LLC and Frost Bank on June 4, 2015. This successful Public-Private Partnership (P3) has resulted in the construction of the new Frost Tower by Weston Urban, and the ongoing redevelopment and rebranding of the former Frost Bank Building by the City, now known as City Tower. Future components of the P3 include the creation of hundreds of housing units in downtown as Weston

Urban redevelops properties previously owned by the City that were acquired through the agreement. Those properties were previously tax exempt, and as the properties are transferred to Weston Urban, they will become taxable, generating additional tax increment within several TIRZ. The City Tower Project budget and the City's Adopted Budget anticipate that the respective increment from these properties will be deposited into the City Tower Fund.

This item addresses the increment for properties included in the P3 agreement located in the Westside TIRZ. Those properties are the San Fernando Gym at the corner of Travis St. and Santa Rosa St., addressed as 300 N Santa Rosa, and a parking lot that has been referred to as the Pecan Street Lot, which has an address of 403 N Flores. Following the sale of these properties to Weston Urban, they will no longer be tax exempt.

The Board of Directors for the Houston Street TIRZ acted on a similar item in 2021 related to properties that fall within its boundary. The properties that fell within the Houston Street TIRZ included the Municipal Plaza Building located at 114 W Commerce and the property on which the new Frost Tower and associated garage were constructed.

#### **ISSUE:**

This action by the Westside TIRZ authorizes the transfer of tax increment for the properties involved in the P3 project that are located in the Westside TIRZ boundary. The increment will transfer through FY 2032. There are no immediate development plans, but the properties are expected to see investment and development in the future.

#### **FISCAL IMPACT:**

**This action by the Westside TIRZ authorizes the transfer of tax increment for the properties involved in the P3 project that are located in the Westside TIRZ boundary. The increment will transfer through FY 2032. There are no immediate development plans, but the properties are expected to see investment and development in the future.**

#### **ALTERNATIVES:**

If the Board chooses to not authorize this transfer of tax increment, the City of San Antonio will not be able to fully fund the City Tower. This may delay the last phases of the project.

#### **RECOMMENDATION:**

Staff recommends the Westside TIRZ Board approve the transfer of tax increment from properties transferred or sold as a result of the Weston Urban P3 into the City Tower Fund, consistent with the adopted budget, for the purpose of funding the City Tower Renovation Project.

