

AN ORDINANCE 2010-02-11-0116

ADOPTING THE SAN ANTONIO WATER SYSTEM (SAWS) FEE
WAIVER GUIDELINES.

* * * * *

WHEREAS, in May 2003, City Council approved the Incentive Scorecard System (ISS) as a tool for providing certain pre-approved development incentives to promote development priorities within targeted areas of the City; and

WHEREAS, under the current ISS, the following fee waivers and reductions are available:

- License Fees for Use of Public Right-of-Way (R-O-W);
- Consideration for Closure of Public R-O-W;
- Barricade Permit Fee (street and sidewalk closures)
- Temporary Street Closure Fee;
- Building Preliminary Plan Review Fee
- San Antonio Water System (SAWS) Water and Sewer Impact Fees; and

WHEREAS, the ISS is administered online and allows applicants to apply for certain fee waivers for specific types of development; and

WHEREAS, once an applicant has submitted an application, a project scorecard is formulated for staff to review and, if qualified, incentives are identified and awarded to the project; and

WHEREAS, under the current ISS program, only residential projects such as affordable housing projects and market-rate, mixed-use projects in the Downtown area are currently eligible for a SAWS impact fee waiver of up to \$100,000; and

WHEREAS, SAWS budgets \$2,000,000 per year for such waivers, but in FY 2009, only \$94,227 in SAWS impact fee waivers were approved, with approximately \$1.7 million in SAWS impact fee waivers approved over the past three years; and

WHEREAS, the Center City Development Office (CCDO) staff, in coordination with International and Economic Development (IEDD) and Planning and Development Services Department (PDSD) staff, have been working on the proposed Inner City Reinvestment Policy; and

WHEREAS, in developing this new policy proposal, staff is recommending the adoption of separate guidelines for a SAWS Fee Waiver Program, which has been coordinated with SAWS staff; and

WHEREAS, the proposed SAWS Impact Fee Waiver Guidelines outlined in Attachment I, allow for up to \$500,000 for eligible projects within the Infill Policy Target Area (IPTA) illustrated in Attachment II, depending on the level of investment (e.g., must invest over \$40M to get the maximum waiver of \$500,000); and

WHEREAS, the following eligible projects located outside of the IPTA are eligible for a waiver of up to \$100,000:

- A targeted industry project with a minimum exceptional investment (\$50M) or jobs (500)
- Housing project with more than 50% affordable units
- Housing project with less than 50% affordable units will receive a waiver equivalent to the percentage of affordable units
- Non-profit and public entities performing community service; and

WHEREAS, the following projects would be ineligible for a SAW Fees Waiver:

- Projects over the Edwards Recharge and Contributing Zones
- Retail stores, retail centers or businesses that competitively provide goods or services to consumers, except in Reinvestment Plan Areas defined in Attachment III, selected annually by Community Development Advisory Committee
- Hotels and motels
- Market-rate housing outside the IPTA that does not include affordable housing units
- Projects not in a targeted industry and located outside of the IPTA
- Entertainment facilities, specifically theme park and destination resorts;
- Projects built by and funded with state and federal appropriations on federal or state land, including projects on military installations; and

WHEREAS, the on-line application will be reviewed and verified by CCDO staff, and if the project is approved, CCDO will issue a verification certificate to the applicant for presentation to SAWS in order to obtain the waiver; and

WHEREAS, the City and SAWS will jointly track the number of approved waivers to ensure the total amount of waivers approved in a given fiscal year does not exceed \$2 million, with an allocation goal of at least 75% of the budgeted funds to projects located within the IPTA; and

WHEREAS, all SAWS fee waivers over \$100,000 will require City Council approval, while all SAWS incentives will be utilized in combination with other City incentives within the IPTA in order to promote growth and development in these targeted areas of the City; and

WHEREAS, the proposed Inner City Reinvestment / Infill Policy will eventually replace the ISS once programs are established under the new Policy to incorporate fee waiver changes associated with the City's programs; and

WHEREAS, although staff plans to implement the remainder of the fee waiver program changes in FY 2011 to allow time to transition programs funded by Enterprise Funds to the new policy, adoption of these new SAWS Impact Fee Waiver Guidelines will allow staff to immediately implement changes to this incentive program; and

WHEREAS, the Economic and Community Development Council Committee approved the SAWS Fee Waiver Guidelines on January 24, 2010; and

WHEREAS, the City Council finds that it is in the best interest of the City of San Antonio to approve the recommended Guidelines; **NOW THEREFORE:**

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

SECTION 1. The City Council adopts the San Antonio Water System (SAWS) Fee Waiver Guidelines attached hereto and incorporated herein as Attachment I, with supplemental Attachments II and III.

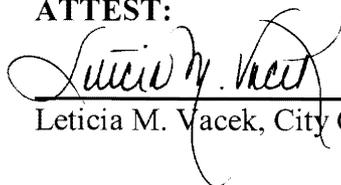
SECTION 2. This Ordinance shall be effective immediately upon the affirmative vote of at least eight (8) Councilmembers. In the event that there are less than eight (8) affirmative votes, then this Ordinance shall be effective on the tenth (10th) day after passage.

PASSED AND APPROVED this 11th day of February, 2010.



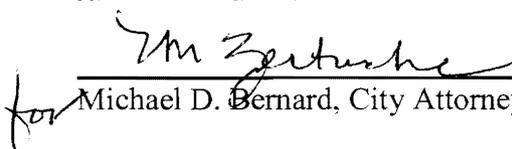
M A Y O R
Julián Castro

ATTEST:

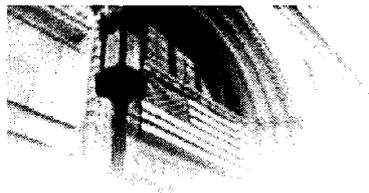


Leticia M. Vacek, City Clerk

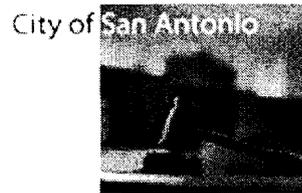
APPROVED AS TO FORM:



for Michael D. Bernard, City Attorney



Request for
COUNCIL
 ACTION



Agenda Voting Results - 14

Name:	14						
Date:	02/11/2010						
Time:	10:46:12 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance adopting the San Antonio Water System (SAWS) Fee Waiver Guidelines. [Pat DiGiovanni, Deputy City Manager / Interim Director, Center City Development]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Mary Alice P. Cisneros	District 1		x			x	
Ivy R. Taylor	District 2		x				
Jennifer V. Ramos	District 3		x				
Philip A. Cortez	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				
Justin Rodriguez	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				x
John G. Clamp	District 10		x				

ATTACHMENT I

SAWS Impact Fee Waiver Guidelines

1. Policy Statement

It is the intent of the City and the San Antonio Water System (SAWS) to support policies that promote growth and development in targeted areas of the City, as described in the City's Inner City Reinvestment / Infill Policy Target Area. The Inner City Reinvestment/Infill Policy Target Area (IPTA) specifically identifies targeted areas that are currently served by public infrastructure and transit, but underserved by residential and commercial real estate markets. It is the intent of the Reinvestment / Infill Policy to utilize SAWS incentives in combination with other City incentives within the IPTA in order to stimulate investment in creating walkable urban communities.

2. Goals

The award and distribution of SAWS impact fee waiver incentives will follow the general and specific goals outlined below.

a. General Goals

- (1) Increase new development (housing and commercial) on vacant infill lots.
- (2) Increase redevelopment of underused buildings and sites.
- (3) Increase rehabilitation, upgrade, and adaptive reuse of existing buildings.
- (4) Increase business recruitment and expansion in the City's targeted industries.

b. Specific Goals

Currently, SAWS sets aside \$2 million annually for awarding SAWS impact fee waivers as established by ordinance 2006-06-15-0722. It is the City's intent to distribute this available incentive fund in a manner that provides greater focus to the areas within the IPTA, while still allowing the distribution of a portion of this incentive amount in areas that are not within the IPTA. Therefore, the goal is to allocate at least 75% of the SAWS \$2 million annual incentive to projects within the IPTA. Projects outside the IPTA must meet certain job creation and/or capital investment thresholds, except for affordable housing and community service projects as outlined in Section 3 below.

3. Eligibility Criteria

1. The following projects are eligible under these Guidelines for a SAWS impact fee waiver:
 - a. All projects within the IPTA are eligible for a SAWS impact fee waiver, except for those ineligible projects identified below in Section 3.2.
 - b. Eligible projects located outside the IPTA, except those ineligible projects listed below in Section 3.2., must fall into one of the following categories:
 - i. The Project must be in a targeted industry, as defined in the City's Tax Abatement Guidelines, and must include a capital investment of at least \$50 million or create at least 500 new full-time jobs.
 - ii. An affordable housing project which is defined as a single, infill, or multi-family project that includes more than 50% of residential units which are affordable and are occupied by a family whose household income does not

exceed 80% of the San Antonio's Area Median income, as adjusted for household size and as defined by the U.S. Department of Housing and Urban Development (HUD).

- iii. A residential housing project with a mix of market rate housing with less than 50 percent affordable residential units as defined above is eligible for a waiver of the SAWS impact fee equivalent to the percentage of affordable units. For example, if a residential housing project, anywhere in the City, has a mix of 70 percent market rate and 30 percent affordable units, then the project would be eligible for a waiver of 30 percent of the SAWS impact fee.
- iv. A non-profit or public entity performing community service defined as an organization whose mission and goal is to provide community service to benefit or serve the community by offering services for the benefit of the public at no fee to its participants with the intent of improving society. Such services include: child care, education, health care, housing, mentoring, crime prevention, and public safety.

2. The following project types are not eligible for SAWS impact fee waiver incentives:

- a. Projects over the Edwards Recharge or Contributing Zones.
- b. Retail stores, retail centers or businesses that competitively provide goods or services to consumers (as defined in the City and County Tax Abatement Guidelines) except for retail projects located in the Reinvestment Plan Areas (RPA) and healthcare facilities inside the IPTA. RPAs are selected annually by the City's Community Development Advisory Committee in accordance with the Strategic Plan for Community Development.
- c. Hotels and Motels.
- d. Market Rate Residential housing projects located outside the IPTA that do not include any percentage of affordable housing units.
- e. Projects outside of the IPTA that are not in a targeted industry, as defined in the City and County Joint Tax Abatement Guidelines.
- f. Entertainment facilities, specifically theme park and destination resorts, as defined in the City's Unified Development Code.
- g. Projects built by and funded with state or federal appropriations on federal or state land, including projects on military installations.

3. Limitations on the maximum SAWS impact fee waiver amount per project.

- a. Up to \$500,000 SAWS impact fee waiver for eligible projects within the ICR-IPTA based on the level of capital investment.
 - i. < \$10M investment – up to \$100,000
 - ii. \$10M and < \$20M investment – up to \$200,000
 - iii. \$20M and < \$30M investment – up to \$300,000
 - iv. \$30M and < \$40M investment – up to \$400,000
 - v. >\$40M investment – up to \$500,000
- b. Up to \$100,000 SAWS impact fee waiver for eligible projects outside the ICR-IPTA.

4. Other requirements:

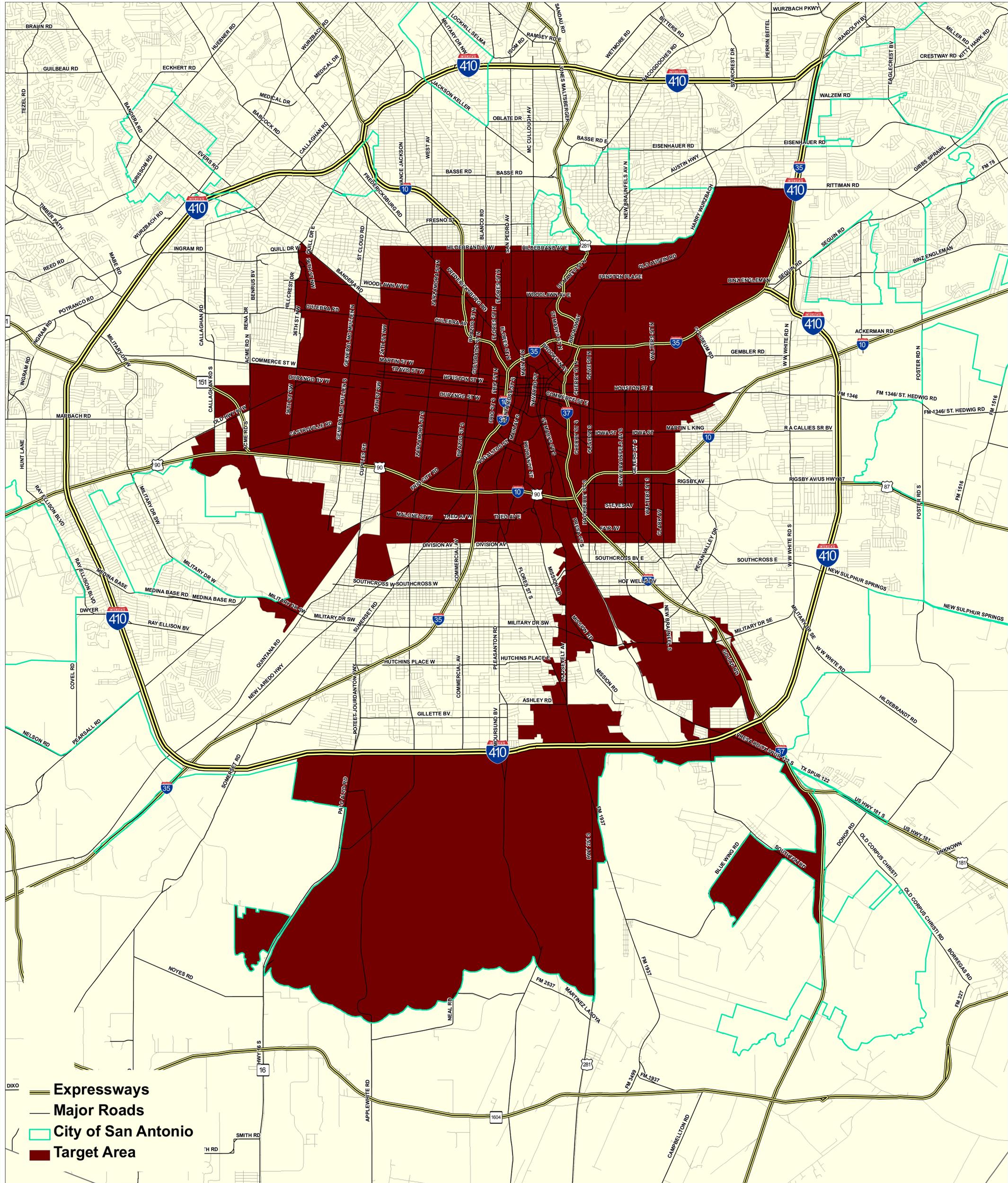
- a. Projects must be initiated within 6 months of receipt of an approved application and verification certificate from the City's Center City Development Office (CCDO).
- b. Recipient must claim any waivers and pay any fees due to SAWS as required by the verification certificate, unless extended by both the City and SAWS.

5. Application Process:

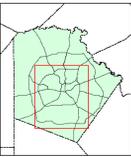
- a. Applicant must fill an application on-line or in writing to the City's Center City Development Office.
- b. Staff will review application and verify project is eligible for waiver.
- c. Once project is approved, a verification certificate is issued by the CCDO to the applicant for presentation to SAWS to obtain the waiver.
- d. City and SAWS will jointly track the number of approved waivers to ensure the total amount of waivers approved in a given fiscal year does not exceed \$2 million.

This policy is not retroactive to any projects that have already incurred a fee.

ATTACHMENT II



-  Expressways
-  Major Roads
-  City of San Antonio
-  Target Area



Inner City Reinvestment/Infill Policy Adopted 4 February 2010



Data Source: City of San Antonio Enterprise GIS, Bexar Metro 911, Bexar Appraisal District
This geographic information system product was prepared by the City of San Antonio and is provided as an information only. The City of San Antonio expressly disclaims all express 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 of the use, of the information provided to you by the City of San Antonio in terms of correctness, accuracy, reliability, timeliness or otherwise. The City of San Antonio is not responsible for any errors or for any consequences arising from the use of the information. The City of San Antonio is not responsible for any errors or for any consequences arising from the use of the information.

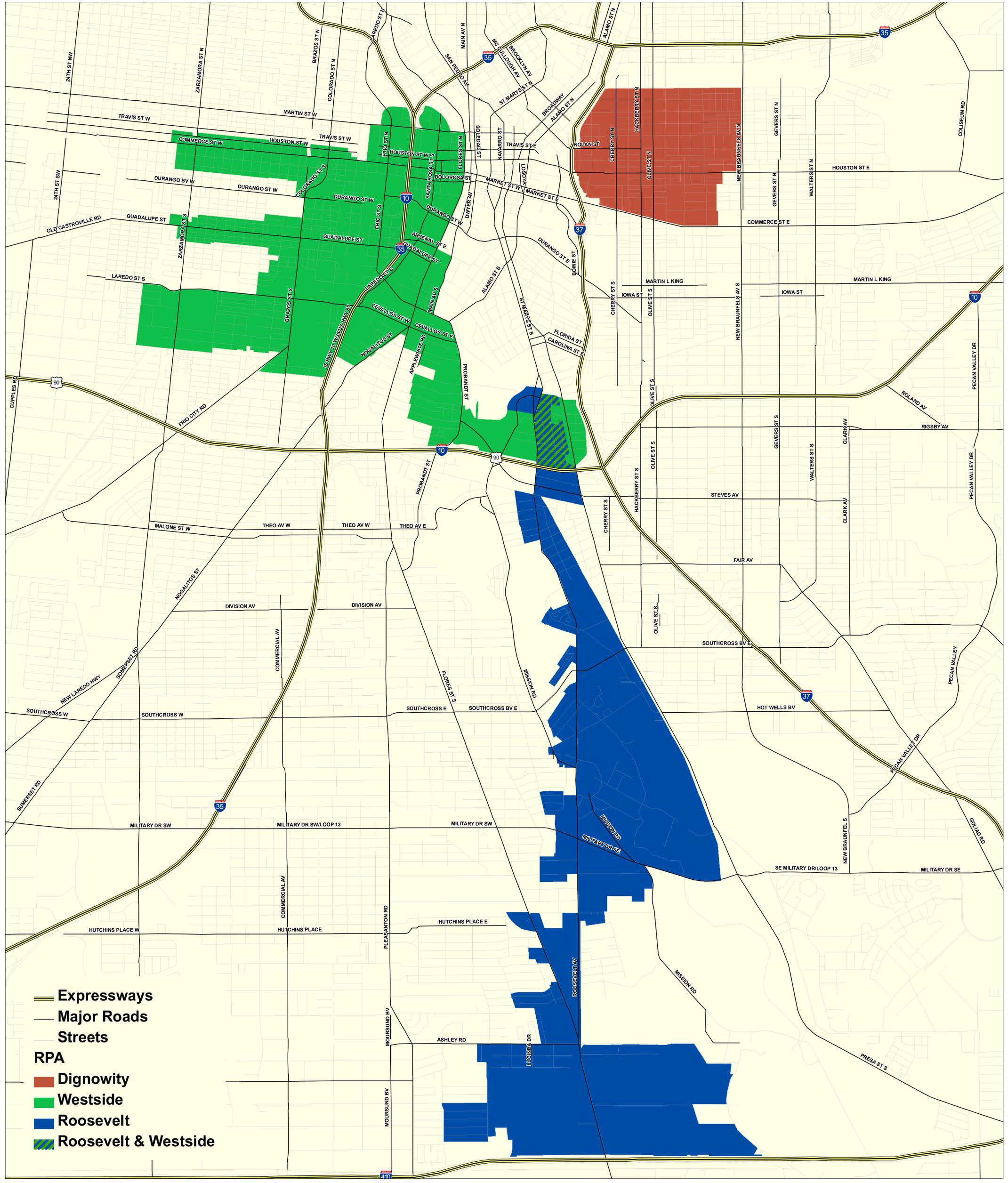
City of San Antonio



City of San Antonio
 Planning and Development
 Services Department
 Development and Business
 Services Center
 1901 S. Alamo
 San Antonio, TX 78204



ATTACHMENT III

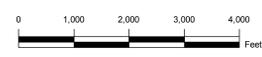


Reinvestment Plan Areas



Data Source: City of San Antonio Enterprise GIS, Bexar Metro 911, Bexar Appraisal District
 This geographic information system product is provided to you as an informational tool only. The City of San Antonio expressly disclaims all express 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 of the use, of the information provided to you by the City of San Antonio in terms of correctness, accuracy, reliability, timeliness or otherwise. The City of San Antonio is not responsible for any errors or omissions in this product, or for any consequences arising from the use of the information. Please contact the responsible City of San Antonio Department for specific determinations.
 Map Created by: Kristine Egan
 Map File Location: K:\CommunityDevelopment\Projects\Current\Projects\CDA\Map\RPAs_DignowityRooseveltWestside_090828.mxd
 Map Last Edited: 28 August 2009
 PDF: RPA_DignowityRooseveltWestside_090828.pdf

City of San Antonio



City of San Antonio
 Planning and Development
 Services Department
 Development and Business
 Services Center
 1901 S. Alamo
 San Antonio, TX 78204