

**AN ORDINANCE**

**APPROVING THE FINAL PROJECT AND FINANCING PLANS FOR TAX INCREMENT REINVESTMENT ZONE (“TIRZ”) NUMBER NINETEEN, CITY OF SAN ANTONIO, TEXAS, KNOWN AS THE HALLIE HEIGHTS TIRZ IN CITY COUNCIL DISTRICT 4; AUTHORIZING THE PAYMENT OF ALL INCREMENTAL AD VALOREM TAXES INTO THE TIRZ TAX INCREMENT FUND; AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE INTERLOCAL AGREEMENTS BETWEEN THE CITY OF SAN ANTONIO, THE BOARD OF DIRECTORS FOR THE TIRZ, BEXAR COUNTY, AND SAN ANTONIO RIVER AUTHORITY, AND A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SAN ANTONIO, HLH DEVELOPMENTS, L.P., AND THE BOARD.**

\* \* \* \* \*

**WHEREAS**, the City of San Antonio (“City”) recognizes the importance of its continued role in economic development; and

**WHEREAS**, on December 9, 2004, the City Council created Tax Increment Reinvestment Zone Number Nineteen, City of San Antonio, Texas (“Zone”), located in City Council District 4, by Ordinance Number 100075 in accordance with the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (hereinafter called the “Act”), and the City’s adopted Guidelines and Criteria for the use of TIF to promote development and redevelopment of the Zone property through the use of tax increment financing which development would not otherwise occur solely through private investment in the reasonably foreseeable future, established a Board of Directors for the Zone (the “Board”), described the boundaries of the Zone and authorized the creation of a tax increment fund entitled “Reinvestment Zone Number Nineteen, City of San Antonio, Texas, Tax Increment Fund” (the “Fund”) established at the depository bank of the City; and

**WHEREAS**, on February 2, 2007, the Board approved and adopted an amended Final Project Plan (“Project Plan”), an amended Final Financing Plan (“Financing Plan”), a Development Agreement with HLH Developments, L.P., (“Developer”), and two Interlocal Agreements with the other participating tax entities in the Zone, providing for their participation in the Zone and contributions to the Fund; and

**WHEREAS**, the Act requires that the City Council approve the Project Plan and Financing Plan, as well as amendments thereto, after their adoption by the Board; and

**WHEREAS**, the Act authorizes the reimbursement of “Project Costs” which are the costs of public works or public improvements in the Zone plus other costs incidental to those reimbursements and obligations that are consistent with the Project Plan; and

**WHEREAS**, money in the Fund may be disbursed from the Fund, invested, and paid as permitted by the Act or by any agreements entered into in accordance with the Act or otherwise authorized by law; and

**WHEREAS**, a taxing unit is not required to pay into the Fund any of its tax increment provided from property located in the Zone designated by petition under the Act unless the taxing unit enters into an Interlocal Agreement with the City which includes conditions for payment into the Fund and specifies the portion and the years for which that tax increment is to be paid into the Fund; and

**WHEREAS**, the City desires to approve the payment of 90% of available City incremental ad valorem taxes generated from new improvements in the Zone into the Fund; and

**WHEREAS**, payment into the Fund shall consist of the tax increment generated from the 2004 tax year through the 2023 tax year, unless the Zone is terminated earlier as authorized or permitted by law; and

**WHEREAS**, in accordance with the Act and Ordinance Number 100075 dated December 9, 2004, the Board has authority to enter into agreements as the Board considers necessary or convenient to implement the Project Plan and Financing Plan and to achieve the purposes of developing the Zone Property; and

**WHEREAS**, the City, the Board and the Developer have agreed to the terms and conditions for their performance and obligations for the development of the Zone property including a maximum potential reimbursement to the Developer from the Fund for approved infrastructure improvements of \$2,378,448.00, and a maximum potential reimbursement for interest, if any, of \$554,934.00 as set out in Section VII of the Development Agreement, attached as Exhibit 3; and

**WHEREAS**, the Developer did not comply with the City's 2004 TIF Guidelines in regard to Payment and Performance Bonds and Prevailing Wages, and did not comply with the City Code regarding Universal Design requirements and the City, the Board and the Developer have reached a compromise agreement to waive the pertinent 2004 Guideline requirements and provide for alternative security documents and a prevailing wage procedure and, to remove the value of a portion of the homes which do not meet Universal Design requirements; and

**WHEREAS**, the City, the Board, Bexar County and the San Antonio River Authority have agreed to the terms and conditions for their participation in the Zone and contributions to the Fund as set out on the Interlocal Agreements attached as Exhibit 4 (Bexar County Interlocal Agreement) and Exhibit 5 (San Antonio River Authority Interlocal Agreement); and

**WHEREAS**, it is now necessary for the City Council to approve the Project Plan and the Financing Plan for the Zone, to authorize the City Manager or her designee to enter into a Development Agreement with the Board and the Developer which provides for the development of the Zone property as specified in the Project Plan and Financing Plan, and to enter into Interlocal Agreements with Bexar County and the San Antonio River Authority; and

**WHEREAS**, it is hereby officially found and determined that the meeting at which this

Ordinance was passed was open to the public and, public notice of the time, place and purpose of said meeting was given all as required by Chapter 551, Texas Government Code; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** This TIRZ which took effect on December 9, 2004, will continue until its termination date of September 30, 2024 (“Termination Date”) unless otherwise terminated earlier according to the terms of the Development Agreement, upon payment in full of all project costs, or as authorized or permitted by law.

**SECTION 2.** The Final Project Plan and the Final Financing Plan as approved on February 2, 2007 by the Board of Directors of Tax Increment Reinvestment Zone Number Nineteen of the City of San Antonio, Texas, known as the Hallie Heights TIRZ are approved, and copies are attached as Exhibit 1 (Final Project Plan) and Exhibit 2 (Final Financing Plan) and incorporated into this Ordinance for all purposes.

**SECTION 3.** The City Manager or her designee is authorized to make payment of all available City incremental ad valorem taxes generated from the new improvements into Tax Increment Reinvestment Zone Number Nineteen, City of San Antonio, Texas, Tax Increment Fund (“Fund”) beginning in the 2004 tax year and continuing through the 2023 tax year.

**SECTION 4.** The Project Plan and Financing Plan for the Zone are feasible and in compliance with the City’s Master Plan and the City’s adopted *2004 City of San Antonio, Texas Guidelines and Criteria for the Use of Tax Increment Financing (TIF) and Reinvestment Zones* by encouraging community revitalization, infrastructure improvements and housing within certain areas of the City which would not have occurred without tax increment financing.

**SECTION 5.** The City Manager or her designee is authorized to negotiate and execute the Development Agreement, including the compromise solutions reached regarding payment and performance bonds and prevailing wages with the Board and the Developer, the Interlocal Agreements with the Board, Bexar County and San Antonio River Authority substantially in accordance with the provisions set out above and in Exhibit 3 (Development Agreement), Exhibit 4 (Bexar County Interlocal Agreement), and Exhibit 5 (San Antonio River Authority Interlocal Agreement) attached and incorporated into this Ordinance for all purposes.

**SECTION 6.** Approval and execution of the attached Development Agreement does not have an immediate fiscal impact. To the extent that such funds are available, the City is authorized to reimburse the Developer up to a maximum total payment of \$2,378,448.00 for public infrastructure improvements, and a maximum total payment of \$554,934.00 for interest as authorized by and in accordance with the Act.

**SECTION 7.** Fund 26086013 entitled Special Revenue, TIRZ Hallie Heights is established to record the collection of revenue recorded in Internal Order 207000000262 and payments using Cost Center 0703710001 in accordance with the agreement.

**SECTION 8.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager, or the City Manager's designee, correct allocation to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

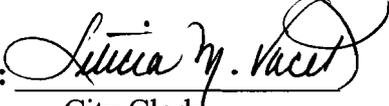
**SECTION 9.** The statements set out in the recitals of this Ordinance are true and correct and are incorporated as part of this Ordinance.

**SECTION 10.** If any provision of this Ordinance or the application of any provision of this Ordinance to any circumstance is held invalid, the remainder of this Ordinance and the application of the remainder of this Ordinance to other circumstances shall nevertheless be valid and this Ordinance would have been enacted without such invalid provision.

**SECTION 11.** This ordinance is effective immediately upon the receipt of eight (8) affirmative votes.

**PASSED AND APPROVED** this 1<sup>st</sup> day of March, 2007.

  
**M A Y O R**  
**PHIL HARDBERGER**

**ATTEST:**   
City Clerk

**APPROVED AS TO FORM:**   
for City Attorney

# Agenda Voting Results

**Name:** CONSENT AGENDA Items 5-39C, except Items 6,8,9,10,12,15,16,18,19,25,26,37

**Date:** 03/01/07

**Time:** 10:14:05 AM

**Vote Type:** Multiple selection

**Description:**

<b>Voter</b>	<b>Group</b>	<b>Status</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
ROGER O. FLORES	DISTRICT 1		x		
SHEILA D. MCNEIL	DISTRICT 2		x		
ROLAND GUTIERREZ	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
DELICIA HERRERA	DISTRICT 6		x		
ELENA K. GUAJARDO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
KEVIN A. WOLFF	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR PHIL HARDBERGER	MAYOR		x		

Exhibit 1  
Hallie Heights TIRZ  
Final Project Plan

Exhibit 2  
Hallie Heights TIRZ  
Final Financing Plan

Exhibit 3  
Hallie Heights TIRZ  
Development Agreement

Exhibit 4  
Hallie Heights TIRZ  
Bexar County Interlocal Agreement

Exhibit 5  
Hallie Heights TIRZ  
San Antonio River Authority Interlocal Agreement

**MEETING OF THE CITY COUNCIL**

ALAMODOME
ARTS & CULTURAL AFFAIRS
ASSET MANAGEMENT
AVIATION
BUDGET & PERFORMANCE ASSESSMENT
BUILDING INSPECTIONS
HOUSE NUMBERING
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
COMMUNITY RELATIONS
PUBLIC INFORMATION
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
ECONOMIC DEVELOPMENT
FINANCE - DIRECTOR
FINANCE - ASSESSOR
FINANCE - CONTROLLER
FINANCE - GRANTS
FINANCE - TREASURY
FIRE DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT
HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
INTERGOVERNMENTAL RELATIONS
INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
PARKS AND RECREATION
MARKET SQUARE
YOUTH INITIATIVES
PLANNING DEPARTMENT
DISABILITY ACCESS OFFICE
LAND DEVELOPMENT SERVICES
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
ENVIRONMENTAL SERVICES
PARKING DIVISION
REAL ESTATE DIVISION
SOLID WASTE
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

AGENDA ITEM NUMBER: 35

DATE: MAR 01 2007

MOTION: \_\_\_\_\_

ORDINANCE NUMBER: 2007-03-01-0240

RESOLUTION NUMBER: \_\_\_\_\_

ZONING CASE NUMBER: \_\_\_\_\_

TRAVEL AUTHORIZATION: \_\_\_\_\_

ROGER J. FLORES District 1			
SHEILA B. BARRAZA District 2			
ROLAND GARCIA District 3			
RICHARD PEREZ District 4			
FATY MADRIS District 5			
DELICIA BARRAZA District 6			
ELENA GAVARDO District 7			
ART A. BARRAZA District 8			
KEVIN A. WOLFF District 9			
CHRISTOPHER G. HAASS District 10			
PHIL WARRINGTON None			

**CONSENT AGENDA**