

A RESOLUTION **2008-10-16-0053R**

EXPRESSING THE INTENT OF THE CITY OF SAN ANTONIO TO CONSIDER CREATING A TAX INCREMENT REINVESTMENT ZONE TO BE KNOWN AS THE MIDTOWN TIRZ LOCATED IN CITY COUNCIL DISTRICTS 1, 2, AND 9, BOUNDED APPROXIMATELY BY HILDEBRAND TO THE NORTH, TRAVERSING SOUTH ONE OR TWO BLOCKS ON EITHER SIDE OF BROADWAY UNTIL BOUNDED BY IH-35, AND TRAVERSING SOUTH OF THE INTERSECTION OF US HWY 281 AT ST. MARY'S UTILIZING ST. MARY'S AS THE WESTERN BOUNDARY AND US HWY 281 AS THE EASTERN BOUNDARY UNTIL AGAIN BOUNDED BY IH-35 TO THE SOUTH.

* * * * *

WHEREAS, tax increment financing is an economic development tool authorized by the Tax Increment Financing Act, Texas Tax Code, Chapter 311, used by municipalities to finance needed improvements and enhanced infrastructure within certain areas of the municipality by leveraging private investment for certain types of development activities; and

WHEREAS, since 1998, the City of San Antonio has developed and adopted Tax Increment Financing and Reinvestment Zone Guidelines and Criteria in accordance with the requirements of the Act and most recently on November 16, 2006, by Ordinance No. 2006-11-16-1316, adopted the 2006 TIF Manual; and

WHEREAS, the City itself has initiated the investigation of the viability of a TIRZ in an area located in City Council Districts 1, 2, and 9, bounded approximately by Hildebrand to the north, traversing south one or two blocks on either side of Broadway until bounded by IH-35, and traversing south of the intersection of US HWY 281 at St. Mary's utilizing St. Mary's as the western boundary and US HWY 281 as the eastern boundary until again bounded by IH-35 to the south, and now wants to declare its intent to specifically consider creation of the Midtown TIRZ; and

WHEREAS, the proposed Midtown TIRZ support the goals of the Community Revitalization Action Group report that established the historic City limits as a priority area for revitalization efforts since it contains the neighborhoods that bore the cost of the City's growth for many years, subsidizing the extension of new electric, water, and sewer lines to the suburbs; and

WHEREAS, the proposed Midtown TIRZ also supports the City's Master Plan, specifically Economic Development Goal 4, which is to provide economic opportunities in targeted areas particularly within Loop 410, and Growth Management Policy 1(g), which is to continue to make physical improvements in the inner City to encourage redevelopment and infill development; and

WHEREAS, pursuant to Section 3 11.003(e) of the Act, before holding the public hearing on the creation of the proposed TIRZ, the governing body of the City must provide written notice of the City's intent to consider the designation of such TIRZ to the governing body of each taxing unit that levies real property taxes in the proposed reinvestment zone, unless such notice is waived by

the taxing units, no later than the 60th day before the date of the public hearing to designate the reinvestment zone; and

WHEREAS, the City desires to notify the governing bodies that levy real property taxes in the proposed reinvestment zone, of the City's intent to consider designation of a TIF reinvestment zone; and

WHEREAS, pursuant to Section 311.003(f) of the Act, the City Council deems it advisable to: (i) request the opportunity to make a formal presentation to the governing body of Bexar County and each school district that levies real property taxes in the proposed reinvestment zone; and (ii) notify each taxing unit that levies real property taxes in the proposed reinvestment zone of presentations to be made before the county and each school district; and

WHEREAS, further, pursuant to Section 3 11.003(g) of the Act, the City Council deems it advisable to: (i) request each taxing unit that levies real property taxes in the proposed reinvestment zone to designate a representative from such unit to meet with the City staff to discuss the project plans and preliminary reinvestment zone financing plan for the proposed reinvestment zone; and (ii) delegate to City staff the authority to call one or more meetings, as may be needed with the representatives of the taxing units; and

WHEREAS, approval of this resolution authorizes City staff to initiate an in-depth review of the project for consideration of designation of the Midtown TIRZ; and

WHEREAS, on this same day the City Council is considering modifications to the TIF Policy and a new 2008 TIF Manual and this newly revised TIF Manual, if adopted, shall be effective as to the Midtown TIRZ should it become a designated TIRZ; **NOW THEREFORE:**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City of San Antonio expresses its intent to consider at a future time the designation of the Midtown area as may be more specifically delineated as a Tax Increment Reinvestment Zone.

SECTION 2. The City's expression of this intent does not constitute actual designation of or an obligation to designate the TIRZ, but merely indicates the intent of the City to proceed in considering designation of a TIRZ, and is based on the preliminary review of the information assembled to date.

SECTION 3. City staff is authorized by this resolution to provide written notice of the City's intent to each taxing unit that levies a tax in the proposed TIRZ, request each of those taxing entities to appoint a representative to meet with City staff to discuss the proposed project, and to call and hold meetings with representatives of those taxing entities, as provided by Chapter 311 of the Texas Tax Code.

SECTION 4. The 2008 TIF Manual, if adopted by City Council, shall be effective as to the Midtown TIRZ upon its designation.

SECTION 5. This Resolution shall become effective immediately upon the passage of eight (8) or more affirmative votes. If it is not passed by (8) affirmative votes, this Resolution shall be effective on and after the tenth day after passage.

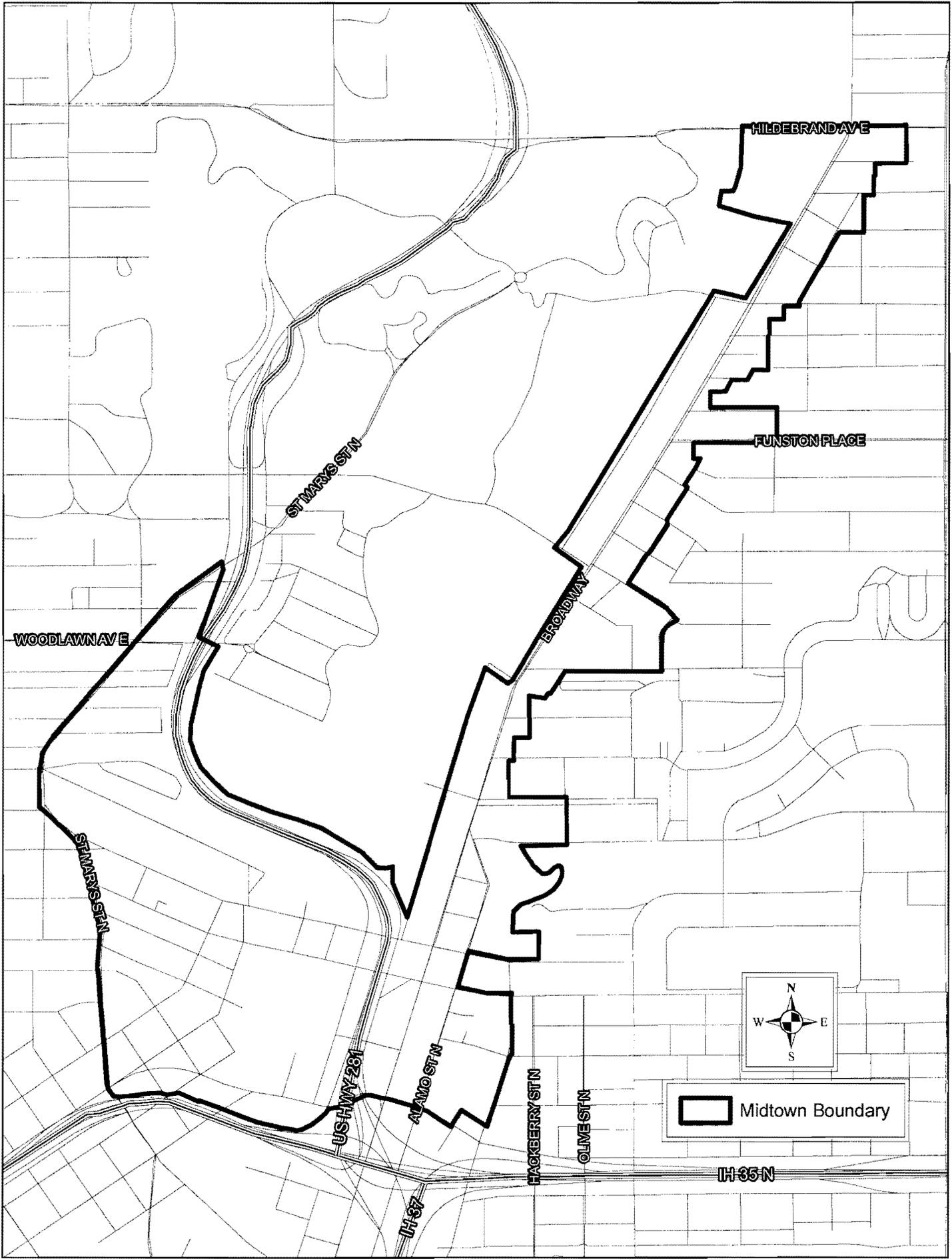
PASSED AND APPROVED this 16th day of October, 2008.


**MAYOR
PHIL MARKBERGER**

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
for City Attorney

Exhibit A
Boundaries of the Midtown TIRZ
Approximately 436 Acres and
0.68 Square Miles



WOODLAWN AVE

SEMINOLE STN

ST MARYS STN

USHWY 281

ALAMO STN

HACKBERRY STN

OLIVE STN

IH-35 N

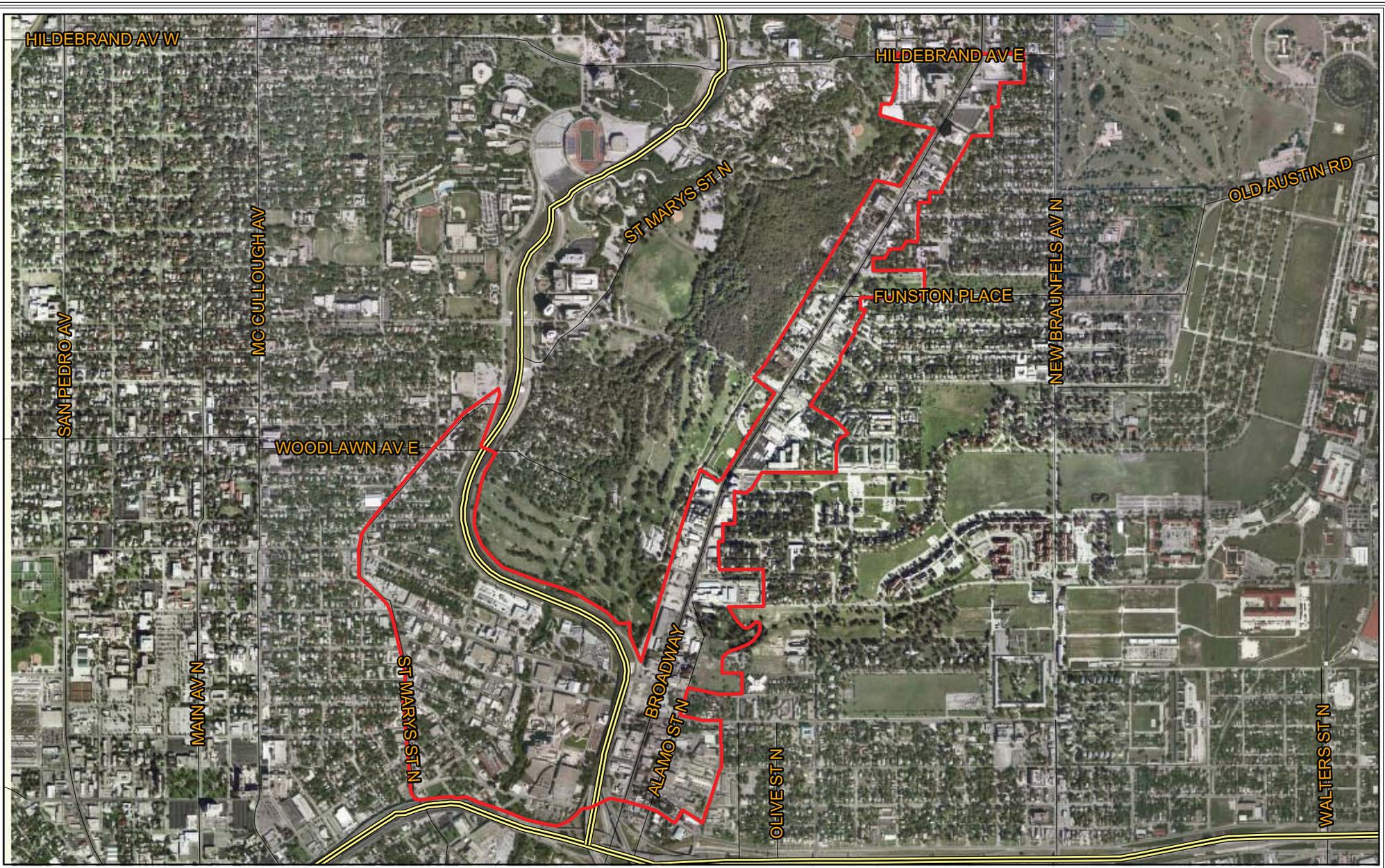
HILDEBRAND AVE

FUNSTON PLACE

BROADWAY



Midtown Boundary

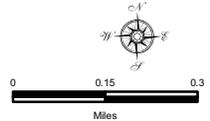


Data Source: City of San Antonio Enterprise GIS, Bexar Metro 911, Bexar Appraisal District
 *This Geographic Information System Product, received from The City of San Antonio is provided "as is" without warranty of any kind, and the City of San Antonio expressly disclaims all expressed and implied warranties, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. The City of San Antonio does not warrant, guarantee, or make any representations regarding the use, or the results of the use, of the information provided to you by the City of San Antonio in terms of correctness, accuracy, reliability, timeliness or otherwise.
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Please contact the responsible City of San Antonio Department for specific determinations.
 City of San Antonio Housing & Neighborhood Services Department Manager: Adrian Lopez, adrian.lopez@sanantonio.gov.
 Map Created by: Zenon "Zake" Sells
 Map Creation Date: October 1, 2008
 Map file location: K:\TIF UNIT\TIFs-Proposed\Midtown
 PDF file name: Midtown - Boundary 10-1-08

 Midtown TIRZ # 31

City of San Antonio Midtown - Boundary



City of San Antonio
Housing & Neighborhood
Services Department
 David D. Garza, Director
 Tax Increment Financing (TIF) Unit
 1400 S. Flores
 San Antonio, TX 78204





Agenda Voting Results - 25

Name:	25						
Date:	10/16/2008						
Time:	11:49:02 AM						
Vote Type:	Motion to Approve						
Description:	A Resolution expressing the City of San Antonio's intent to consider creating a Tax Increment Reinvestment Zone known as Midtown located in Council Districts 1, 2, & 9, bounded approximately from Hildebrand to the north, U.S. Hwy 281 and St. Mary's Street to the west, IH 35 to the South, and Broadway to the east. [T.C. Broadnax, Assistant City Manager; David D. Garza, Director, Housing and Neighborhood Services]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Phil Hardberger	Mayor		x				
Mary Alice P. Cisneros	District 1		x			x	
Sheila D. McNeil	District 2		x				x
Jennifer V. Ramos	District 3		x				
Philip A. Cortez	District 4	x					
Lourdes Galvan	District 5		x				
Delicia Herrera	District 6		x				
Justin Rodriguez	District 7	x					
Diane G. Cibrian	District 8		x				
Louis E. Rowe	District 9	x					
John G. Clamp	District 10	x					



CITY OF SAN ANTONIO
Request for Council Action

Agenda Item # 25
Council Meeting Date: 10/16/2008
RFCA Tracking No: R-3655

DEPARTMENT: Housing and Neighborhood Services **DEPARTMENT HEAD:** David D Garza

COUNCIL DISTRICT(S) IMPACTED:
Council District 1, Council District 2, Council District 9

SUBJECT:
Resolution of Intent to Create Tax Increment Reinvestment Zone #31 (Midtown)

SUMMARY:

This item is a resolution expressing the City of San Antonio's intent to consider creating a Tax Increment Reinvestment Zone (TIRZ) known as Midtown located in City Council Districts 1, 2, & 9. Approval of this resolution initiates the process for consideration of designation of a Tax Increment Reinvestment Zone. In accordance with the requirements of the Tax Increment Financing Act (Tax Code, Chapter 311, the "TIF Act"), this resolution authorizes staff to request an appointee from each taxing entity for the purpose of discussing each project and to call and hold meetings with representatives of each taxing entity. Staff will conduct a full programmatic review and analysis to determine the viability of the Zone and the projected revenues generated by the project. This action does not, in any way, obligate the City to designate the proposed TIRZ, nor does it financially obligate the City or other taxing entities. This resolution allows the staff to continue the process to structure financing and conduct project reviews for the proposed TIRZ.

BACKGROUND INFORMATION:

Chapter 311 of the Texas Tax Code (the "TIF Act") allows a municipality to initiate the creation of a Tax Increment Reinvestment Zone (TIRZ).

This TIRZ #31 proposal is consistent with the proposed policy updates of the TIF Program Policy and Implementation Manual, and represents one example of how TIF may be used for the creation of City-initiated TIRZ. This project will adhere to all of the approved changes to the TIF Manual such as:

- This City-initiated project will not be required to identify a collaborating entity at designation
- Project will be required to develop at least 20% affordable housing
- If a Local Government Corporation is utilized, project will have to adhere to City rules and requirements
- Project will be scored to determine eligibility and the maximum term of the zone
- The City's participation will be determined based on the following: ability for City to

provide municipal services in the zone, financial gap of the project, prioritization of public improvements, factoring a reasonable annual growth assumption, consideration of a minimum developer contribution, and negotiating a maximum contribution cap

- TIRZ Board appointment process will follow the City's process
- Project will adhere to the fee structure that Council approves

City-initiated TIRZ are designed to assist revitalization and reinvestment initiatives to achieve the goals of existing City programs and City-adopted plans. City-initiated TIRZ maximize the benefits of public-private collaboration by focusing exclusively on areas of the City that have been predetermined to be eligible for TIF; by using a comprehensive Reinvestment Plan to coordinate development incentives and set development standards that encourage long-term, high-quality investment; and by using a Request for Qualifications (RFQ) and/or Request for Proposal (RFP) process when appropriate to identify entities that are qualified to participate in successful TIRZ development.

ISSUE:

The action being requested of City Council is consideration for a Resolution of Intent to consider the creation of a City-initiated TIRZ #31, "Midtown".

The creation of a City-initiated TIRZ #31 gives the City the opportunity to use TIF to implement actions that will address a large number of area Master Plans. The Master Plans include: Government Hill Neighborhood Plan, Mahneke Park Neighborhood Plan, Tobin Hill Neighborhood Plan, and Westfort Alliance Neighborhood Plan Update.

The Resolution of Intent authorizes staff to notify participating taxing entities of a potential new TIRZ, and to begin developing the Preliminary Project Plan and the Preliminary Financing Plan required by the TIF Act.

Staff anticipates returning to City Council for consideration of TIRZ #31 designation prior to December 31, 2008. At that public hearing, staff will present the Preliminary Project Plan and the Preliminary Financing Plan, including any commitments made by other taxing entities to contribute to the TIRZ.

After TIRZ designation, the City-initiated process includes the subsequent adoption of a Final Project and Financing Plan, also known as a Reinvestment Plan, for the TIRZ. The Reinvestment Plan will guide any subsequent RFQ/RFPs for implementation. An incentive package coordinating TIF with the efforts of other departments and agencies is also structured into the Reinvestment Plan in accordance with the needs of the TIRZ.

ALTERNATIVES:

Staff considered two alternatives. The first alternative was to not proceed with consideration of the creation of this TIRZ. Staff does not recommend this alternative as consideration is only the first step in the process and does not obligate the City in any way. Staff also considered not requesting City Council to formally approve through Resolution the consideration of the creation of this TIRZ. Staff does not recommend this alternative. Although this Resolution is not statutorily required, it is a first step in the public notification process.

FISCAL IMPACT:

Approval of this resolution initiates the TIF consideration process and does not have a direct financial impact to the General Fund.

RECOMMENDATION:

Staff recommends approval of the Resolution of Intent authorizing staff to notify participating taxing entities of a potential new TIRZ, and to begin developing the Preliminary Project Plan and the Preliminary Financing Plan required by the TIF Act.

ATTACHMENT(S):

File Description	File Name
Midtown Map Boundries	Midtown TIRZ Boundary.pdf
Voting Results	
Resolution/Supplemental Documents	200810160053R.pdf

DEPARTMENT HEAD AUTHORIZATIONS:

David D Garza Director Housing and Neighborhood Services

APPROVED FOR COUNCIL CONSIDERATION:

T.C. Broadnax Assistant City Manager