

AN ORDINANCE 2008-12-11-1173

DESIGNATING THE WESTSIDE TIRZ, A CITY-INITIATED TAX INCREMENT REINVESTMENT ZONE NAMED "REINVESTMENT ZONE NUMBER THIRTY, CITY OF SAN ANTONIO, TEXAS", LOCATED IN COUNCIL DISTRICTS 1 AND 5, INCLUDING 1531 ACRES BOUNDED GENERALLY BY MARTIN ST. TO THE NORTH, HWY 90 TO THE SOUTH, SEVERAL BLOCKS WEST OF ZARZAMORA TO THE WEST, AND HWY 281 TO THE EAST.

* * * * *

WHEREAS, tax increment financing is an economic development tool authorized by the Tax Increment Financing Act, Texas Tax Code, Chapter 311; and

WHEREAS, since 1998, the City of San Antonio has developed and adopted the guidelines for the City's use of Tax Increment Financing in accordance with the requirements of the TIF Act. On October 16, 2008 by Ordinance No. 2008-10-16-0933, the City adopted the 2008 *Tax Increment Financing Program Policy and Implementation Manual*; and

WHEREAS, City-initiated TIRZ are designed to assist revitalization and reinvestment initiatives to achieve the goals of existing City programs and City-adopted plans, by using a comprehensive Reinvestment Plan to coordinate development incentives and set development standards that encourage long-term, high quality investment; and

WHEREAS, on October 16, 2008, the City Council also adopted Resolution No. 2008-10-16-0054R, expressing its intent to consider the creation of the proposed TIRZ, and authorizing City staff to: (i) deliver notice of said intention to the government bodies of each taxing unit that levies real property taxes in the proposed TIRZ, including in the notice a description of the TIRZ, the tentative plans for its development, and the estimated impact of the TIRZ on property values and tax revenues; (ii) set a date for and publish notice of a public hearing; (iii) make presentations to each taxing unit; (iv) request that each taxing unit appoint a representative to meet with City officials; and (v) to call meetings regarding the TIRZ; and

WHEREAS, on October 17, 2008, the City sent a written notice to the governing body of each taxing unit that levies real property taxes in the proposed TIRZ, including San Antonio ISD, of the City's intent to consider establishing the TIRZ; and

WHEREAS, City staff confirmed the area's eligibility for TIF based on the scoreboard within the 2008 TIF Manual; identified the area's reinvestment needs; confirmed compatibility with the City policy goals outlined in the following plans: South Central Neighborhood Plan, Nogalitos Neighborhood Plan, and Guadalupe Westside Neighborhood Plan; and examined the TIRZ development objectives; and

WHEREAS, in accordance with the effective TIF Manual, the scoreboard delineates the maximum possible term of the TIRZ as 25 years; and

WHEREAS, City staff made a statutory presentation on the matter to Bexar County on November 19, 2008 and conducted a public meeting on the matter on December 2, 2008; and

WHEREAS, any public improvements within the TIRZ to be reimbursed with TIF funds must comply with all of the 2008 TIF Manual, including but not limited to competitive bidding, payment of prevailing wages, universal design requirements and payment and performance bonds as set out in Chapter 2253 of the Texas Government Code; and

WHEREAS, if homes constructed in the Project are found not to be constructed in compliance with the Universal Design Policy of the City, the City, pursuant to a pending Development Agreement, may undertake various options, including but not limited to terminating the TIRZ, or removing the non-compliant parcels and their tax accounts from the boundaries of the TIRZ and the list of accounts generating revenue for the TIF fund, which will then require an amendment to the Final Financing Plan; and

WHEREAS, the proposed public improvements and project costs eligible for reimbursement from the TIF fund for the Project include streets, sidewalks, streetscape, drainage, water, sewer for approximately 3.7 million square feet of commercial, office, residential, parking, and hotel facilities; and

WHEREAS, pursuant to the TIF Act, the City may designate a contiguous geographical area within the City as a TIRZ if the City Council finds that the area satisfies the requirements of the TIF Act; and

WHEREAS, City staff has (i) prepared a Preliminary Reinvestment Zone Financing Plan for the same TIRZ subject property but for a 25-year term and with a maximum participation rate of 90% of the City's tax increment and (ii) distributed a copy of the Preliminary Plan to the governing body of each taxing unit that levies taxes on real property in the proposed TIRZ; and

WHEREAS, the TIF Act requires that TIRZ must be numbered sequentially upon their creation; and

WHEREAS, staff recommends that this TIRZ be created for a 25-year term and with a maximum participation rate of 90% of the City's tax increments; however, the City Council may reduce both the length of the term and the participation rate as the Financing and Project Plans are finalized; and

WHEREAS, this TIRZ designation does not financially obligate the City or other taxing entities, such obligations shall be contained in Development and Interlocal Agreements yet to be negotiated; and

WHEREAS, any future developer recognizes that there is no guarantee that the value of property in the TIRZ will increase, that any increases in value are dependant upon many factors which are not within the City's control, and that there is no guarantee of any tax increment, as that term is defined in the TIF Act; and

WHEREAS, 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. DESIGNATING THE AREA AS A TAX INCREMENT REINVESTMENT ZONE. The area located in City Council Districts 1 and 5, commonly referred to as the “Westside Project”, consists of property located west of the central business district along: portions of area west of Flores Street and IH 35, portions extending east of Flores Street traversing along Peden Alley and Clay Street to Probandt and IH 10, portions extending from Martin Street to the north traversing Salado to the west then following Commerce to the north, Brazos and San Jacinto to the west with three areas extending out to Zarzamora traversing along Commerce, Montezuma, and Saltillo separately, and Ceralvo and Pendleton to the south with the boundaries as more specifically described in Section 2 below, and officially assigned the name in Section 5 below, is designated a Tax Increment Reinvestment Zone.

SECTION 2. DESCRIPTION OF THE BOUNDARIES OF THE TIRZ. Attached as Exhibit “A”, incorporated by reference for all purposes is a description of the boundaries of the TIRZ, which consists of approximately 1,531 acres of real property.

SECTION 3. CREATION AND COMPOSITION OF A BOARD OF DIRECTORS FOR THE TIRZ. There is created a Board of Directors consisting of five (5) members, with all the rights, powers, and duties as provided by the TIF Act to such Boards or by action of the City Council.

SECTION 4. EFFECTIVE DATE AND TERMINATION DATE OF THE TIRZ. In compliance with the TIF Act, the TIRZ shall take effect immediately upon passage of this Ordinance and continue until its termination date of September 30, 2032, unless otherwise terminated earlier as a result of breach of a development agreement, payment in full of all project costs approved in the first Final Project Plan, or as authorized or permitted by law.

The City acknowledges and declares that this TIRZ may be dissolved at any time by the City should: (i) a developer fail to abide by the payment and performance bonds and Universal Design requirements listed above; (ii) no other taxing entity participates in the TIRZ, (iii) all other taxing entities withdraw participation; (iv) a final Development Agreement not be executed with a developer or Interlocal Agreements with participating taxing entities in order to leverage private assets to the City’s benefit; or (v) the Development or Interlocal Agreements fail for whatever reason.

SECTION 5. ASSIGNING A NAME TO THE TIRZ. The TIRZ is assigned the name of “REINVESTMENT ZONE NUMBER THIRTY, CITY OF SAN ANTONIO, TEXAS”.

SECTION 6. TAX INCREMENT BASE. The Tax Increment Base for the TIRZ is the total appraised value of all real property taxable by the City and located in the TIRZ, determined as of

January 1, 2008, the year in which the TIRZ was designated.

SECTION 7. ESTABLISHMENT OF A TAX INCREMENT FUND. There is created and established in the depository bank of the City, a fund to be called the "REINVESTMENT ZONE NUMBER THIRTY, CITY OF SAN ANTONIO, TEXAS TAX INCREMENT FUND". Money in the Tax Increment Fund, from whatever source, may be disbursed from the Tax Increment Fund, invested, and paid as permitted by the TIF Act or by agreements entered into pursuant to the TIF Act, or as otherwise authorized by law.

SECTION 8. FINANCIAL IMPACT. This ordinance has no financial impact in FY 2009.

SECTION 9. FINDINGS. The City finds and declares that: (a) improvements in the TIRZ will significantly enhance the value of all the taxable real property in the TIRZ and will be of general benefit to the municipality; and (b) the TIRZ area meets the requirements of §311.005 of the TIF Act, as the area within the TIRZ boundaries:

- (1) substantially arrests or impairs the sound growth of the City, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:
 - a. a substantial number of substandard, slum, deteriorated or deteriorating structures;
 - b. the predominance of defective or inadequate sidewalk or street layout;
 - c. faulty layout in relation to size, adequacy, accessibility, or usefulness;
 - d. unsanitary or unsafe conditions;
 - e. the deterioration of site or other improvements;
 - f. tax or special assessment delinquency exceeding the fair value of the land;
 - g. defective or unusual conditions of title;
 - h. conditions that endanger life or property by fire or other cause; or
 - i. structures, other than single-family residential structures, less than 10 percent of the square footage of which has been used for commercial, industrial, or residential purposes during the preceding 12 years; or
- (2) is predominantly open, and because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; and

The City, pursuant to the requirements of the TIF Act, further finds and declares that:

- (1) the proposed TIRZ is a contiguous geographical area located wholly within the corporate limits of the City of San Antonio;
- (2) the total appraised value of the taxable real property in the proposed TIRZ or in existing reinvestment zones, if any, does not exceed fifteen percent (15%) of the total

appraised value of the taxable real property in the City and in industrial districts created by the City;

- (3) the proposed TIRZ does not contain more than fifteen percent (15%) of the total appraised value of the real property taxable by Bexar County or by the San Antonio Independent School District; and
- (4) development or redevelopment within the boundaries of the proposed TIRZ will not occur solely through private investment in the reasonably foreseeable future.

SECTION 10. INCORPORATION OF RECITALS. The statements set forth in the recitals of this Ordinance are true and correct, and are incorporated as part of this Ordinance.

SECTION 11. SEVERABILITY. If any provision of this Ordinance or the application of any provision of this Ordinance to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application of the remainder of this Ordinance to other circumstances shall nevertheless be valid, as if such invalid provision had never appeared in this Ordinance, and this Ordinance would have been enacted by this City Council without such invalid provision.

SECTION 12. ORDINANCE EFFECTIVE DATE. This Ordinance shall become effective immediately upon passage in accordance with §311.004(3) of the TIF Act.

PASSED AND APPROVED this 11th day of December, 2008.



M A Y O R

PHIL HARDBERGER

ATTEST:



City Clerk

APPROVED AS TO FORM:



for City Attorney



Request for
**COUNCIL
ACTION**

City of San Antonio



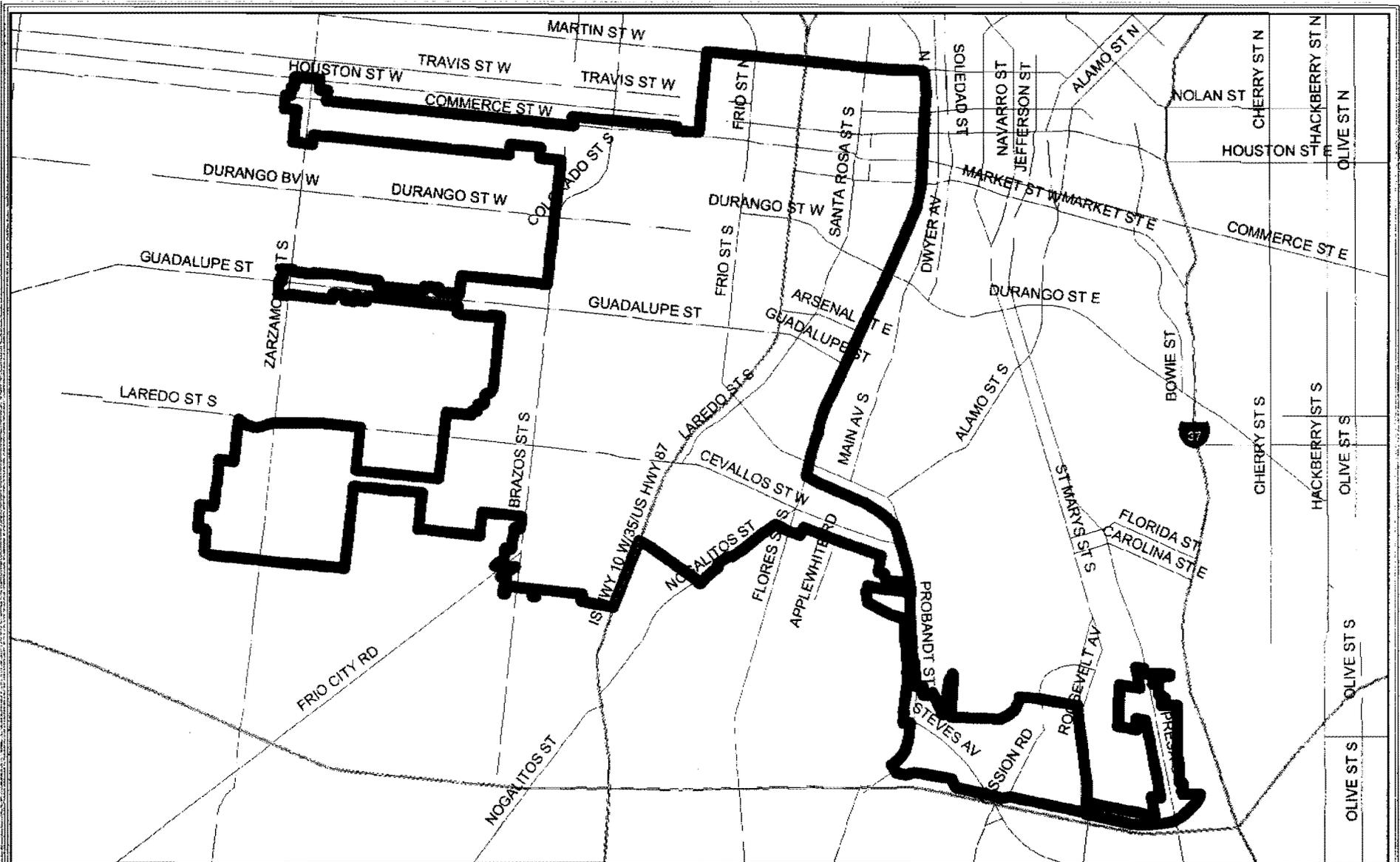
Agenda Voting Results - 43

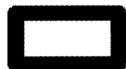
Name:	43
Date:	12/11/2008
Time:	06:19:53 PM
Vote Type:	Motion to Approve
Description:	An Ordinance creating the Westside TIRZ, a City-initiated Tax Increment Reinvestment Zone named "Reinvestment Zone Number Thirty, City of San Antonio, Texas", located in Council District 5, including 1531 acres bounded generally by Martin St. to the north, Hwy 90 to the south, several block west of Zarzamora to the west, and Hwy 281 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				
Jennifer V. Ramos	District 3		x				
Philip A. Cortez	District 4		x				
Lourdes Galvan	District 5		x			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					

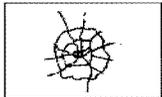
ACW
12/11/08
Item No. 43

Exhibit A
Boundaries of the Westside TIRZ
Legal Description
Approximately 1,531 Acres



 Westside TIRZ

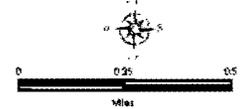
City of San Antonio
TIRZ #30 - Westside



Data Source: City of San Antonio Enterprise GIS, Aerial Micro 211, Baker 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 representation regarding the use, or the results or the use, of the information provided to you by the City of San Antonio in terms of completeness, accuracy, reliability, timeliness or otherwise. The entire risk as to the results and performance of any information obtained from the City of San Antonio is entirely assumed by the recipient."

Please contact the respective City of San Antonio Department for specific information.
 City of San Antonio Housing & Neighborhood Services Department Manager: Adnan Lopez, adnan.lopez@sanantonio.gov

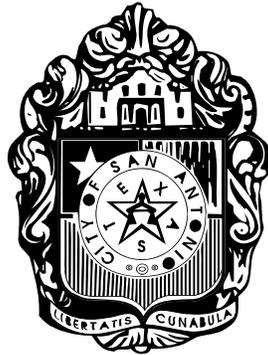
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City of San Antonio
Housing & Neighborhood
Services Department
 David D. Garza, Director
 Tax Increment Financing (TIF) Unit
 1400 S. Flores
 San Antonio, TX 78204



CITY OF SAN ANTONIO, TEXAS
Housing and Neighborhood Services Department



Westside
Tax Increment Reinvestment Zone
Number Thirty

Preliminary Finance Plan

Participation Levels:
City 90%

December 11, 2008

Westside Tax Increment Reinvestment Zone #30 – Preliminary Plan of Finance

Introduction

The Westside Tax Increment Reinvestment Zone(TIRZ) consists of approximately 1,531 acres of property located west of the central business district along: portions of area west of Flores Street and IH 35, portions extending east of Flores Street traversing along Peden Alley and Clay Street to Probandt and IH 10, portions extending from Martin Street to the north traversing Salado to the west then following Commerce to the north, Brazos and San Jacinto to the west with three areas extending out to Zarzamora traversing along Commerce, Montezuma, and Saltillo separately, and Ceralvo and Pendleton to the south. The zone is located in the San Antonio Independent School District. The tax year 2008 base value is \$609,671,319 and is subject to verification of certified assessed and taxable values. The projected captured value for tax year 2032 is \$517,057,086 net of exemptions. The project anticipates the construction of numerous commercial, retail and mixed use projects that will add value to the TIRZ. The total public infrastructure associated with the proposed developments will be determined after designation by the TIRZ Board. The term of the zone is projected to be 24.82 years with the TIRZ being in existence through fiscal year 2033.

Public Infrastructure

The total public infrastructure capital costs are estimated to be over \$35 million. This TIRZ can reimburse costs such as: drainage, parks, sidewalks, streetscape enhancements, and other public improvements that are outlined in the anticipated Final Project and Finance Plans.

Plan of Finance

The tax year 2008 total assessed base value of the Westside TIRZ is estimated to be \$609,671,319. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements commence in tax year 2009 with collections commencing in tax year 2009 (fiscal year 2010). Projected captured values grow from \$26,883,000 in tax year 2009 to \$517,057,086 in tax year 2032.

At the time of the development of this preliminary finance plan, the City is the only participating taxing entity identified. For this analysis, the City's tax rate per \$100 valuation is \$0.510426. This produces annual revenues of \$133,787 in fiscal year 2010 to \$2,573,214 in fiscal year 2033. A 2% growth factor after build out is assumed.

Revenues derived from the TIRZ will be used to pay costs in the following order of priority of payment: (i) reimburse eligible startup Administrative Costs incurred by each participating taxing entity, except if there are insufficient funds for the reimbursement of

Administrative Costs to each Participating Entity, the Administrative Costs of each Participating Taxing Entity shall be reimbursed on a pro rata basis based on each taxing entity's level of participation in the Zone; (ii) to pay all other ongoing Administrative Costs to the Participating Taxing Entities, except that if there are insufficient funds for the full reimbursement of ongoing Administrative Costs to the Participating Taxing Entities, then the ongoing Administrative Costs of the Participating Taxing Entities shall be reimbursed on a pro-rata basis based on each taxing entity's level of participation in the Zone; (iii) to reimburse the City for costs of the repair, replacement, and maintenance of public infrastructure and associated costs as described in any Development Agreements (if any); and (iv) to reimburse the developer(s), if any, and/or the City for public improvements, as provided in the anticipated Final Project and Finance Plans that will be developed after designation. These costs will be financed/reimbursed to the extent that funds in the Tax Increment Fund are available for these purposes.

TIRZ collections for this project shall not extend beyond September 30, 2033 and may be terminated earlier once each taxing entity has deposited its respective amount described in the table below or the amount approved in the Final Project and Final Finance Plans.

TABLE – Westside TIRZ Contributions		
Participating Taxing Entities	Projected Dollar Contribution	Max. Length of Contribution
City of San Antonio	TBD	September 30, 2033
Bexar County	TBD	TBD
San Antonio River Authority	TBD	TBD
Alamo Community College District	TBD	TBD
Total Contribution to TIRZ Fund	TDB	

The following represents what the City's potential contribution would be given the various participation levels:

50% Participation	60% Participation	70% Participation	80% Participation	90% Participation	100% Participation
\$19,597,800	\$23,517,361	\$27,436,922	\$31,356,482	\$35,276,044	\$39,195,602

If there are other taxing entities that participate in this TIRZ, the revenue could be higher. If Bexar County, the San Antonio River Authority, and the Alamo Community College District were to participate, their incremental contributions could be as follows:

Bexar County Participation	Alamo Community College District Participation	San Antonio River Authority Participation
50% = \$8,670,663	50% = \$4,694,537	50% = \$551,194
70% = \$12,138,930	70% = \$6,572,351	70% = \$771,671

Limited Obligation of the City or Participating Governmental Entities

The City and Participating Governmental Entities shall have a limited obligation to impose and collect taxes, and deposit such tax receipts into the Westside TIRZ fund so long as the project is viable and capital costs incurred by the City and/or a developer (if any) have not been fully paid. The Westside TIRZ collections for this project shall not extend beyond September 30, 2033, and may be terminated prior to September 30, 2033, upon payment of public improvement capital costs incurred by the City and/or a developer (if any), or for the failure of the TIRZ Project to perform as projected in the Final Project and Finance Plans. The City may elect to terminate the TIRZ if actual housing and commercial construction falls behind the projected construction schedule. Specifically, the City may terminate if at the end of the first three years, 50% or more of the non-infrastructure construction projected for each of those years is not complete. Furthermore, any default of the terms contained in the Interlocal and/or Development Agreements that is not cured within the timeframe contained in the Interlocal and/or Development Agreements will also result in Westside TIRZ termination.

Any costs incurred by a Developer (if any) are not and shall never in any event become general obligations or debt of the City or any of the Participating Governmental Entities. The public improvement infrastructure costs incurred by a Developer shall be paid solely from the Westside TIRZ revenues and shall never constitute a debt, indebtedness or a pledge of the faith and credit or taxing power of the State, the City, the Participating Governmental Entities, any political corporation, subdivision, or agency of the State.

In accordance with the 2008 TIF Manual, the City will negotiate a participation rate and maximum cap based on the following:

- Ensure the City's ability to provide adequate municipal services such as police, fire, streets, libraries, parks, and other basic services through a comprehensive service analysis;
- Completion of a gap analysis that accounts for financial capacity of developer(s) (if any) and the minimum amount needed to meet the gap;
- Prioritization of public improvement needs such as the need for streets and sidewalks vs. the need for underground utilities;
- Factor a reasonable annual growth assumption; and
- Consider developer contribution (if any) of land for public use needs and/or minimum financial contribution.

Further, the City's participation rate and maximum contribution will be based on the participation of other taxing entities and the overall impact to the City's Operational Budget and Debt Plan (the final financing plan must not adversely impact the City's ability to deliver services or its debt management plan).

City and/or Developers' Risk

All financing, developmental costs, construction costs, improvements, damages, or other costs incurred with respect to this project are at the sole risk of a developer (if any). The City in conjunction with TIRZ Board will determine the costs that can be supported with future TIRZ revenue associated with this TIRZ through the development of the Final Project and Finance Plans. All costs will be reimbursed solely through TIRZ revenue. The City and any Participating Taxing Entities shall minimize any risk whatsoever associated with the development, construction, completion or failure of the project. In the event that the project fails, is abandoned or for any reason is not completed, the City shall have the right to terminate the Westside TIRZ and any funds remaining in the Westside TIRZ account shall be distributed to the Participating Taxing Entities on a pro rata basis in accordance with each entity's participation level.

Compliance

The development of this TIRZ shall comply with all federal, state and local laws, rules and regulations including the 2008 TIF Manual.

Reporting

City and/or Developers (if any) shall submit a project status report and financial report on a quarterly basis (January 15th, April 15th, July 15th and October 15th) to the City.

Inspection

The Participating Taxing Entities, and/or Administrator shall have the right to inspect the project site or sites and the premises of a developer without notice.

City of San Antonio
Westside - TIF Reinvestment Zone
Summary Fact Sheet
December 11, 2008

Plan of Finance	Site Area		1,531	Acres
	Base Value (2008) In City	\$	609,671,319	
	Project	Tax Year		
		2009		
	Texas State Branch	\$	500,000	
	Judson Candy Lofts	\$	6,720,000	
	Flores St. Development	\$	8,333,000	
	CPS Redevelopment Project	\$	11,330,000	
		2010		
	First National Bank	\$	3,000,000	
	Walgreens Building	\$	2,500,000	
	Judson Candy Lofts	\$	6,720,000	
	Flores St. Development	\$	8,333,000	
	Bill Miller	\$	1,000,000	
	CPS Redevelopment Project	\$	11,330,000	
		2011		
	Vaquero Development	\$	45,000,000	
	Judson Candy Lofts	\$	6,720,000	
	Flores St. Development	\$	8,333,000	
	CPS Redevelopment Project	\$	11,330,000	
	Mixed Use Development	\$	11,666,000	
		2012		
	Cevallos NRP	\$	14,034,333	
	Snow White	\$	1,000,000	
	Mixed Use Development	\$	11,666,000	
		2013		
	Cevallos NRP	\$	14,034,333	
	Mixed Use Development	\$	11,666,000	
		2014-2015		
	Cevallos NRP	\$	14,034,333	
		2016		
	Mixed Use Development	\$	11,666,000	
		2017		
	Mixed Use Development	\$	11,666,000	
		2018		
	Mixed Use Development	\$	11,666,000	
	Total Value	\$	244,247,999	
	Performance Bonds	Per Texas Government Code Chapter 2253		
	Payment Bonds	Per Texas Government Code Chapter 2253		
Assumptions	Captured Value	\$	517,057,086	
	Assessed Value Growth Factor		2.00%	
	Participation Level		90.00%	
	Collection Rate		97.50%	
	Estimated Total TIF Revenues	\$	35,276,044	
	Estimated TIF Life (12/11/2008 to 9/30/2033)		24.82	Years

Westside - Tax Increment Reinvestment Zone
Sources and Uses

Sources of Funds

TIRZ Revenues	\$ 35,276,044
Developer Contribution	\$ -
Total Sources of Funds	<u>\$ 35,276,044</u>

Uses of Funds

	Phase I	Phase II	Phase III	Phase IV	Phase V	Phase VI	Phase VII	Phase VIII
	2009	2010	2011	2012	2013	2014	2015	2016
Begin Construction								
Water								
Sewer								
Drainage								
Parks								
Sidewalks								
Streetscape Enhancements								
Other public Improvements								
Hard Costs Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering/Surveying Fees								
Contingency								
Construction Management								
Legal/Formation Expense								
Soft Cost Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Public Improvements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Infrastructure	\$ 34,103,189							
Total Payments to Westside	\$ 34,103,189							
Total Admin. Expenses	\$ 1,172,855							
Grand Total	<u>\$ 35,276,044</u>							
Project Financing Surplus (Shortage)	\$ -							

Sources of Funds

TIRZ Revenues
Developer Contribution

Total Sources of Funds

Uses of Funds

	<u>Total Infrastructure Improvement</u>
Begin Construction	
Water	\$ -
Sewer	\$ -
Drainage	\$ -
Parks	\$ -
Sidewalks	\$ -
Streetscape Enhancements	\$ -
Other public Improvements	\$ -
	<u>\$ -</u>
Hard Costs Total	\$ -
Engineering/Surveying Fees	\$ -
Contingency	\$ -
Construction Management	\$ -
Legal/Formation Expense	\$ -
	<u>\$ -</u>
Soft Cost Total	\$ -
	<u>\$ -</u>
Total Public Improvements	<u><u>\$ -</u></u>
Total Infrastructure	
Total Payments to Westside	
Total Admin. Expenses	
Grand Total	
Project Financing Surplus (Shortage)	

Westside - TIF Reinvestment Zone
Projected Tax Increment Revenue

Tax Year	Tax Increment Zone					City of San Antonio			Combined TIF Collections	Fiscal Year Ending
	Beginning Assessed Value*	Annual Value of New Development	Growth	Projected Year-End Assessed Value	Projected Captured Value	Captured Taxable Value	Tax Rate Contribution	Tax Increments		
2008	\$ 609,671,319	\$ -		\$ 609,671,319	\$ -	\$ -	\$ 0.510426	\$ -	\$ -	2009
2009	\$ 609,671,319	\$ 26,883,000		\$ 636,554,319	\$ 26,883,000	\$ 26,883,000	\$ 0.510426	\$ 133,787	\$ 133,787	2010
2010	\$ 636,554,319	\$ 32,883,000		\$ 669,437,319	\$ 59,766,000	\$ 59,766,000	\$ 0.510426	\$ 297,435	\$ 297,435	2011
2011	\$ 669,437,319	\$ 83,049,000		\$ 752,486,319	\$ 142,815,000	\$ 142,815,000	\$ 0.510426	\$ 710,741	\$ 710,741	2012
2012	\$ 752,486,319	\$ 26,700,333		\$ 779,186,652	\$ 169,515,333	\$ 169,515,333	\$ 0.510426	\$ 843,619	\$ 843,619	2013
2013	\$ 779,186,652	\$ 25,700,333		\$ 804,886,985	\$ 195,215,666	\$ 195,215,666	\$ 0.510426	\$ 971,521	\$ 971,521	2014
2014	\$ 804,886,985	\$ 14,034,333		\$ 818,921,318	\$ 209,249,999	\$ 209,249,999	\$ 0.510426	\$ 1,041,365	\$ 1,041,365	2015
2015	\$ 818,921,318	\$ -		\$ 818,921,318	\$ 209,249,999	\$ 209,249,999	\$ 0.510426	\$ 1,041,365	\$ 1,041,365	2016
2016	\$ 818,921,318	\$ 11,666,000		\$ 830,587,318	\$ 220,915,999	\$ 220,915,999	\$ 0.510426	\$ 1,099,422	\$ 1,099,422	2017
2017	\$ 830,587,318	\$ 11,666,000		\$ 842,253,318	\$ 232,581,999	\$ 232,581,999	\$ 0.510426	\$ 1,157,480	\$ 1,157,480	2018
2018	\$ 842,253,318	\$ 11,666,000		\$ 853,919,318	\$ 244,247,999	\$ 244,247,999	\$ 0.510426	\$ 1,215,538	\$ 1,215,538	2019
2019	\$ 853,919,318	\$ -	\$ 17,078,386	\$ 870,997,704	\$ 261,326,385	\$ 261,326,385	\$ 0.510426	\$ 1,300,531	\$ 1,300,531	2020
2020	\$ 870,997,704	\$ -	\$ 17,419,954	\$ 888,417,658	\$ 278,746,339	\$ 278,746,339	\$ 0.510426	\$ 1,387,224	\$ 1,387,224	2021
2021	\$ 888,417,658	\$ -	\$ 17,768,353	\$ 906,186,012	\$ 296,514,693	\$ 296,514,693	\$ 0.510426	\$ 1,475,651	\$ 1,475,651	2022
2022	\$ 906,186,012	\$ -	\$ 18,123,720	\$ 924,309,732	\$ 314,638,413	\$ 314,638,413	\$ 0.510426	\$ 1,565,846	\$ 1,565,846	2023
2023	\$ 924,309,732	\$ -	\$ 18,486,195	\$ 942,795,926	\$ 333,124,607	\$ 333,124,607	\$ 0.510426	\$ 1,657,846	\$ 1,657,846	2024
2024	\$ 942,795,926	\$ -	\$ 18,855,919	\$ 961,651,845	\$ 351,980,526	\$ 351,980,526	\$ 0.510426	\$ 1,751,685	\$ 1,751,685	2025
2025	\$ 961,651,845	\$ -	\$ 19,233,037	\$ 980,884,882	\$ 371,213,563	\$ 371,213,563	\$ 0.510426	\$ 1,847,401	\$ 1,847,401	2026
2026	\$ 980,884,882	\$ -	\$ 19,617,698	\$ 1,000,502,580	\$ 390,831,261	\$ 390,831,261	\$ 0.510426	\$ 1,945,032	\$ 1,945,032	2027
2027	\$ 1,000,502,580	\$ -	\$ 20,010,052	\$ 1,020,512,631	\$ 410,841,312	\$ 410,841,312	\$ 0.510426	\$ 2,044,615	\$ 2,044,615	2028
2028	\$ 1,020,512,631	\$ -	\$ 20,410,253	\$ 1,040,922,884	\$ 431,251,565	\$ 431,251,565	\$ 0.510426	\$ 2,146,190	\$ 2,146,190	2029
2029	\$ 1,040,922,884	\$ -	\$ 20,818,458	\$ 1,061,741,341	\$ 452,070,022	\$ 452,070,022	\$ 0.510426	\$ 2,249,796	\$ 2,249,796	2030
2030	\$ 1,061,741,341	\$ -	\$ 21,234,827	\$ 1,082,976,168	\$ 473,304,849	\$ 473,304,849	\$ 0.510426	\$ 2,355,474	\$ 2,355,474	2031
2031	\$ 1,082,976,168	\$ -	\$ 21,659,523	\$ 1,104,635,692	\$ 494,964,373	\$ 494,964,373	\$ 0.510426	\$ 2,463,266	\$ 2,463,266	2032
2032	\$ 1,104,635,692	\$ -	\$ 22,092,714	\$ 1,126,728,405	\$ 517,057,086	\$ 517,057,086	\$ 0.510426	\$ 2,573,214	\$ 2,573,214	2033
	\$ 244,247,999							\$ 35,276,044	\$ 35,276,044	
	Existing Annual Value Growth Factors									
	Years						Participation Level	90%		
	Thereafter						Tax Rate Growth Factor	0.00%		
	Combined Compound Growth Rate						Tax Rate Collection Factor	97.50%		

*FY 2009 base values are subject to verification of certified assessed and taxable values

**Westside - TIF Reinvestment Zone
Reimbursement for Public Improvements**

Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Admin. Exp.
2009	\$ -	\$ -	\$ 75,000
2010	\$ 133,787	\$ 133,787	\$ 6,689
2011	\$ 297,435	\$ 431,222	\$ 14,872
2012	\$ 710,741	\$ 1,141,963	\$ 35,537
2013	\$ 843,619	\$ 1,985,582	\$ 42,181
2014	\$ 971,521	\$ 2,957,103	\$ 48,576
2015	\$ 1,041,365	\$ 3,998,468	\$ 50,000
2016	\$ 1,041,365	\$ 5,039,833	\$ 50,000
2017	\$ 1,099,422	\$ 6,139,255	\$ 50,000
2018	\$ 1,157,480	\$ 7,296,735	\$ 50,000
2019	\$ 1,215,538	\$ 8,512,273	\$ 50,000
2020	\$ 1,300,531	\$ 9,812,804	\$ 50,000
2021	\$ 1,387,224	\$ 11,200,028	\$ 50,000
2022	\$ 1,475,651	\$ 12,675,679	\$ 50,000
2023	\$ 1,565,846	\$ 14,241,525	\$ 50,000
2024	\$ 1,657,846	\$ 15,899,371	\$ 50,000
2025	\$ 1,751,685	\$ 17,651,056	\$ 50,000
2026	\$ 1,847,401	\$ 19,498,457	\$ 50,000
2027	\$ 1,945,032	\$ 21,443,489	\$ 50,000
2028	\$ 2,044,615	\$ 23,488,104	\$ 50,000
2029	\$ 2,146,190	\$ 25,634,294	\$ 50,000
2030	\$ 2,249,796	\$ 27,884,090	\$ 50,000
2031	\$ 2,355,474	\$ 30,239,564	\$ 50,000
2032	\$ 2,463,266	\$ 32,702,830	\$ 50,000
2033	\$ 2,573,214	\$ 35,276,044	\$ 50,000
	\$ 35,276,044		\$ 1,172,855



CITY OF SAN ANTONIO
Request for Council Action

Agenda Item # 43
Council Meeting Date: 12/11/2008
RFCA Tracking No: R-4303

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

COUNCIL DISTRICT(S) IMPACTED:
Council District 1, Council District 5

SUBJECT:
Designation of Westside Tax Increment Reinvestment Zone Number 30

SUMMARY:

This item is the consideration of the designation of the City-initiated Tax Increment Reinvestment Zone (TIRZ) Number 30, to be known as "Westside." Westside consists of approximately 1,531 acres of property located west of the central business district along: portions of area west of Flores Street and IH 35, portions extending east of Flores Street traversing along Peden Alley and Clay Street to Probandt and IH 10, portions extending from Martin Street to the north traversing Salado to the west then following Commerce to the north, Brazos and San Jacinto to the west with three areas extending out to Zarzamora traversing along Commerce, Montezuma, and Saltillo separately, and Ceralvo and Pendleton to the south. A boundary map of Westside TIRZ is included as an exhibit to this ordinance. This ordinance will designate and name the TIRZ, create a Board of Directors and specify the number of directors of the board, establish effective start and termination dates and create a Tax Increment Fund.

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).

City-initiated TIRZ are designed to assist revitalization and reinvestment initiatives to achieve the goals of existing City programs and City-adopted plans, 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 Proposals (RFP) process when appropriate to identify entities that are qualified to participate in successful TIRZ development.

On October 16, 2008, the City Council approved a Resolution of Intent, authorizing staff to proceed with analyzing the project further and to inform other taxing entities of the City's intent to create the Westside TIRZ. Following the passage of the Resolution, staff sent letters on October 17, 2008 to the following taxing entities: Bexar County, Alamo Community College District, the San Antonio River Authority, and the San Antonio ISD.

In accordance with the 2008 Tax Increment Financing (TIF) Program Policy and

Implementation Manual, City staff has performed the following required due diligence:

- confirmed the area's eligibility for TIF based on the scorecard outlined in the 2008 TIF Manual (project scored 96; a minimum of 60 points is required to be eligible for TIF)
- in accordance with the TIF Manual, the score also delineates the maximum term of the zone (the Westside project is eligible for a term up to 25 years)
- identified the area's reinvestment need: the census information provided for the project boundaries reflect this area has 16.44% Unemployment (City average is 6.2%), 31.06% poverty rate (City average is 17.3%) and 55.53% with no high school education (City average is 24%); further all of the area is within the boundaries of an enterprise zone/empowerment zone (these areas automatically meet the statutory criteria outlined in the TIF Act).
- articulated the adopted City policy goals outlined in the neighborhood and community plans of South Central Neighborhood Plan, Nogalitos Neighborhood Plan, & Guadalupe Westside Neighborhood Plan
- enumerated the TIRZ Development Objectives to facilitate the development of retail, office, residential, commercial and other community and economic development projects
- held the following meetings and presentations: Statutory Presentation to Bexar County on November 19, 2008, and a public meeting held on December 2, 2008

The proposed infrastructure expenses include: streets, sidewalks, streetscape, drainage, water, sewer and other public improvements. The proposed improvements include approximately 3.7 million square feet of commercial, office, residential, parking and hotel facilities. The final scope of the anticipated development and costs will be determined by the TIRZ Board.

The term of the zone is twenty-five years, to expire on or before September 30, 2033. A final project and finance plan will be completed after TIRZ designation.

ISSUE:

The action being requested of City Council is consideration of the creation of a 1,531-acre City-initiated TIRZ# 30, "Westside". This item will officially name the zone, create a Board of Directors for the zone, establish effective start and termination dates for the zone, present preliminary project and finance plans, and create a tax increment fund.

At this stage the City may also issue an RFQ soliciting qualifications from parties interested in being notified of future RFPs related to the potential new TIRZ.

After TIRZ Designation, the City-initiated process includes the subsequent adoption of a Final Project and Financing Plan, including 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 may also be structured into the Reinvestment Plan in accordance with the needs of the TIRZ.

ALTERNATIVES:

If the City were to do nothing in the Westside area to spur private development, it is likely that the neighborhood will continue to struggle. Due to relatively lower income levels and underdeveloped land and deteriorating commercial structures, property values in this area are low and are not projected to increase without private investments in conjunction with public investment, such as road improvements, sidewalks, and lighting. If a TIRZ is implemented, it is

clear the City will benefit through growth in sales and property taxes. Further the creation of the TIRZ provides the opportunity to achieve the goals outlined in the affected neighborhood and community plans.

FISCAL IMPACT:

Based on the information developed to date, the proposed project is estimated to increase the current property tax base value of approximately \$609 million to over \$1.2 billion over the life of the TIRZ, which is currently projected to be 25 years (2008-2033). For illustration purposes, the preliminary plan includes projected revenue of over \$35 million with the City participating at 90%. In accordance with the 2008 TIF Manual, the City will negotiate a participation rate and maximum cap based on the following:

- Ensure the City's ability to provide adequate municipal services such as police, fire, streets, libraries, parks, and other basic services through a comprehensive service analysis
- Completion of a gap analysis that accounts for financial capacity of developer(s) (if any) and the minimum amount needed to meet the gap
- Prioritization of public improvement needs such as the need for streets and sidewalks vs the need for underground utilities
- Factor a reasonable annual growth assumption
- Consider developer contribution (if any) of land for public use needs and/or minimum financial contribution

Further, the City's participation rate and maximum contribution will be based on the participation of other taxing entities and the overall impact to the City's Operational Budget and Debt Plan (the final financing plan must not adversely impact the City's ability to deliver services or its debt management plan).

The following represents what the City's potential contribution would be given the various participation levels:

50% Participation	60% Participation	70% Participation	80% Participation	90% Participation	100% Participation
\$19,597,800	\$23,517,361	\$27,436,922	\$31,356,482	\$35,276,044	\$39,195,602

If there are other taxing entities that participate in this TIRZ, the revenue could be higher. If Bexar County, Alamo Community College District, and the San Antonio River Authority were to participate, their incremental contributions could be:

Bexar County	Alamo Community College District	San Antonio River Authority
50% = \$8,670,663.00	50% = \$4,694,537.00	50% = \$551,194.00
70% = \$12,138,930.00	70% = \$6,572,351.00	70% = \$771,671.00

This action designates a Tax Increment Reinvestment Zone, but does not, in any way, financially obligate the City or other taxing entities. The assumptions of the anticipated costs and revenues are outlined in the attached preliminary finance plan. The City would be financially obligated upon the approval of final project and finance plans and upon the execution of the legal documents which require City Council approval. Currently, the City is the only committed participating taxing entity.

RECOMMENDATION:

Staff recommends that the City Council officially designate Tax Increment Reinvestment Zone Number 30, City of San Antonio, Texas "Westside," create a Board of Directors for the zone, establish effective start and termination dates for the zone, present a preliminary finance plan, and

create a tax increment fund.

ATTACHMENT(S):

File Description	File Name
Boundary Map	Westside w Aerial.pdf
Draft Finance Plan	Westside Finance Plan Draft 12-11-08.pdf
Voting Results	
Ordinance/Supplement Documents	200812111173.pdf

DEPARTMENT HEAD AUTHORIZATIONS:

David D Garza Director Neighborhood Services

APPROVED FOR COUNCIL CONSIDERATION:

T.C. Broadnax Assistant City Manager