

AN ORDINANCE 2013-10-10-0702

**AUTHORIZING THE NEGOTIATION AND EXECUTION OF A FUNDING AGREEMENT WITH THE UNIVERSITY OF THE INCARNATE WORD IN AN AMOUNT NOT TO EXCEED \$7.7 MILLION FOR THE CONSTRUCTION OF A SCHOOL OF OSTEOPATHIC MEDICINE TO BE LOCATED IN CITY COUNCIL DISTRICT 1; AUTHORIZING \$138,000.00 IN ADMINISTRATIVE FEES FROM THE FY 2014 CAPITAL BUDGET TO THE CAPITAL IMPROVEMENTS MANAGEMENT SERVICES DEPARTMENT; AND AMENDING THE FY 2014 TO FY 2019 CAPITAL BUDGET.**

\* \* \* \* \*

**WHEREAS**, The University of the Incarnate Word (“UIW”) has identified the Fox Tech Campus (the “Campus”) as the preferred site for its School of Osteopathic Medicine (the “Medical School”) and has executed a letter of intent to lease 3 acres of land on the Campus with the San Antonio Independent School District (SAISD); and

**WHEREAS**, UIW will invest \$50 million in construction and start up operations of the Medical School, will fund fifty-percent of the cost of a 600 space parking garage, and will create approximately 80 full-time faculty and staff positions with salaries averaging \$130,000 (the “Project”); and

**WHEREAS**, UIW is seeking assistance from the City in funding \$6.9 million in infrastructure improvements necessary for the construction of the Project and an \$800,000.00 economic development grant for job creation, for a cumulative total of \$7.7 million in City funds; and

**WHEREAS**, the Medical School will be a catalyst for development and will support the continued growth of downtown San Antonio; and

**WHEREAS**, the City has identified \$6.9 million in its General Fund to provide for the Project’s infrastructure improvements; and

**WHEREAS**, pursuant to Chapter 380 of the Texas Local Government Code, the City of San Antonio (the “City”) is authorized to establish and provide for the administration of one or more programs, including programs for making grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

**WHEREAS**, in accordance with City Ordinance No. 100684, the City created an Economic Development Program (the “Program”) for the purpose of making grants available for economic development projects that the City finds will accomplish the purpose and goals of Chapter 380; and

**WHEREAS**, the City finds that the goals of Chapter 380 will be met by assisting UIW in undertaking and completing the Project and has identified \$800,000.00 in economic development funds to carrying out the purpose of Chapter 380; **NOW THEREFORE**:

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

**SECTION 1.** The City Council approves the terms and conditions of a Funding Agreement to include \$6.9 million in infrastructure improvements and \$800,000.00 in economic development grant funds with the University of the Incarnate Word to undertake and complete the Project.

**SECTION 2.** The City Manager or her designee is authorized to negotiate and execute a Funding Agreement with the University of the Incarnate Word in accordance with the terms and conditions of this Ordinance. A copy of the final agreement shall be filed with this Ordinance upon its execution.

**SECTION 3.** The budget in SAP Fund 43099000, Certificates of Obligation Capital Projects, SAP Project Definition 40-00445, FY 2014 Reserve for Future Capital Projects, shall be revised by decreasing SAP WBS Element 40-00445-05-02-01 entitled City Construction, SAP GL account 5201140, by the amount of \$197,800.00.

**SECTION 4.** The budget in SAP Fund 43099000, Certificates of Obligation Capital Projects, SAP Project Definition 40-00445, FY 2014 Reserve for Future Capital Projects, shall be revised by decreasing SAP WBS element 40-00445-90-02-01 entitled Transfer from FY 2014 Budget Update, SAP GL account 6101100, by the amount of \$197,800.00.

**SECTION 5.** The budget in SAP Fund 40099000, Other Capital Projects, SAP Project Definition 40-00453, University of Incarnate Word Medical School Connector Streets, shall be revised by increasing SAP WBS element 40-00453-90-02-01 entitled Transfer from FY 2014 Unissued COs, SAP GL account 6101100 – Interfund Transfer In, by the amount \$197,800.00.

**SECTION 6.** The budget in SAP Fund 40099000, Other Capital Projects, SAP Project Definition 23-01403, FY 2014 Street Maintenance (SMP), shall be revised by decreasing SAP WBS Element 23-01403-01-05-02-01 entitled Package I - Asphalt Overlay-construction costs, SAP GL account 5201140, by the amount of \$200,000.00.

**SECTION 7.** Payment in the amount not to exceed \$397,800.00 in current year or a payment in the amount not to exceed \$7,700,000.00 over the term of the 4 year funding agreement, in SAP Fund 40099000, Other Capital Projects, SAP Project Definition 40-00453, University of Incarnate Word Medical School Connector Streets, is authorized to be encumbered and made payable to University of Incarnate Word for infrastructure improvements related to development of UIW School of Osteopathic Medicine. Payments for services are contingent upon the availability of funds and the sale of future City of San Antonio, Certificates of Obligation in accordance with the adopted capital budget. Payments limited to the amounts budgeted in the Operating and/or Capital Budget funding sources identified. All expenditures will comply with approved operating and/or capital budgets for current and future fiscal years.

**SECTION 8.** The amount of \$200,000.00 is reverted in SAP Fund 11001000, General Fund, SAP Internal Order # 390000001693, SAP GL account 6102100 – Interfund Transfer out entitled Transfer to 23-01403-90-14-01. The amount of \$200,000.00 is authorized to be transferred from SAP Fund 40099000

**SECTION 9.** The amount of \$200,000.00 is allocated in SAP Fund 11001000, General Fund, SAP Internal Order # 390000001723, SAP GL account 6102100 – Interfund Transfer out entitled From FR 11001000-BA2300 TO 40-00453-90-14-01. The amount of \$200,000.00 is authorized to be transferred to SAP Fund 40099000.

**SECTION 10.** The budget in SAP Fund 40099000, Other Capital Projects, SAP Project Definition 40-00453, University of Incarnate Word Medical School Connector Streets, shall be revised by increasing SAP WBS Element 40-00453-90-14-01 entitled Transfer from I/O# 390000001723, SAP GL Account 6101100 – Interfund Transfer In, by the amount \$200,000.00.

**SECTION 11.** The amount of \$397,800.00 is allocated in SAP Fund 40099000, Other Capital Projects, SAP Project Definition 40-00453, University of Incarnate Word Medical School Connector Streets, and the budget shall be revised by increasing SAP WBS Elements as follows:

WBS NO.	WBS NAME	G/L	G/L NAME	PLAN VERSION 0 REVISION/ Appropriation
40-00453-01-01	Cap Admin	5402030	Cap Admin Cost-Dir	\$69,000.00
40-00453-01-01	Cap Admin	5402050	Cap Admin Cost-Indir	\$69,000.00
40-00453-01-02-01	City Funds	5201170	Engineering Fees	\$259,800.00
			<b>TOTALS</b>	<b>\$397,800.00</b>

**SECTION 12.** Payment in the amount not to exceed \$397,800.00 in current year or a payment in the amount not to exceed \$7,700,000.00 over the term of the 4 year funding agreement, in SAP Fund 40099000, Other Capital Projects, SAP Project Definition 40-00453, University of Incarnate Word Medical School Connector Streets, is authorized to be encumbered and made payable to University of Incarnate Word for construction services. Payments for services are contingent upon the availability of funds and the sale of future City of San Antonio, Certificates of Obligation in accordance with the adopted capital budget. Payments limited to the amounts budgeted in the Operating and/or Capital Budget funding sources identified. All expenditures will comply with approved operating and/or capital budgets for current and future fiscal years.

**SECTION 13.** The financial allocations in this Ordinance are subject to approval by the Chief Financial Officer (CFO), City of San Antonio. The CFO may, subject to concurrence by the City Manager or the City Manager’s designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

**SECTION 14.** This ordinance shall become effective immediately upon its passage by eight (8) votes or more and upon ten (10) days following its passage if approved by fewer than eight (8) votes.

RR  
10/10/13  
Item No. 4

PASSED AND APPROVED this 10<sup>th</sup> day of OCTOBER 2013.



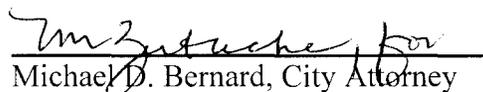
M A Y O R  
Julián Castro

ATTEST:



Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



Michael D. Bernard, City Attorney

<b>Agenda Item:</b>	4						
<b>Date:</b>	10/10/2013						
<b>Time:</b>	09:45:23 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	An Ordinance authorizing the negotiation and execution of a Funding Agreement in an amount not to exceed \$7.7 million with the University of the Incarnate Word for the construction of a School of Osteopathic Medicine to be located at the Fox Tech High School Campus in City Council District 1; authorizing \$138,000.00 from the FY 2014 Capital Budget to the Capital Improvements Management Services Department for capital administrative fees; and amending the FY 2014 to FY 2019 Capital Budget. [Carlos Contreras, Assistant City Manager; Lori Houston, Director, Center City Development]						
<b>Result:</b>	Passed						
<b>Voter</b>	<b>Group</b>	<b>Not Present</b>	<b>Yea</b>	<b>Nay</b>	<b>Abstain</b>	<b>Motion</b>	<b>Second</b>
Julián Castro	Mayor		x				
Diego Bernal	District 1		x			x	
Ivy R. Taylor	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				x
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Elisa Chan	District 9		x				
Carlton Soules	District 10		x				

City of San Antonio  
CENTER CITY DEVELOPMENT OFFICE



## Multi-Year Funding Agreement with University of Incarnate Word

City of San Antonio City Council  
Item #4

October 10, 2013  
Carlos J. Contreras, III  
Assistant City Manager

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### ACTIONS

- A. Authorizes the negotiation and execution of a Multi-Year Funding Agreement in an amount not to exceed \$7.7 million with the University of the Incarnate Word (UIW) for the construction of a School of Osteopathic Medicine.
- B. Amends the FY 2014 Capital Budget.



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**BACKGROUND**

- The University of the Incarnate Word has identified the Fox Tech Campus as the preferred site for the School of Osteopathic Medicine.
- On September 10, 2013, the University of the Incarnate Word (UIW) and the San Antonio Independent School District (SAISD) executed a letter of intent for a long term ground lease of approximately 3 acres of land on the Fox Tech Campus and the formation of an Educational Partnership.

**BACKGROUND**

- UIW will invest \$50 million in construction and start up operations.
- The School of Osteopathic Medicine will create 80 full time faculty and staff positions with salaries averaging \$130,000.
- UIW has requested:
  - Financial assistance to support the \$6.9 million in infrastructure improvements that are necessary for the site's development;
  - Incentives of \$800,000 to assist with job creation and recruitment.



## PARTNERSHIP

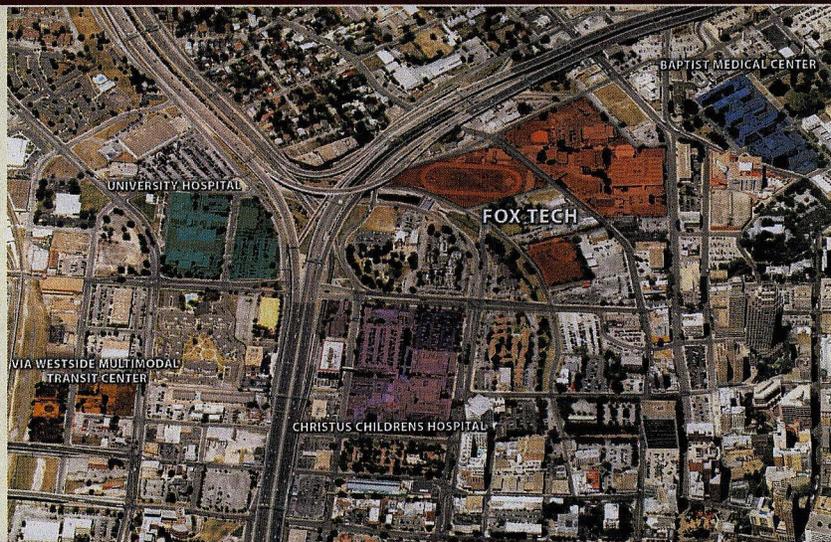
- SAISD will receive:
  - \$1.5 million over two years dedicated to the health careers program.
  - Undergraduate grant award of \$3000 per incoming freshman. (Value is \$13M for 25 years/\$26M for 50 years.)
  - Graduate student endowment program which UIW will fund with \$100,000 annual contribution for students wanting to pursue a graduate degree from UIW's health related professional schools. (Value is \$1.625M/25 years and \$6.375M/50 years.)
  - UIW will provide \$50,000 annually in grants for SAISD faculty pursuing a master's degree. (Value is \$1.25M/25 years and \$2.5M/50 years.)



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## Site



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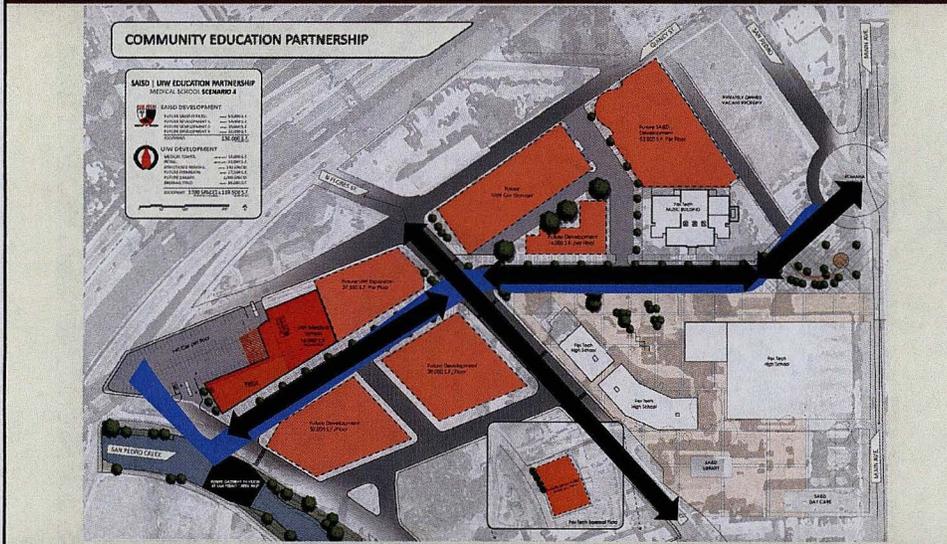
## Infrastructure Improvements

Project Phase	Description	Estimate	Completion
Phase 1 - Medical Arts Boulevard	Two lane road extending from North Flores west to Cameron and the San Pedro Creek	\$ 1,400,000	Jun 2015
Phase 1 - 12" Water Line	Extension and connection of 12 inch water line loop	\$ 400,000	Jun 2015
Phase 2 - Medical Arts Boulevard	Two lane road extending from Romano Circle (Man/Soledad) west to North Flores	\$ 2,100,000	Aug 2016
Phase 3 - North Flores Street	Road improvements extending from the intersection with Quincy on the north to the southern boundary of the Fox Tech Campus property	\$ 3,000,000	Sept 2018



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## Phases



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### Fiscal Impact

Spending Plan					
Sources	FY2014	FY2015	FY2016	FY2017	Total
District 1 Infrastructure Improvements	\$ 200,000				\$ 200,000
FY2014 Capital Budget	\$ 197,800				\$ 197,800
Future Budget Appropriations		\$ 2,459,220	\$ 1,426,980	\$ 2,754,000	\$ 6,640,200
Inner City Incentive Fund		\$ 400,000	\$ 400,000		\$ 800,000
<b>Total</b>	<b>\$ 397,800</b>	<b>\$ 2,859,220</b>	<b>\$ 1,826,980</b>	<b>\$ 2,754,000</b>	<b>\$ 7,838,000</b>

- Funds for the first year of this agreement are available from the CD1 Infrastructure Management Improvement Program and from the FY 2014 Capital Budget Reserve for Future Projects.
- The \$800,000 in incentives would be payable over a two year period.
- Funding for future years will be identified as part of the budget process and subject to City Council appropriation.
- Capital administrative fees of \$138,000 for monitoring the funding agreement.



### Recommendation

- Staff recommends approval of this ordinance authorizing a Multi-Year Funding Agreement for an amount not to exceed \$7,700,000 with UIW for the development of a School of Osteopathic Medicine on the Fox Tech Campus in order to:
  - Fund \$6,900,000 in infrastructure improvements;
  - Provide \$800,000 in incentives for job creation and talent recruitment; and
  - Provide \$138,000 for capital administrative fees to CIMS associated with monitoring the agreement.



City of San Antonio  
CENTER CITY DEVELOPMENT OFFICE



# Multi-Year Funding Agreement with University of Incarnate Word

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October 10, 2013  
Carlos J. Contreras, III  
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