

AN ORDINANCE

96621

AMENDING THE CITY'S TAX INCREMENT FINANCING (TIF) GUIDELINES AS AMENDED AND APPROVED BY ORDINANCE NUMBER 92710 ON OCTOBER 12, 2000; APPROVING A SCHEDULE OF FEES FOR THE APPLICATION AND PROCESSING OF TIF APPLICATIONS AS WELL AS THE ADMINISTRATION OF REINVESTMENT ZONES; ESTABLISHING ONE CENTRAL TIF UNIT WITHIN THE NEIGHBORHOOD ACTION DEPARTMENT TO ADMINISTER ALL RESIDENTIAL AND COMMERCIAL TIF PROJECTS; ESTABLISHING A FUND AND APPROVING A BUDGET; APPROVING A STAFFING COMPLEMENT FOR THE TIF UNIT FOR A FIRST-YEAR COST OF \$432,350.00; AMENDING THE FY 2002-2003 ADOPTED BUDGET; AND AMENDING THE CITY CODE OF SAN ANTONIO, TEXAS, CHAPTER 6, BUILDINGS, ARTICLE XII, SECTION 6-301 BY ADDING A NEW SUBPARAGRAPH (b) (5) TO INCLUDE TAX INCREMENT FINANCING IN A TAX INCREMENT REINVESTMENT ZONE ESTABLISHED IN ACCORDANCE WITH THE TAX INCREMENT FINANCING ACT.

* * * * *

WHEREAS, in July of 1998, pursuant to recommendations from the Community Revitalization Action Group, the City Council adopted the *City of San Antonio, Texas Guidelines and Criteria for Tax Increment Financing (TIF) and Reinvestment Zones* (hereinafter "Guidelines") to serve as policy direction to City staff, potential applicants, and interested parties regarding the application of tax increment financing to support public improvements within certain designated areas of the City;

WHEREAS, TIF is an economic development tool codified as the Texas Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311, and used by the City of San Antonio to finance needed public improvements primarily inside Loop 410 and South of Highway 90; and

WHEREAS, City Council approved an updated version of the Guidelines on September 21, 2000, and amended them on October 12, 2000 by Ordinance Number 92710, effective through September 30, 2002; and

WHEREAS, the Neighborhood Action Department (hereinafter "NAD") of the City of San Antonio, in consultation with the Housing and Neighborhood Action Team, the Urban Affairs Council Committee, and various government and private groups interested in economic development and community revitalization, has revised the Guidelines to better serve the needs of designated areas of the City; and

WHEREAS, over thirteen revisions to the Guidelines are proposed by NAD, with input from the Public Works and Parks and Recreation Departments, Development Services,

the Fire and Planning Departments, which are designed towards improving the quality of residential and commercial developments in the City, pursue higher standards for projects assisted through City programs, and strive to enhance the infrastructure of economically distressed, unproductive, underdeveloped or blighted areas in the City; and

WHEREAS, one key aspect of the proposed revisions is a schedule of fees for the application and processing of TIF applications as well as the administration of Tax Increment Reinvestment Zones (hereinafter "TIRZ"), to support the City's costs of processing and administrating costs of TIF Projects, based upon the actual staff hours spent processing applications and developing TIF documents; and

WHEREAS, the proposed non-refundable, non-reimbursable application fee of \$3,000.00 will support administration costs of initial review for completeness, the internal review processes, and the preparation of the Resolution of Intent; and

WHEREAS, the proposed \$31,000.00 processing fee, proposed to be paid by a developer no later than ten days after the City Council has approved a Resolution of Intent, is reimbursable to the developer with available TIF funds and will support administrative costs of processing requirements, scrub team coordination, participating taxing entity presentations, the designation of the TIRZ, preparation of TIRZ plans, and preparation and negotiation of applicable legal documents; and

WHEREAS, the administrative fees for each TIRZ will be used to support the ongoing annual monitoring activities required for each TIRZ, including staffing TIRZ Board meetings and is proposed to be ten percent (10%) of the total projected revenues for the first year for each newly created TIRZ or \$75,000.00, whichever is the lesser of the two, which will be divided among all participating taxing entities; and

WHEREAS, the proposed administrative fees received from the second year through the end of the TIRZ is proposed to be five percent (5%) of the annual projected revenues or \$50,000.00, whichever is the lesser of the two, to be retained by the City of San Antonio for annual administration for the life of the TIRZ; and

WHEREAS, in addition to the proposed Guidelines revisions, NAD recommends the establishment of one central TIF Unit within its Department to more effectively administer all residential and commercial TIF Projects, and

WHEREAS, the benefits of the proposed TIF Unit include improved management and monitoring of existing TIF Projects, an increased number of new processed applications, improved processing time of new applications as well as improved responsiveness and customer service, refocused development in targeted areas using City incentive tools, the increased quality of developments by requiring higher development standards; and

WHEREAS, with the establishment of a TIF Unit, it will be necessary to amend the Fiscal Year 2002-2003 budget, establish a TIF Unit Fund and approve a budget for the

TIF Unit, with a one-time funding into the proposed TIF Fund in the amount of \$52,031.00 for the transfer of one existing position; and

WHEREAS, the remainder of the TIF Unit staffing complement is seven new full-time employees in Fiscal Year 2003, for a first-year cost of \$380,319.00; and

WHEREAS, it is projected that all future costs associated with the TIF Unit will be funded through the proposed TIF fees; and

WHEREAS, on April 18, 2002, by Ordinance Number 95641, the City Council amended Chapter 6 of the San Antonio City Code to require specific design features to create barrier-free construction in new single family homes, duplexes and triplexes built with financial assistance from the City; and

WHEREAS, the City Council finds that Tax Increment Financing Projects should also be required to comply with the universal design features; and

WHEREAS, Chapter, 6, Section 6-301 of the San Antonio City Code does not currently provide authorization for the City to require Tax Increment Financing Projects to comply with the Universal Design Ordinance; and

WHEREAS, amending Chapter 6, Section 6-301 of the City Code to include Tax Increment Financing Projects to the list of funds, the disbursement from which requires compliance with the Universal Design Ordinance, will give the City legal authority to require developer and builder's compliance with the provision; and

WHEREAS, NAD staff presented proposed revisions and amendments to the Guidelines to the Housing and Neighborhood Action Team on September 18, 2002, to Management Team on September 24, 2002, and October 8, 2002, and to the Urban Affairs Committee on October 15, 2002, and received favorable review; and

WHEREAS, the City Council finds that the proposed recommendations to amend the Guidelines, approve a schedule of fees for the application and processing of TIF applications as well as the administration of reinvestment zones, establish one central TIF Unit within NAD to administer all residential and commercial TIF projects, establish a fund and approve a budget, approve a staffing complement for the TIF Unit for a first-year ten-month Fiscal Year 2003 cost of \$432,350.00, amend the FY 2002-2003 adopted budget, and amend the City Code of San Antonio, Texas, Chapter 6, Buildings, Article XII, Section 6-301 by adding a new subparagraph (b) (5) to include tax increment financing in a Tax Increment Reinvestment Zone established in accordance with the Tax Increment Financing Act, is consistent with the City's primary purpose of using tax increment financing to encourage community revitalization and economic development within designated areas of the City; **NOW THEREFORE:**

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

SECTION 1. The revised *City of San Antonio, Texas Guidelines and Criteria for Tax Increment Financing (TIF) and Reinvestment Zones* (hereinafter "Guidelines"), a copy of which is incorporated herein and attached hereto as Exhibit "A" is hereby adopted and approved as guidelines and criteria governing Tax Increment Financing for the City of San Antonio.

SECTION 2. All pending applications to request tax increment financing shall be processed in accordance with the revised Guidelines. The word "pending" herein shall mean applications on which City Council has not yet held a public hearing to consider whether to designate the requested Tax Increment Financing Reinvestment Zone.

SECTION 3. The revised Guidelines approved in Section 1 of this Ordinance shall be effective through September 30, 2004. Until that time, the revised Guidelines may be amended or repealed only by a vote of a majority of the members of the City Council.

SECTION 4. The schedule of fees for the application and processing of TIF applications as well as the administrative fees for the administration of reinvestment zones contained in the Guidelines is hereby adopted and approved.

SECTION 5: The Director of Finance is authorized to establish a new Special Revenue Fund, Fund 29-036000 entitled "TIF Unit Fund", to administer all residential and new commercial TIF projects. The Director of Finance is authorized to record and account for the fund in accordance with Generally Accepted Accounting Principles (GAAP).

SECTION 6: The fees authorized by this ordinance in the amount of \$312,000.00 are to be deposited in Fund 29-036000 in the index codes indicated in Attachment B and budgets are authorized for establishment.

SECTION 7: Funds in the amount of \$152,031.00 are appropriated in Fund 11-000000 (General Fund) and Fund 29-036000 in the index codes indicated below:

Index Code	Title	Amount
Transfers In:		
113449	Miscellaneous Revenue-Gen Fund Transfer-TIF	\$100,000.00
113456	Miscellaneous Revenue-One Time Gen Fund Transfer	<u>\$ 52,031.00</u>
		\$152,031.00
Transfers Out:		
921130	Transfer to TIF Unit	\$100,000.00
921247	One Time Transfer to TIF Unit	<u>\$ 52,031.00</u>
		\$152,031.00

The Director of Finance shall execute the indicated transfers in the amounts set forth unless such amounts are inconsistent with other legal requirements.

SECTION 8: Funds in the amount of \$432,350.00 are authorized for appropriation in Fund 29-036000 in the index codes indicated in Attachment B.

- (4) Disbursement of federal, state, or city construction funds, for example but not limited to, U. S. Department of Housing and Urban Development funds such as Community Development Block Grant Program (CDBG) funds, Housing Investments Partnership Act (HOME Program) funds, and Housing Opportunities for Persons With Aids Program funds, and funds disbursed under the Federal Emergency Management Act; or
(5) Tax Increment Financing in a Tax Increment Reinvestment Zone established in accordance with the Tax Increment Financing Act.

SECTION 12. Should any article, section, part, paragraph, sentence, phrase, clause, or word of this Ordinance, or any appendix hereof, for any reason, be held illegal, or invalid, or any exception to or limitation upon any general provision contained in this Ordinance or its attachments or held to be unconstitutional or invalid, the remainder shall, nevertheless, stand as effective and as valid as if it had been enacted and ordained without the portion held to be unconstitutional or invalid.

SECTION 13. The financial allocations in this Ordinance are subject to approval by the Director of Finance of the City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Index Codes and Fund Numbers as necessary to carry out the purpose of this Ordinance.

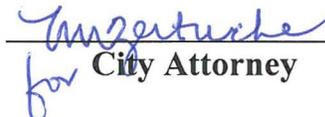
SECTION 14. The City Clerk for the City of San Antonio is hereby directed to publish notice of the Ordinance as required by the Charter of City of San Antonio and the laws of the State of Texas.

SECTION 15. This ordinance shall take effect on the tenth day from the date of passage hereof.

PASSED AND APPROVED this 24th day of October, 2002.


for M A Y O R PRO TEM

ATTEST: 
ASSISTANT City Clerk

APPROVED AS TO FORM: 
for City Attorney

02 - 39

MEETING OF THE CITY COUNCIL

ALAMODOME
ASSET MANAGEMENT
AVIATION
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
1 COMMERCIAL RECORDER
COMMUNITY INITIATIVES
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
COUNCIL OFFICES
CULTURAL AFFAIRS
CUSTOMER SERVICE/311 SYSTEM
DEVELOPMENT SERVICES
HOUSE NUMBERING
LAND DEVELOPMENT SERVICES
TRAFFIC & DRAINAGE PLAN REVIEW
ECONOMIC DEVELOPMENT
ENVIRONMENTAL SERVICES
SOLID WASTE
EXTERNAL RELATIONS
PUBLIC INFORMATION OFFICE
FINANCE - DIRECTOR
FINANCE - ASSESSOR
FINANCE - CONTROLLER
FINANCE - GRANTS
FINANCE - PUBLIC UTILITIES SUPERVISOR
FINANCE- TREASURY
FIRE DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT
HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
MANAGEMENT & BUDGET (OFFICE OF) OMB
MAYOR'S OFFICE
METROPOLITAN HEALTH DISTRICT
1 MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
NEIGHBORHOOD ACTION
PARKS AND RECREATION
MARKET SQUARE
YOUTH INITIATIVES
PLANNING DEPARTMENT - NEIGHBORHOOD PLNG; URBAN DESIGN/HISTORIC PRESERVATION
DISABILITY ACCESS OFFICE
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

AGENDA ITEM NUMBER: 38

DATE: OCT 24 2002

MOTION: Mark Moorhouse

ORDINANCE NUMBER: 96621

RESOLUTION NUMBER: _____

ZONING CASE NUMBER: _____

TRAVEL AUTHORIZATION: _____

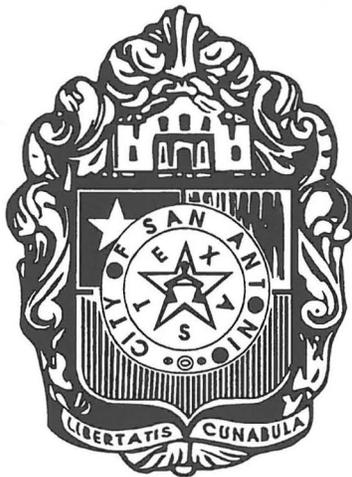
NAME	ROLL	AYE	NAY
BOBBY PEREZ District 1		✓	
JOHN H. SANDERS District 2		absent	
ANTONETTE "TONY" MOORHOUSE District 3		✓	
ENRIQUE "KIKE" MARTIN District 4		✓	
DAVID A. GARCIA District 5		✓	
ENRIQUE M. BARRERA District 6		✓	
JULIAN CASTRO District 7		absent	
BONNIE CONNER District 8		✓	
CARROLL W. SCHUBERT District 9		✓	
DAVID CARPENTER District 10		✓	
EDWARD D. GARZA Mayor		absent	

AMENDS ORD. NO. 92710 OF 10/12/2000

*Amend Chapter 6 - City Code
Duplex*

02-39

City of San Antonio, Texas



~~2000~~2002
Tax Increment Financing (TIF)
and Reinvestment Zone
Guidelines and Criteria

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**CITY OF SAN ANTONIO GUIDELINES AND CRITERIA
FOR TAX INCREMENT FINANCING (TIF) AND REINVESTMENT ZONES**

Policy Statement:

The City of San Antonio is dedicated to the revitalization of inner-city neighborhoods and commercial districts, particularly in those areas located inside Loop 410 and south of Highway 90, by using a tiered system of incentive tools, such as Tax Increment Financing (TIF). A TIF project should act as an economic stimulus to the surrounding areas. By leveraging private investment for certain types of development within a targeted area, TIF can be a tool used to assist in financing needed public improvements and enhancing infrastructure. An Application for Redevelopment will be made available in order to consider a suitable incentive package comprised of one or more incentive tools of which TIF may be included for a proposed revitalization project.

SECTION I. INTRODUCTION AND PROGRAM OVERVIEW

- A. Local Authority.** The City of San Antonio adopted these guidelines by Ordinance No. 92552– on September 21, 2000, and amended the guidelines on October 12, 2000 by Ordinance No. 92710 to serve as policy direction to City staff, and interested parties regarding the Application for Redevelopment specifically related to Tax Increment Financing (TIF) to support certain types of development in targeted areas of the city in conjunction with reinvestment zones designated following either (1) submission of an Application for Redevelopment to the City pursuant to these guidelines, or (2) upon petition of a property owner under Section 311.005 (a)(5) of the Texas Tax Code. As such, any Tax Increment Reinvestment Zones (TIRZ) created under the 1998 Guidelines and Criteria adopted by Ordinance #88196 effective through August 31, 1999, are governed under said Guidelines.
- B. Statutory Authority.** Under authority of Chapter 311 et seq. of the Texas Tax Code (Refer to APPENDIX C), only municipalities are permitted to establish Reinvestment Zones for the purpose of TIF.
- C. Goals and Objectives of City.** The City of San Antonio may use TIF, along with other incentive tools, to finance needed public improvements and enhance infrastructure within a targeted area. It is the intention of the City to use TIF, as one of many incentive tools, for the primary purpose of encouraging inner-city revitalization within Loop 410 and those areas south of Highway 90 by leveraging private investment for certain types of development activities that support Master Plan policies.
- D. Eligible Development and Locations.** The following may be eligible for consideration for the use of TIF:

Eligible Types of Development	
Type A: Residential development projects. For either single-family and/or multi-family residential uses.	Targeted areas only and some high employment areas. (Refer to Section V. of these Guidelines)
Type B: Business parks for Targeted Industries. New construction or renovation of offices with at least 50% of space pre-leased.	Areas located within Loop IH 410 and areas outside of Loop 410 which are south of U.S. Highway 90.
Type C: Office development. New construction or renovation of offices with at least 50% of office space pre-leased.	Areas located within Loop IH 410 and areas outside of Loop 410 which are south of U.S. Highway 90.
Type D: Retail/Commercial development. New construction or renovation of offices with at least 50% of space pre-leased.	Areas located within Loop IH 410 and areas outside of Loop 410 which are south of U.S. Highway 90.

- E. Determining Eligibility.** A staff review committee will evaluate each proposed project on a case-by-case basis, including targeted areas and consideration of possible impacts. If applicable, a staff review committee will then evaluate each application submitted by a prospective developer.
- F. Use of TIF.** Once a Reinvestment Zone has been established in accordance with Chapter 311 and these guidelines, incremental real property taxes resulting from new construction, public improvements, and redevelopment efforts will accrue to the various taxing entities. Participating taxing entities may deposit all, a predetermined portion, or none of the incremental property taxes in a designated TIF Fund for the purpose of financing the planning, design, construction or acquisition of public improvements in the Reinvestment Zone. Although other types of public improvements are permissible under Chapter 311, the City of San Antonio will allow for only certain types of public improvements that meet the definition (Refer to APPENDIX A) of public improvement.
- G. Use of TIF Proceeds.** Incremental real property taxes generated in a designated Reinvestment Zone may be used only to pay for certain types of Eligible Project Costs, public works, and/or public improvements as stated in Section VII of these Guidelines. **TIF proceeds cannot be used to support private purposes.**
- H. Demonstration of Community Revitalization Impact.** It is the intention of the City of San Antonio to use TIF for the purpose of supporting community revitalization and redevelopment projects in targeted areas. As part of the Application for Redevelopment, an applicant must describe how the planned investment will contribute to revitalization activities in the parcel(s) in question and/or the surrounding area of the community. Also, applicant must indicate how the input of nearby neighborhood residents, businesses, and/or schools has been solicited in the project planning process. In all proposed TIF projects, the applicant(s) must make available an independent market feasibility study in order to demonstrate the demand, viability, and capacity for the project. Moreover, the independent market feasibility study should validate absorption rates, estimated values, adjacent property lease space, depressed or blighted area(s), and reference neighborhood plans already established.
- I. Demonstration of Need for Public Assistance.** The City Council by ordinance may designate a contiguous geographic area in its jurisdiction to be a reinvestment zone to promote development or redevelopment of the area if the City Council determines that such development or redevelopment would not occur solely through private investment in the reasonably foreseeable future.
- J. Participation by Other Taxing Entities.** Under Section 311.013 of the Texas Tax Code, other local taxing entities retain the right to determine the amount of the tax increment that each will retain, OR each may decide to retain all of the tax increment. Under these

Guidelines, the City of San Antonio will enter into a written agreement with all participating taxing entities to specify: (1) the conditions for payment of the tax increment into a TIF Fund, (2) the portion of tax increment to be paid by each entity into the TIF Fund, and (3) term of the agreement.

K. Term of Reinvestment Zone. ~~It is the intent of the City of San Antonio to minimize the terms of any reinvestment zone in order to capture the incremental increase in taxable property value for the general benefit of the citizenry and to pay for general City services. The duration of a reinvestment zone shall be no longer than one hundred and twenty five percent of the City's General Obligation Debt Management Policy in effect on October 12, 2000. This results in a maximum duration of twenty five years. Any variance beyond this term identified through a cost benefit analysis and resulting from quantitative assessments requires City Council approval. As prescribed under Section 311.017 of the Texas Tax Code, reinvestment zones shall terminate on the *earlier* of:~~

- 1) termination date designated in the ordinance(s) creating and/or amending the zone; or
- 2) the date on which all project costs and interest have been paid in full.

In addition, the duration of a reinvestment zone should not exceed 25 years from the creation date of the TIRZ. City may elect to terminate a TIRZ if 50% of the housing construction projected for years 1, 2, & 3 from date TIRZ is created is not complete. Infrastructure construction does not count toward construction schedule, only housing units. Any default of the terms contained in the Development Agreement that is not cured within the 90 day time frame contained in the Development Agreement may also result in Zone Termination. In some cases, the City may elect to begin the process to dissolve a TIRZ iffifty percent (50%) of the construction schedule for any three year consecutive period is not complete.

L. Timeline/Deadline for a TIF process. ~~The targeted Estimated~~ timeframe to start and complete the TIF process to designate a Reinvestment Zone is four months (4) if there are no development issues ~~at least six (6) months~~. ~~As such, Applications for Redevelopment must be submitted to the City by June 30 for a reinvestment zone to be established in the same calendar year. Applications for Redevelopment may be submitted to the City after June 30, however, a reinvestment zone will not be established until the following calendar year. (see also Section II of these Guidelines)~~

M. Criteria for Applicant / Developer and Project Feasibility.

Before reviewing an Application for Redevelopment, the City will require that applicants / developers desiring TIF must, as part of the application submission, complete the following:

- a) Demonstrate financial wherewithal to meet project costs and complete project (i.e. financial statement, (i.e. financial statement, complete Sources and Uses budget, or Letter of Credit from Bank).
- b) Submit a completed market feasibility study by an outside consultant approved by the City for larger scale projects (500+ single-family units). In smaller scale projects (less than 500 single-family units), the applicant may use the 1999/2000 market study conducted by the San Antonio Housing Trust if project is located within this study's target area, otherwise, a separate market study will be required.
- c) Submit a cost benefit analysis (See Section III – Additional Guidelines)
- d) Identify gap in financing for project
- e) Delineate in detail, the developer equity contribution into project illustrating proposed financial structure
- f) Identify proposed security, collateralization, or credit enhancement

- g) Demonstrate commitment to the quality of development, the project area, and project completion
- h) Submit detailed pro formas for the proposed project, including ~~assumed~~ secured participation levels from each taxing entity.
- i) Submit a Phase I Environmental Site Assessment of the proposed area not older than 2 years in accordance with guidelines set forth in the American Society for Testing and Materials (ASTM), Standard E1527-00, Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. Contingent upon the findings of the Phase I ESA, City may require completion and submission of a Phase II Subsurface Investigation and environmental remediation, if necessary, in accordance with federal, state and local requirements. The City will also require applicant to assess and submit documentation regarding potential environmental impacts, such as water quality, endangered species, and cultural resources. ~~certified environmental study of proposed area (Phase I only. However, depending on findings, City may require submission of a Phase II study)~~
- j) Submit a preliminary site plan of any proposed parks to include layout of any proposed improvements.
- ~~j)k)~~ Demonstrate previous experience developing similar scale and type of project
- ~~k)l)~~ Submit a detailed listing of public improvements with estimated costs (eligibility of said list is contingent upon City approval)
- ~~l)m)~~ Submit a schedule indicating timing of public improvements (i.e. commencement and completion dates)
- n) Have secured commitments from other taxing entities to participate in proposed TIF project, specific to term and participation percentage, in the form of a letter of support from the respective elected or board official(s) of the taxing entity-entity.
- o) Agree to pay for reasonable professional fees retained by the City related to the project.
- ~~l)p)~~ Completion of City of San Antonio's Ethics Disclosure form

Before designating a Reinvestment Zone, the City will require that developer(s) agrees to ~~enter into a Development Agreement with the City of San Antonio, agreeing to a minimum of items stated in Section I paragraphs K and M under these Guidelines.~~

- ~~b) Have secured commitments from other taxing entities to participate in proposed TIF project, specific to term and participation percentage, in the form of a letter of support from the respective elected or board official(s) of the taxing entity.~~
- ~~e) Agree to pay for reasonable professional fees retained by the City related to the project.~~

N. Definitions. Some terms used in these Guidelines may be defined in Appendix A.

SECTION II. APPLICATION PROCESS APPLICATION PROCESS AND FEES

APPLICATION PROCESS:

Applications for Redevelopment must be submitted to the City by **June 30** for a reinvestment zone to be established in the same calendar year. Applications for Redevelopment may be submitted to the City after **June 30**, however, a reinvestment zone ~~will~~ may not be considered for establishment until the following calendar year. In addition, applicants must submit at least twelve fifteen (1215) copies of the application. Depending on the exact nature and complexity of a project, estimated timeframe to start and complete the TIF process to designate a reinvestment zone is at least four six (46) months.

All Applications for Redevelopment and applicable fee(s) should be delivered to the:

**City Clerk's Office
City of San Antonio
100 Military Plaza – 2nd Floor
San Antonio, TX 78205**

A. Application Form. Applicants desiring ~~the~~ to use TIF along with other incentives to support eligible types of development in targeted areas must fully complete an "Application for Redevelopment" and remit ~~fifteen~~twelve copies and the required application fee, as set forth in Subsection ~~FB~~B, below.

B. Application Review Fee. A nonrefundable application fee of \$3,000.00 must accompany all Applications for Redevelopment for TIF use. The application fee should be in the form of a check or money order, and made payable to the "City of San Antonio". The application fee is to support administration costs of initial review for completeness, HNAT and Urban Affairs Presentations, and preparation of Resolution of Intent to City Council.

Projects at least 50% made up of single family homes with initial sales prices under affordability ceiling index (currently \$75,000) no more than \$20,000 above the initial.	<u>\$1,000.00</u>
Projects made up of single family homes with initial sales prices starting at affordability ceiling index and no more than \$30,000 above the ceiling.	<u>\$2,000.00</u>
Projects made up of multi family residential units with a majority of units whose initial combined rental and expected utilities per unit do not exceed 30% of the gross household income for families that meet the very, low, and moderate income guidelines, as established and modified by the U.S. Department of Housing and Urban Development (HUD).	<u>\$2,000.00</u>
All other projects	<u>\$3,000.00</u>

C. Pre-Application Review Process. Developer may request a meeting with appropriate City Staff prior to submitting a TIF application. The meeting will cost developer \$75 per hour and will be scheduled through the Neighborhood Action Department.

~~B~~.D. Preliminary Review. City staff will review the application (within 10 working days) to ensure compliance with these Guidelines. If City staff determines that an application does not meet the criteria hereunder, the applicant will be so notified, and the application fee will NOT be refunded, and no further action on the application will occur. (the applicant will have 14 working days to supply any information that is lacking without having to resubmit a new application)

~~C~~.E. Application Review. If City staff determines that an application meets these Guidelines, a full financial and programmatic review of the proposed project will occur. This review may be conducted by City staff, an outside agency, or consultant and should include, at a minimum of said items under Section I paragraph M. This review could culminate into an entirely different finance plan than initially proposed in the application.

~~D~~.F. Open Records Act. Upon submission of an Application for Redevelopment, all project information provided to or developed by the City could become "public information," and therefore, may be subject to provisions of the Texas Open Records Act.

E.G. Other entities. ~~Following~~ As a part of the application submission and before the expressed intent by the City Council to create a reinvestment zone, and applicant / developer must have secured commitments from other taxing entities to participate in proposed TIF project, specific to term and participation percentage, in the form of an action taken by the respective taxing entity (i.e. Resolution), ~~City staff will forward a preliminary Reinvestment Zone Project and Financing Plan to the other impacted taxing entities. However, applicants / developers should note that each taxing entity could adopt separate guidelines and/or review processes for reinvestment zones. In order to expedite the other agencies' review processes, applicants are required to independently contact the other taxing entities impacted by the proposed TIF project.~~

~~F. Application Review Fee. A nonrefundable application fee, according to the schedule below must accompany all Applications for Redevelopment for TIF use. The application fee should be in the form of a check or money order, and made payable to the "City of San Antonio."~~

Projects at least 50% made up of single family homes with initial sales prices under affordability ceiling index (currently \$75,000) no more than \$20,000 above the initial.	\$1,000.00
Projects made up of single family homes with initial sales prices starting at affordability ceiling index and no more than \$30,000 above the ceiling.	\$2,000.00
Projects made up of multi family residential units with a majority of units whose initial combined rental and expected utilities per unit do not exceed 30% of the gross household income for families that meet the very, low, and moderate income guidelines, as established and modified by the U.S. Department of Housing and Urban Development (HUD).	\$2,000.00
All other projects	\$3,000.00

PROCESSING:

Upon passage of a Resolution of Intent by the San Antonio City Council, the applicant / developer must remit a Processing Fee in the amount of \$31,000.00 payable to the "City of San Antonio" no later than 10 days after passage said Resolution. This Processing Fee should be in the form of a check or money order, and made payable to the "City of San Antonio". The fee is reimbursable with TIF funds. The fee supports upfront administrative requirements, scrub team coordination, participating taxing entity presentations, designation of zone, zone plans and financial and legal document preparations and negotiations.

~~G. Statutory Process. Chapter 311 (Section 311.003) specifies the procedures for designation of a reinvestment zone and participation by other taxing entities. At a minimum, the following steps will be taken for consideration of the use of TIF funds:~~

- ~~1) Application and application fees submitted to City.~~
- ~~2) Preliminary Review conducted by City interdepartmental team/consultant to verify submission of all items stated under Section I, paragraph M.~~
- ~~3) Full financial review conducted by City interdepartmental team/consultant, as required.~~
- ~~4) Prepare Preliminary Project and Financing Plan.~~
- ~~5) Resolution of Intent passed by City Council through presentation of Preliminary Project and Financing Plan.~~
- ~~6) City receipt by applicant/developer of secured commitments from other taxing entities in the form of an action taken by the respective taxing entity (i.e. Resolution) to participate in proposed TIF project.~~

- ~~7) Written notices of City's intent to establish a reinvestment zone must be forwarded to other taxing entities along with preliminary project and financing plan.~~
- ~~8) Not later than the 15th day after the date the City notifies other taxing entities of intent to establish a reinvestment zone, each taxing entity that levies real property taxes in proposed reinvestment zone shall designate a representative to meet with the City staff and shall notify the City.~~
- ~~9) Statutory presentations to affected taxing entities on Project and Financing Plan, with written notices of presentations to all affected taxing entities.~~
- ~~10) Informal discussions with other taxing entities.~~
- ~~11) Formal action by other taxing entities intent to participate in TIF reinvestment zone.~~
- ~~12) No later than seven (7) days prior to public hearing date, a notice of the hearing must be published in a local newspaper having general circulation.~~
- ~~13) Public hearing re: creation of a reinvestment zone.~~
- ~~14) Two weeks following public hearing, City staff may recommend to create reinvestment zone and appoint Reinvestment Zone Board of Directors.~~
- ~~15) Reinvestment Zone Board reviews and adopts by laws for Board administration.~~
- ~~16) Reinvestment Zone Board prepares and adopts Final Reinvestment Zone Project and Financing Plan.~~
- ~~17) Final Reinvestment Zone Project and Financing plans are forwarded to affected taxing entities.~~
- ~~18) City Council may approve Final Reinvestment Zone Project and Financing Plan.~~

~~Depending on the exact nature and complexity of a project, estimated timeframe to start and complete the TIF process to designate a reinvestment zone is at least six (6) months.~~

SECTION III. EVALUATION CRITERIA

Each Application for Redevelopment submitted to the City indicating interest in TIF funding will be evaluated by a team of various departments to analyze the viability of a proposed project. In addition to meeting the criteria set forth in Section I. M. Criteria for Applicant/Developer, the following evaluation criteria, *but not limited to*, will be used to review applications seeking TIF funding:

- Completed cost benefit analysis
- Full description and a comprehensive site plan
- Project proximity to schools, libraries, parks and health facilities
- Project linkage with other area public improvement projects
- Project linkage with Neighborhood Commercial Revitalization programs
- Project plan that addresses any area Code enforcement issues
- Project impact to area traffic or a detailed traffic plan
- Project Plan for underground utility conversion
- Structural and land use assessment
- Neighborhood action plan
- Private financial investment
- Compliance with the City's adopted Universal Design Policy as it relates to the construction of housing units
- Uses permitted within the C-2 zoning district located within a TIF shall have a maximum front setback of 35 feet unless the proposed commercial development fronts on an expressway identified in the City's Major Thoroughfare Plan. Buildings shall contain ground level windows. Higher standards are strived for

projects that involve City funds like a TIF. All commercial uses located within a TIF shall have a maximum front setback of 35 feet. Buildings shall contain ground level fenestration (transparent windows and openings at the street level) conforming to the Commercial Urban Design Standards, Section 35-204 (e) 6 of the Unified Development Code. Commercial uses are uses typically found in the O-1, O-2, NC, C-1 and C-2 zoning districts as well as the following uses: microbrewery, apartments and indoor theaters.

- Development included within the TIF boundaries must comply with all provisions of the current Unified Development Code.
- No TIFs will be accepted where all or part of the proposed TIF boundaries fall over the Edwards Aquifer Recharge Zone.

For residential TIFs specifically:

- Street connectivity ratio shall not be less than 1.6. Higher standards are strived for projects that involve City funds like a TIF. The UDC set a minimum standard of 1.2 for a street connectivity. A perfect street grid has a connectivity ratio of 2.0. Given typical lot sizes and the number of houses constructed in a TIF, the developments need greater connectivity to ease traffic burdens. A topographical variance would be considered if, in order to reach the required street connectivity ratio, the street layout would require a street to exceed a grade of 12 percent. ~~Street connectivity ratio shall not be less than 1.6~~
- Blocks shall have an average length not exceeding 600 feet, with no block exceeding 800 feet. The City's Master Plan & UDC supports policies to encourage the submittal of Traditional Neighborhood Developments (TNDs). Higher standards are strived for projects that involve City funds like a TIF. ~~Blocks shall have an average length not exceeding four hundred (400) feet, with no block exceeding seven hundred (700) feet in length.~~

If the TIF exceeds 20 acres, then at least twelve percent (12%) of the gross land area must be utilized for retail, service, civic, parks or open space uses:

- If the residential TIF exceeds 20 acres, then at least 12% of the gross land area must be utilized for retail, service, civic, office, or parks uses.
 - The use must be located within a quarter (1/4) mile of the TIF boundary measured by the most direct public path of travel. If two of the listed uses meet the distancing requirement, then the mixed use requirement can be waived. If one of the listed uses meets the distancing requirement, then staff will set a percentage, less than 12 percent, for the remaining uses.
- New homes should be compatible with the adjoining residential areas as defined in Section 35-343 (m) of the Unified Development Code.

Required information for public improvements in Tax Increment Reinvestment Zones:

1. Scope of the proposed project.
2. Project location map.
3. Project layout map.
4. Pavement section.
5. Detailed cost estimate.
6. Roadway construction cost per foot for each section width.

The cost shall include pavement and curbs. If sidewalks and driveways are constructed at the same time with the street construction, the cost for these items shall be included with the cost of roadway.

Statutory Process. Chapter 311 (Section 311.003) specifies the procedures for designation of a reinvestment zone and participation by other taxing entities. At a minimum, the following steps will be taken for consideration of the use of TIF funds:

- 1) Application and application fees submitted to City.
- 2) Preliminary Review conducted by City staff ~~interdepartmental team~~/consultant to verify submission of all items stated under Section I, paragraph M.
- 3) Full ~~financial~~ review conducted by City interdepartmental team/consultant, as required.
- 4) Resolution of Intent passed by City Council ~~through presentation of Preliminary Project and Financing Plan.~~
- 5) City receipt by applicant/developer of secured commitments from other taxing entities in the form of an action taken by the respective taxing entity (i.e. Resolution) to participate in proposed TIF project.
- 6) Written notices of City's intent to establish a reinvestment zone must be forwarded to other taxing entities along with preliminary project and financing plan.
- 7) Not later than the 15th day after the date the City notifies other taxing entities of intent to establish a reinvestment zone, each taxing entity that levies real property taxes in proposed reinvestment zone shall designate a representative to meet with the City staff and shall notify the City.
- 8) Prepare Preliminary Project and Financing Plan.
- 9) Statutory presentations to affected taxing entities on Project and Financing Plan, with written notices of presentations to all affected taxing entities.
- 10) Informal discussions with other taxing entities.
- 11) Formal action by other taxing entities intent to participate in TIF reinvestment zone.
- 12) No later than seven (7) days prior to public hearing date, a notice of the hearing must be published in a local newspaper having general circulation.
- 13) Public hearing re: creation of a reinvestment zone.
- 14) Two weeks following public hearing, City staff may recommend to create reinvestment zone and appoint Reinvestment Zone Board of Directors.
- 15) Reinvestment Zone Board reviews and adopts by-laws for Board administration.
- 16) Reinvestment Zone Board prepares and adopts Final Reinvestment Zone Project and Financing Plan.
- 17) Final Reinvestment Zone Project and Financing plans are forwarded to affected taxing entities.
- 18) City Council may approve Final Reinvestment Zone Project and Financing Plan.

Depending on the exact nature and complexity of a project, estimated timeframe to start and complete the TIF process to designate a reinvestment zone is at least six (6) months.

SECTION IV. CRITERIA FOR DESIGNATION OF A REINVESTMENT ZONE

The City of San Antonio must designate, or have already designated, an area as a Reinvestment Zone for TIF to occur. As provided under Section 311.005 of the Texas Tax Code, to be designated as a Reinvestment Zone, an area must:

- A. substantially arrest or impair the sound growth of the municipality creating the zone, OR
- B. retard the provision of housing accommodations, OR
- C. constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:
 - 1) a substantial number of substandard, slum, deteriorated, or deteriorating structures;
 - 2) the predominance of defective or inadequate sidewalk and street layout;
 - 3) faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
 - 4) unsanitary or unsafe conditions;
 - 5) the deterioration of site or other improvements;
 - 6) tax or special assessment delinquency exceeding the fair value of the land;
 - 7) defective or unusual conditions of title; or
 - 8) conditions that endanger life or property by fire or other causes;
- D. Be predominantly open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality; OR
- E. Be in a federally assisted new community located in the municipality or in an area immediately adjacent to a federally assisted new community (“federally assisted new community” means an area that has received or will receive assistance in the form of loan guarantees under Title X of the National Housing Act, if a portion of the federally assisted area has received grants under Section 107 (a)(1) of the Housing and Community Development Act of 1974); OR
- F. Be an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the municipality by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for Bexar County; OR
- G. Be an area designated as an Enterprise Zone under Chapter 2303 of the Government Code, or as a Defense Economic Readjustment Zone under Chapter 2310.

SECTION V. RESTRICTIONS ON COMPOSITION OF REINVESTMENT ZONES

- A. **Size Limitations.** The City of San Antonio is not permitted under Section 311.006 of the Texas Tax Code to create a reinvestment zone or change the boundaries of an existing reinvestment zone if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds:
 - 1) 15 percent of the total appraised value of taxable real property in the City of San Antonio and industrial districts created by the City of San Antonio;
 - 2) 15 percent of the total appraised value of taxable real property of Bexar County; OR

- 3) 15 percent of the total appraised value of taxable real property of the school district that levies taxes in the proposed reinvestment zone.

- B. Use Limitation.** The City of San Antonio is not permitted under Section 311.006 of the Texas Tax Code to create a reinvestment zone or change the boundaries of an existing reinvestment zone, if more than 10 percent of the property in the proposed zone (or modified zone), excluding publicly-owned property, is used for residential purposes, specifically for houses having fewer than five living units. This does not apply to TIFs established by petition.
- C. Exception to Limitations.** The above use limitation does not apply if a reinvestment zone is designated following submission of a petition, as described above in Section 3.F.

SECTION VI. PROJECT ELIGIBILITY FOR REINVESTMENT ZONES

A. Targeted Areas for TIF use. It is the intention of the City of San Antonio to use TIF, along with other incentives, for the primary purpose of encouraging community revitalization primarily within the inner-city, within Loop 410 and areas south of U.S. Highway 90 by leveraging private investment for certain types of development.

B. City-Initiated Projects. With the various city priorities and proposed projects, the City is establishing the process of City-initiated TIF projects. Essentially, the City would solicit proposals for assistance with development in a defined/targeted area. The respondents would receive the incentives available through the TIF program in coordination with other respondents to any given project.

C. Project location. All proposed TIF-funded projects must be located in the San Antonio city limits for at least one year prior to submission of an application. Furthermore, Projects located over the Edwards Aquifer Recharge Zone will not be considered for TIF-funding. The targeted areas for TIF use are as follows and indicate applicable type of development (See also APPENDIX B MAP):

- Level 1: City may participate up to 100% in any CRAG and other designated areas within the original San Antonio city limits (see yellow portion of APPENDIX B map). This level applies to Type A, B, C and D (see Table in Section I).
- Level 2: City may participate up to 100% for project outside of Level 1 within Loop 410 (see pink portion of APPENDIX B map). This level applies to Type A, B, C and D (see Table in Section I). This level will depend on project's demonstrated need after review by staff.
- Area 1: City may participate up to 100% for projects located inside and outside Loop 410 and south of Highway 90 within Loop 1604 and inside the San Antonio City limits, that consists of fifty-one percent (51%) of development dedicated primarily to market rate housing and mixed-use development consistent with the City's Master Plan. This level applies to residential, business park, office, and commercial development.
- Level 3 Area 2: City may participate up to 100% for projects that propose and promote developments consistent with the City's Master Plan, such as mixed-income, traditional neighborhood developments (i.e. new urbanism), and affordable housing, located in identified high employment areas outside Loop 410 and north of Highway 90 within Loop 1604 and inside the San Antonio City limits. Projects within this area must have at least fifty percent (50%) or more of the proposed units dedicated to affordable housing (prices not exceeding \$89,000) and constructed throughout development. This level applies only to residential development.

~~□ **Level 4:** City may participate up to 100% for projects located outside Loop 410 and south of Highway 90 within Loop 1604 and inside the San Antonio City limits, that consist of primarily market rate housing and mixed use development consistent with the City's Master Plan. This level applies to residential, business park, office, and commercial development.~~

B.D. Project Status. Because of the considerable time and resources required to process Applications for Redevelopment, it is the intent of the City of San Antonio to respond to applications for the creation of reinvestment zones for the purpose of TIF **only if** an eligible project is in the advanced stages of development planning, as evidenced by property control and has met criteria as set forth under these Guidelines.

C.E. Market Feasibility Study. For all projects that may utilize TIF, interested parties will be required to submit to the City, as a part of the Application for Redevelopment, a market feasibility study. Projects proposing over 500 single-family housing units, the submission of a market feasibility study conducted by an outside consultant approved by the City will be required. Projects proposing less than 500 single-family housing units, the 1999/2000 market study conducted by the San Antonio Housing Trust should be utilized. Furthermore, a market feasibility study must demonstrate, at a minimum, the following:

- Absorption rates
- Comparable sales
- Estimated values
- Current and potential lease space adjacent to property
- Depressed area
- Blighted area
- Reference to neighborhood plans

F. City Facility Operating Costs. ~~In projects that may yield / require the construction of a new City facility, such as a Fire Station / Library, the developer must pledge a monetary contribution to the City to offset the costs of operating expenses. Construction, Operating Costs, Pro Rata Share and Timing of Payments will be negotiated in the development agreement.~~

SECTION VII. FINANCING AND CONSTRUCTION OF PROJECT AND FINANCING COSTS

A. Eligible Project Costs. Eligible project costs are defined under 311.002 and 311.008 of the Texas Tax Code, and include:

- 1) capital costs
 - actual costs of acquisitions and construction of:
 - ⇒ **public works and public improvements** (e.g., utilities, streets, street lights, water and sewer facilities, pedestrian malls/walkways, parks, flood and drainage facilities, educational facilities, and parking facilities)
 - ⇒ **new public buildings, structures and fixtures**
 - actual costs of acquisition of existing buildings, structures, and fixtures
 - actual costs of acquisition of land and equipment
 - actual costs of clearing and grading of land
 - applicable predevelopment fees
- 2) financing costs

- interest paid to “holders of evidences of indebtedness or other obligations used to pay for project costs”
 - premiums paid over the principal amount of the obligation because of the redemption of the obligations before maturity
- 3) real property assembly costs
- 4) professional service costs for public improvements
- architectural
 - planning
 - engineering
 - legal advice and services subject to City approval
- 5) imputed administrative costs, including reasonable charges of time spent by city employees in connection with the implementation of a project plan and initial start-up costs for other taxing entities.
- 6) relocation costs
- 7) organizational costs
- environmental impact studies or other studies
 - publication and notification costs
 - costs of project plan implementation
- 8) interest before and during construction and for one year after completion, whether or not capitalized
- 9) cost of operating the reinvestment zone and project facilities

B. Financing of Project Costs. The City of San Antonio will require applicants or petitioners to arrange and provide other forms of financing for the eligible project costs. Tax increments deposited into the TIF Fund may be used to reimburse a developer over time for contributions made to the City for the construction of eligible project costs on a case-by-case basis, as well as interest and other financing costs associated with the contributions, as approved by the reinvestment zone board and City Council.

C. Risks to Developer. ANY CONTRIBUTIONS MADE BY APPLICANT OR OTHER DEVELOPER IN ANTICIPATION OF REIMBURSEMENT FROM TAX INCREMENTS SHALL NOT BE, NOR CONSTRUED TO BE, FINANCIAL OBLIGATIONS OF THE CITY OF SAN ANTONIO, OTHER TAXING ENTITIES, OR APPLICABLE REINVESTMENT ZONE BOARD. DEVELOPER SHALL BEAR ALL RISKS ASSOCIATED WITH REIMBURSEMENT, INCLUDING: INCORRECT ESTIMATES OF TAX INCREMENT, CHANGES IN TAX RATES OR TAX COLLECTIONS, CHANGES IN STATE LAW OR INTERPRETATIONS THEREOF, CHANGES IN MARKET OR ECONOMIC CONDITIONS IMPACTING THE PROJECT, CHANGES IN INTEREST RATES OR CAPITAL MARKETS, CHANGES IN DEVELOPMENT CODES REQUIREMENTS, DEFAULT BY TENANTS, UNANTICIPATED EFFECTS COVERED UNDER LEGAL DOCTRINE OF *FORCE MAJUERE*, AND/OR OTHER UNANTICIPATED FACTORS.

- D. TIF Bonds.** In certain instances and commensurate with the value of the project will the municipality consider the issuance of tax increment bonds. In such cases, risk of default and length of term should be reduced to the greatest extent feasible. Safety factors will be included to minimize risk exposure, including a reserve fund, special covenants, and/or special structuring of the debt repayment schedule. Chapter 311 of the Texas Tax Code limits the term of any TIF bonds to 20 years.
- E. Construction of Public Improvements.** Eligible Project Costs financed through TIF proceeds shall be publicly bid, use prevailing wages, and cause to be constructed by the developer, *unless*: (1) tax increments go toward financing 30 percent or less of the cost for a specific public improvement; and (2) such public improvement is not a building of any sort. Under such a scenario, the private developer could request to construct the public improvement, however, must have City approval. This provision requires compliance with Sections 212.071 and 212.072 of the Local Government Code and similar provisions.
- F. Calculation of Tax Increment.** The amount of a taxing unit's tax increment for a year is the amount of property taxes levied and collected by the unit for that year on the "captured" appraised value of real property taxable by the unit and located in the reinvestment zone. Captured appraised value is the total appraised value of all real property taxable by the unit and located in a reinvestment zone for that year less the total appraised value of taxable real property in the base year (year in which zone was designated by ordinance).
- G. Option to Negotiate Tax Increment.** The City of San Antonio and other local taxing entities reserve the option to jointly or independently negotiate the percent of tax increment deposited in the TIF Fund for any reinvestment zone.
- H. ~~Administration and Operations Costs~~ Imputed Administrative and Operational Costs.** Following the designation of a reinvestment zone, a financing plan must be prepared and adopted by the reinvestment zone board and approved by the City Council. In addition to the capital costs, other costs to be paid from TIRZ revenues include the initial start-up administrative costs of all participating taxing entities. As part of that financing plan, The following describes the City's Administrative Fee Policy, which accounts for reasonable annual administration and operation expenses incurred or anticipated to be incurred by the City of San Antonio or Administrator fees, the City's financial advisor or its consultants may be included as project costs for reimbursement from tax increments. (this policy is has not been finalized at this time.)

Funds generated by each TIRZ

- First year Revenues received only: 10% of total projected revenues for each newly created TIRZ or \$75,000, whichever is the lesser of the two. These revenues will be divided among all participating taxing entities.
- 2nd year Revenues received – end of TIRZ: 5% of projected annual revenues or \$50,000, whichever is the lesser of the two.

SECTION VIII. ADDITIONAL GUIDELINES

- A. Cost-Benefit Analysis.** A cost-benefit analysis relevant to the City of San Antonio must be completed prior to any action on a reinvestment zone requested to support proposed redevelopment projects. The City of San Antonio or its advisor or agent may conduct the analysis in a manner reflective of the current incremental cost-benefit analysis being utilized by the City. The City may choose not to approve the designation of a project or area as a reinvestment zone for the purpose of TIF for which the analysis shows that the costs exceed the benefits.

Furthermore, each Cost-benefit analysis will be reviewed by staff using a Quantitative and Qualitative assessment process in order to identify costs associated with the delivery of city services and the implications of broader community benefits and revitalization goals. In the event, revenue shortfalls are projected for service costs, staff will analyze qualitative benefits of these projects with respect to compatibility with the Master Plan policy, such as: mixed-income, mixed-use, new urbanism concepts, and infill development. If projects do not meet these Master Plan policy goals, further review of the project financing will be undertaken, which may result in one of the following: (1) Greater developer contribution; (2) City reduced participation; and (3) Redefining scope of project.

- B. Content of Application.** The Application for Redevelopment desiring TIF shall consist of a completed current application form accompanied by: (1) appropriate non-refundable application fee; (2) a general description of the new improvements to be undertaken; (3) a descriptive list of the public improvements for which TIF is requested; (4) a list of the kind, number, and location of all proposed improvements (public and private) on the property; (5) a map, property description, and field notes; (6) financial pro formas; (7) a description of how the project will contribute to the revitalization of the parcel and/or surrounding community; (8) a written demonstration of how the TIF is needed for the economic viability of the project, as planned; and (9) a time schedule for undertaking and completing the proposed improvements, (10) a market feasibility study, and (11) a cost benefit analysis and all items under Section I paragraph M and APPENDIX C of these guidelines.

- C. Public Hearing and Notices.** By State law, the governing body of a city may not adopt an ordinance designating a reinvestment zone until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be clearly posted or identified on the City Council Agenda at least 7 days prior to the hearing and published in a local newspaper. The presiding officers of eligible jurisdictions shall be notified in writing at least 7 days prior to the hearing. Although, State law allows areas currently designated as either: (1) a federal Empowerment Zone or Enterprise Community, (2) a designated State Enterprise Zone, or (3) a Defense Economic Adjustment Zone which have already received designation as reinvestment zone, a Public Hearing may still be held at the discretion of the City of San Antonio.

- D. Agreement.** In order to enter into an agreement with other taxing entities or private developer related to reinvestment zones for TIF, the City of San Antonio must find that the terms of the proposed agreement meet these Guidelines and Criteria.

- E. Roles and Responsibilities.** The roles and responsibilities of the parties involved with TIF-related projects are as follows:

City: To administer the TIF process, which include, but are not limited to; application review and analysis, statutory presentations, TIRZ Board administration, TIF fund

administration, and issue reimbursement(s) for public improvement costs completed and submitted, upon approval of the TIRZ Board.

TIRZ Board: To provide direction to TIRZ Board administrator on issues related to respective TIF project and provide accurate and quarterly reports to TIRZ Board Administrator (due the first of October, January, April and July or the first business day thereafter) that includes, but are not limited to; copies of publicly bid documents for public improvements, detailed invoices related to project costs, disclosure of any relevant changes in project, ownership, financial stability, or any anticipated assignment. Furthermore, a TIRZ Board must adopt and adhere to by-laws for which it is governed.

- F. Administration.** Reinvestment zone proposals or petitions and applications submitted primarily for *residential* purposes will be reviewed, processed, and coordinated by the City of San Antonio Neighborhood Action Department, other departments, and/or its consultants. Reinvestment zone proposals or petitions submitted for primarily *non-residential* purposes will be reviewed, processed, and coordinated by the City of San Antonio Economic Development Department, other departments, and/or its consultants. The City of San Antonio may act as the administrator of *residential and non-residential* reinvestment zones for the purposes of reviewing compliance with any agreements between the City, other taxing entities and/or developer, as well as, providing tax increments to developers for the purpose of reimbursement for public improvements completed, as approved by the respective TIRZ Board.
- G. Reinvestment Zone Boards.** As required under Chapter 311 of the Texas Tax Code, the City Council will establish a reinvestment zone board of directors for each and every TIF reinvestment zone designated. Other taxing entities may appoint at least one representative to each zone board, and the composition of each reinvestment zone board will comply with provisions of Section 311.009 of said Chapter.
- H. Assignment.** Any agreement entered into between the City of San Antonio and/or a reinvestment zone board with a private developer may be assignable to a new owner only with prior City Council approval.
- I. Severability.** In the event any section, subsection, paragraph, subparagraph, sentence, phrase or work herein is held invalid, illegal, or unenforceable, the balance of these Guidelines shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase or word. In such event there shall be substituted for such deleted provisions a provision as similar as possible in terms and in effect to such deleted provision that is valid, legal and enforceable.
- J. Effective Date of Guidelines.** These amended Guidelines and Criteria are effective through September 30, 2002. Until that time, these amended Guidelines and Criteria may be amended or repealed only by a vote of a majority of the City Council.
- ~~**K. Effective Date of TIRZ:** Each TIRZ will take effect immediately upon passage of ordinance as required under Chapter 311 Section 311.004 of the Texas Tax Code.~~

APPENDIX A

DEFINITIONS

- A. Public Improvement(s): Permanent improvements that are beneficial and accessible to the general public contingent upon approval by the City.
- B. “Defense Economic Readjustment Zone” is an economic incentive for business recruitment and job creation in adversely impacted defense-dependent communities. The Defense Economic Readjustment Zone Program is a State program modeled after the Texas Enterprise Zone Program. The zone area must be greater than one square mile but less than 20 square miles; be located within an adversely affected defense-dependent community; and have a former or existing military installation account for 50% of its total area. The zone is designated for seven years. The zone is automatically a reinvestment zone.
- C. “Enterprise Zone” is a local-option, economic development tool that allows a community to partner with the State to offer a package of local and state tax and regulatory benefits to new or expanding businesses in distressed areas. More specifically, a zone is a geographic area nominated by a city or county or a combination of cities and/or counties through an application to the State Department of Economic Development. The area must meet at least one of two possible primary distress criteria (high unemployment or population loss) and one of possible eight secondary distress criteria. The area must have a continuous boundary and be at least one square mile in size, but not larger than 10 square miles or 5% of the governing body’s/bodies’ jurisdiction (up to 20 square miles), whichever is larger. The designation period for a zone is seven years. An enterprise zone is automatically a reinvestment zone.
- D. “Real Property” means land and its improvements.
- E. “Reinvestment Zone” is an area where the city has decided to influence development patterns and attract major investments that will contribute to the development of the city through the use of incentives for specified real property improvements.
- F. “Retail Industry Facility” means buildings and structures, including fixed machinery and equipment, used or to be used for the sale of commodities or goods to ultimate consumers.
- G. “Targeted Industries” are those businesses that the City of San Antonio has identified as desirable businesses that make job-producing investment in the city limits of San Antonio, that diversify the local economy, expand the tax base and create or retain quality jobs. Those businesses include aviation, biotechnology, communications (customer call centers, office operations, fiber optic installations, electronic device manufacturing, etc.), corporate-level headquarters/offices, high technology, information/business services (customer call centers for financial, maintenance, manufacturing, distribution, etc.), manufacturing, research and development, warehousing/distribution, and defense-related operations. See definitions below:

- “Aviation Industry Facility” means buildings and structures within the city limits of San Antonio, including fixed machinery and equipment used or to be used in the operation, maintenance, modification, service, research and development, manufacture, and storage of aircraft or aircraft parts or the sale of aircraft or aircraft parts.
- “Biomedical/Biotech Research Facility” means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production process thereto; may include medical and pharmaceutical products.
- “High-Technology Facility” means buildings and structures, including fixed machinery and equipment, used in the manufacturing of computer equipment, related equipment, pharmaceutical, or communications equipment and other high-technology related Products. Includes such areas as microchip manufacturing and electronic equipment manufacturing.
- “Manufacturing Facility” means building and structures, including fixed machinery and equipment, used or to be used for the mechanical or chemical transformation of materials or substances into new products. Establishments engaged in assembling component parts of manufactured products are also considered manufacturing.
- “Regional Distribution Facility” means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials, where a majority of the goods or services are distributed to points at least 50 miles beyond the San Antonio city limits.
- “Research Facility” means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production process thereto.

APPENDIX B

TARGETED AREAS MAP FOR TIF/TIRZs

Signature

Title

Date

Attachment B

CITY OF SAN ANTONIO NEIGHBORHOOD ACTION DEPARTMENT TAX INCREMENT FINANCING BUDGET FY 2000-2003

ACTIVITY	OBJECT CODE	INDEX CODE	DESCRIPTION	ANNUAL BUDGET FY 03
61-01-06	00-008	NEW	MISCELLANEOUS REVENUE-TIF APPLICATION FEE	\$24,000.00
61-01-06	00-008	NEW	MISCELLANEOUS REVENUE-TIF PROCESSING FEE	\$248,000.00
61-01-06	00-008	NEW	MISCELLANEOUS REVENUE-TIF ADMINISTRATIVE FEE	\$40,000.00
61-01-06	00-008	NEW	MISCELLANEOUS REVENUE-GEN FUND TRANSFER-TIF	\$100,000.00
61-01-06	00-008	NEW	MISCELLANEOUS REVENUE-ONE-TIME GEN FUND TRANSFER	\$52,031.00
		00	TOTAL MISC. REVENUE-TIF	\$464,031.00

OBJECT CODE	INDEX CODE	DESCRIPTION	ANNUAL BUDGET FY 03
61-01-06	01-010	REGULAR SALARIES AND WAGES	\$267,970.00
	01-030	RETIREMENT BENEFITS-SOC. SEC.	\$20,499.71
	01-040	RETIREMENT BENEFITS-TMRS	\$30,602.17
	01-050	FLEXIBLE BENEFITS CONTRIBUTIONS	\$33,538.00
	01-151	LIFE INSURANCE	\$610.97
	01	TOTAL PERSONAL SERVICES	\$353,220.85

02-110	NEW	COMMUNICATIONS	\$5,775.00
02-112	NEW	DIGITAL PAGER SERVICE	\$618.00
02-113	NEW	MAIL AND PARCEL POST SERVICE	\$1,500.00
02-124	NEW	TRAVEL-OFFICIAL	\$3,500.00
02-128	NEW	EDUCATION	\$7,500.00
02-132	NEW	SOFTWARE LICENSING	\$2,800.00
02-172	NEW	AUTOMATIC DATA PROCESSING	\$3,245.00
02-175	NEW	ADVERTISING & PUBLICATION	\$7,000.00
02-178	NEW	MEMBERSHIP DUES AND LICENSES	\$2,000.00
02-181	NEW	BINDING, PRINTING, AND REPRODUCTION	\$5,600.00
	02	TOTAL CONTRACTUAL SERVICES	\$39,538.00

03-210	NEW	OFFICE SUPPLIES	\$8,000.00
03-243	NEW	COMPUTER SOFTWARE	\$3,731.00
	03	TOTAL COMMODITIES	\$11,731.00

05-360	NEW	COMPUTER EQUIPMENT	\$11,300.00
05-373	NEW	MACHINERY AND EQUIPMENT - OTHER	\$827.00
05-375	NEW	FURNITURE AND FIXTURES	\$15,733.00
	05	TOTAL COMMODITIES	\$27,860.00

TOTAL FY 2003 TIF UNIT BUDGET (SECTION TOTALS) \$432,349.85

GROSS ENDING BALANCE \$31,681.15

61-01-06 PERSONNEL COMPLEMENT

# of Positions	Job Class	Position Title
1	Existing	0865 Special Projects Officer
1	New	0870 Special Projects Coordinator
2	New	0817 Financial Analyst
1	New	0135 Construction Coordinator
1	New	0065 Assistant City Attorney III
1	New	0161 Sr. Planner
1	New	0040 Administrative Assistant I

**PROPOSED REVISIONS AND
IMPROVEMENTS TO TAX INCREMENT
FINANCING (TIF) PROGRAM**

**City Council
October 24, 2002
Item #38**

TODAY'S COUNCIL CONSIDERATION

Staff is seeking Council consideration & approval of the proposed:

- Amend the City's Tax Increment Financing (TIF) guidelines as amended and approved on October 12, 2000 which expired September 30, 2002
- Approve a schedule of fees for the application and processing of the application as well as the administration of the reinvestment zones
- Establish one central unit in the Neighborhood Action Department to administer all residential and commercial TIFs
- Amend the FY 2002-03 Adopted Budget by establishing a fund, budget and personnel complement for a first year cost of \$432,350
- Amend Section 6-301 of the City Code to add the Tax Increment Reinvestment Zones to comply with the Universal Design policy

OVERVIEW

- I. BACKGROUND & PURPOSE
- II. CURRENT TIF PROCESS
- III. CURRENT STATUS
- IV. PROPOSED TIF REVISION GOALS
- V. BACKGROUND OF PROPOSED REVISIONS
- VI. NEW PROPOSED TIF PROCESS
- VII. PROPOSED STAFFING PLAN
- VIII. COORDINATION WITH OTHER TAXING ENTITIES
- IX. BENEFITS OF PROPOSED REVISIONS
- X. IMPLEMENTATION PLAN
- XI. COORDINATION AND RECOMMENDATION

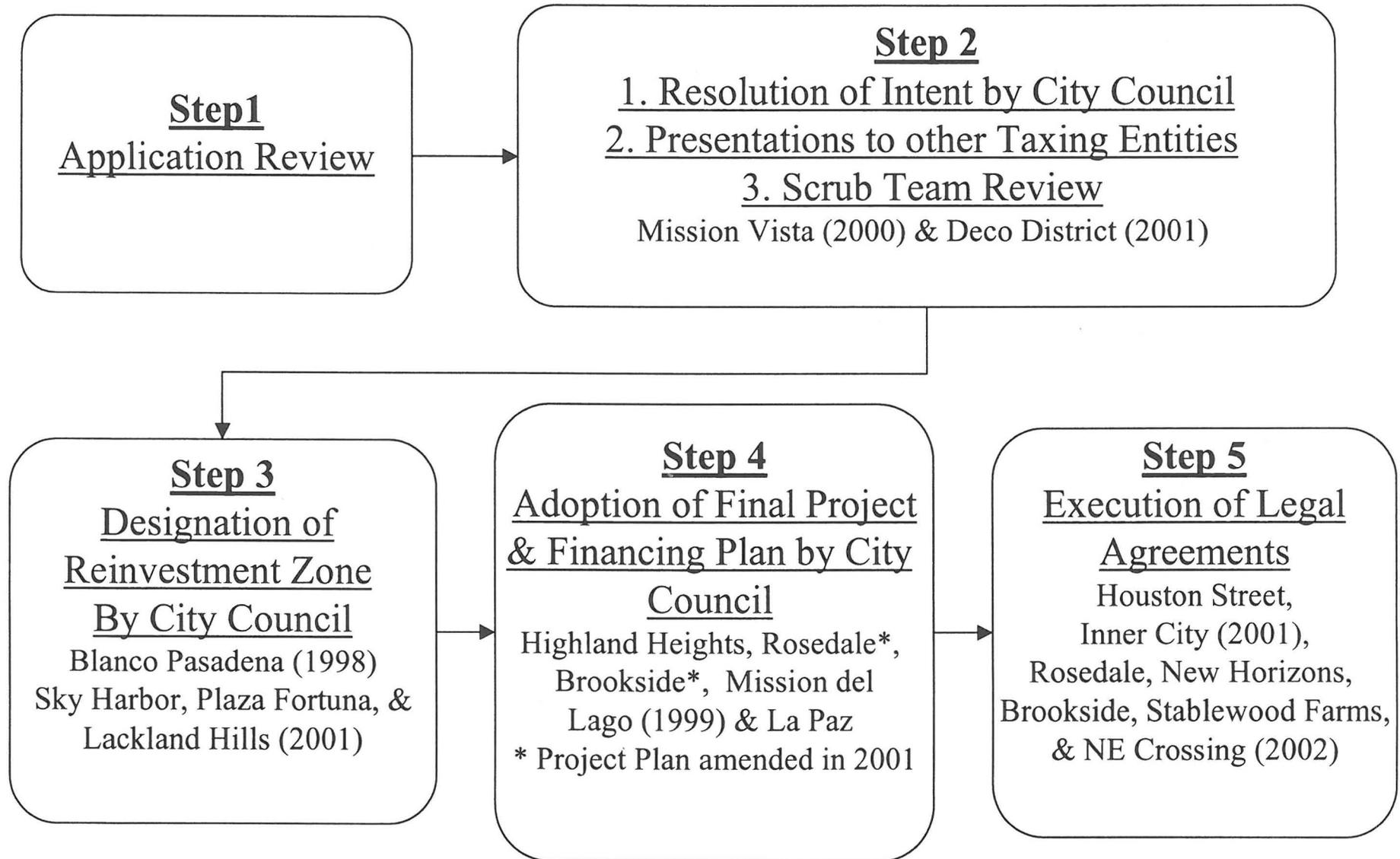
I. BACKGROUND & PURPOSE

- In 1998 City Council adopted guidelines for establishing TIF program in accordance with CRAG recommendation
- Tax increment financing is a tool, governed by the TIF Act, found in Chapter 311 of the Texas Tax Code, that local governments can use to publicly finance needed residential and commercial improvements and enhanced infrastructure within a defined area, called a Tax Increment Reinvestment Zone (TIRZ)
- TIF Act specifies that areas to be designated as a TIRZ must be economically distressed, unproductive, underdeveloped, or blighted, and impair the City's growth because of those factors
- Cities may not designate an area as a TIRZ, solely for the purpose of encouraging future development in that area

BACKGROUND & PURPOSE (cont'd)

- CRAG identified, and City adopted in TIF Guidelines, target areas for TIRZs are those primarily inside Loop 410 and south of Highway 90
- Each taxing unit that levies taxes against the property may contribute future tax revenues to a TIF Fund, to repay developers for the cost of infrastructure improvements to the TIRZ
- Original participating taxing entities included the City, Bexar County, Alamo Community College District, University Health System, and local school districts
- Statutory changes may prevent University Health System and local School Districts from further participation in TIF
- Current Participating Taxing Entities are the City, Bexar County, and the Alamo Community College District
- TIF Guideline Revisions adopted by City Council in October 2000 expired September 30, 2002

II. CURRENT TIF PROCESS



- Since 1998, 16 applications were submitted; 7 applications have been processed through Step 5 - Execution of Legal Agreements

TIF Scrub Team

➤ Scrub team positions include Planner II, Sr. Planner, Finance Officer, Engineer, Attorney, and Assistant Fire Chief

➤ The following departments are represented:

- Finance
- Budget & Management
- Public Works
- City Attorney's Office
- Development Services
- Planning
- Environmental Services
- Parks & Recreation
- Fire
- Economic Development

III. CURRENT STATUS

- To date, all TIFs have received 100% participation from the City
- 7 residential and 2 commercial TIFs have adopted Final Projects and Financing Plans
 - Rosedale(7), Highland Heights(3), New Horizons(7), Mission del Lago(3), Brookside(3), Stablewood Farms(4), North East Crossing(2),
 - Houston Street (1) and Inner City (1&2)
- 2 Residential TIF Final Project and Financing Plans anticipated to be finalized within the calendar year
 - Plaza Fortuna (7) & Sky Harbor (4)
- 5 residential and 1 commercial project currently in TIF process
 - Lackland Hills (4), Mission Creek(3), Miller Pond(4), Patton Heights(4), Applewood Ranch(4)
 - Westpoint (6)
- 12 new applications have been received and are being evaluated for completeness and prioritization

(#) indicates City Council District

IV. PROPOSED TIF REVISION GOALS

- Establish one central TIF Unit to administer all TIF projects (Residential and Commercial)
- Provide for more effective administration and fiscal management of TIF program
- Increase number of TIF applications processed annually
- Improve quality of residential & commercial developments by holding TIF projects to higher development standards
- Refocus development of TIF Projects in targeted areas currently established by City Council
 - South of Hwy 90
 - Inside Loop 410

V. BACKGROUND OF PROPOSED REVISIONS

Meetings with Stakeholders

- NAD staff and Scrub Team members met with private & non-profit developers and consultants to discuss proposed revisions to TIF Guidelines on August 26th and September 23rd
- Thirty-five invitations for both meetings were mailed to developers with current TIF projects, as well as a random sampling of developers provided by the Greater San Antonio Builders Association
- Comments from the meetings are included in this presentation, as well as staff's recommendations on the following fourteen proposed revisions

PROPOSED REVISION # 1: UNIVERSAL DESIGN POLICY

Current Practice: At direction of Council, TIFs were excluded from original Universal Design Ordinance adopted April 2002. Staff was directed to evaluate fiscal impact to developer and bring recommendation to the Council. Estimated fiscal impact to project is between \$350 - \$650 per unit.

Proposed Revision:

Universal Design Policy to require specific design features to create barrier-free construction in new single family homes, duplexes and triplexes.

Developer Suggestion:

No Developer opposition received. Some are already incorporating policy.

Final Staff Recommendation:

All future TIF developments shall adhere to the Universal Design Policy.

PROPOSED REVISION #2: ANNEXATION AND TIF PROJECTS

Current Practice: No time length stipulation given as to how long a project location must be in the City of San Antonio limits before it can become a TIRZ.

Proposed Revision:

All new TIF-funded projects must be located in the San Antonio City limits for at least one year prior to submission.

Developer Suggestion:

Eliminate proposed 1 year requirement.

Final Staff Recommendation:

Accept developer suggestion, keep current practice and eliminate proposed 1 year requirement. Construction & operating costs of new public facilities deemed necessary for the development, would be negotiated in the development agreement.

PROPOSED REVISION #3: EDWARDS AQUIFER RECHARGE

Current Practice: No policy with regards to development over the Edwards Aquifer Recharge Zone.

Proposed Revision:

No TIFs will be accepted where all or part of the proposed TIF boundaries fall over the Edwards Aquifer Recharge Zone.

Developer Suggestion:

No Developer opposition received.

Final Staff Recommendation:

Implement proposed revision and insure that no future TIF developments shall take place over the Edwards Aquifer Recharge zone.

PROPOSED REVISION #4: MIXED USE REQUIREMENT

Current Practice: Not addressed

Proposed Revision:

If the TIF exceeds 20 acres, then at least twelve percent (12%) of the gross land area must be utilized for retail, service, civic, parks or mix uses. These guidelines exist for Traditional Neighborhood Developments (TNDs) as described in the UDC & Master Plan.

Developer Suggestion:

Exceptions will be considered based on developer's ability to illustrate if these amenities already exist.

Final Staff Recommendation:

If the residential TIF exceeds 20 acres, then at least 12% of the gross land area must be utilized for retail, service, civic, office, or park uses.

- The use must be located within a quarter (1/4) mile of the TIF boundary measured by the most direct public path of travel.
- If two of the listed uses meet the distancing requirement, then the mixed use requirement can be waived.
- If one of the listed uses meets the distancing requirement, then staff will set a percentage, less than 12 percent, for the remaining uses.

PROPOSED REVISION #5: CONSTRUCTION AND OPERATING COSTS OF NEW CITY FACILITIES

Current Practice: Not addressed.

Proposed Revision:

In projects that may yield/ require the construction of a new City facility, the developer must pledge a monetary contribution to offset the costs of operating expenses.

Developer Suggestion:

For projects that would lead to the new construction of a city facility, propose a pro rata share that would be paid on the backend of the TIRZ by the TIF.

Final Staff Recommendation:

Construction, Operating Costs, Pro Rata Share and Timing of Payments will be negotiated in the development agreement and will be consistent with all City Master Plans.

PROPOSED REVISION #6: COMMERCIAL USE MAXIMUM FRONT SETBACK REQUIREMENT

Current Practice: Not addressed

Proposed Revision:

All commercial uses shall have maximum front setback of 35 feet.

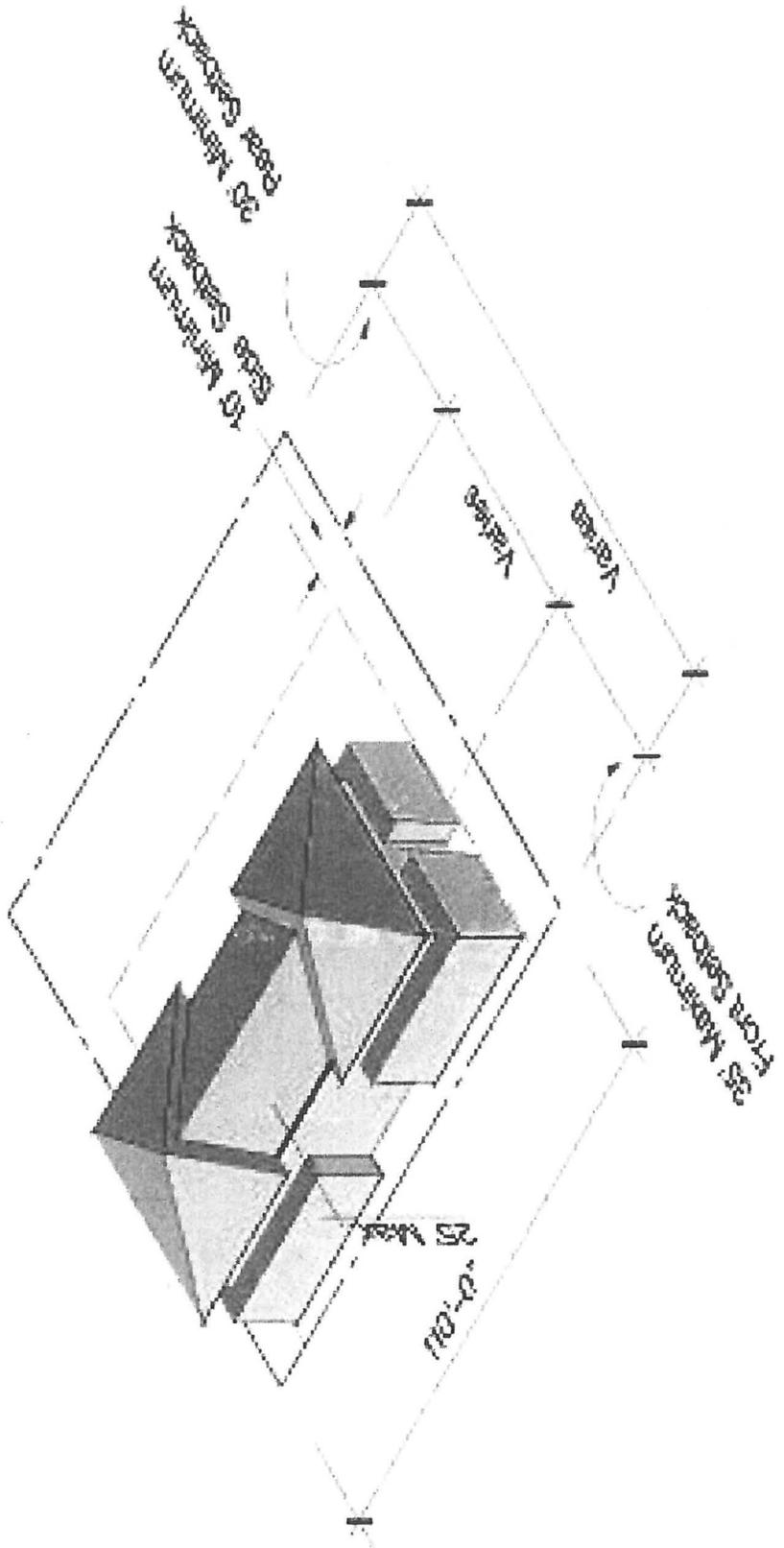
Developer Suggestion:

Eliminate maximum front setback requirement of 35 feet.

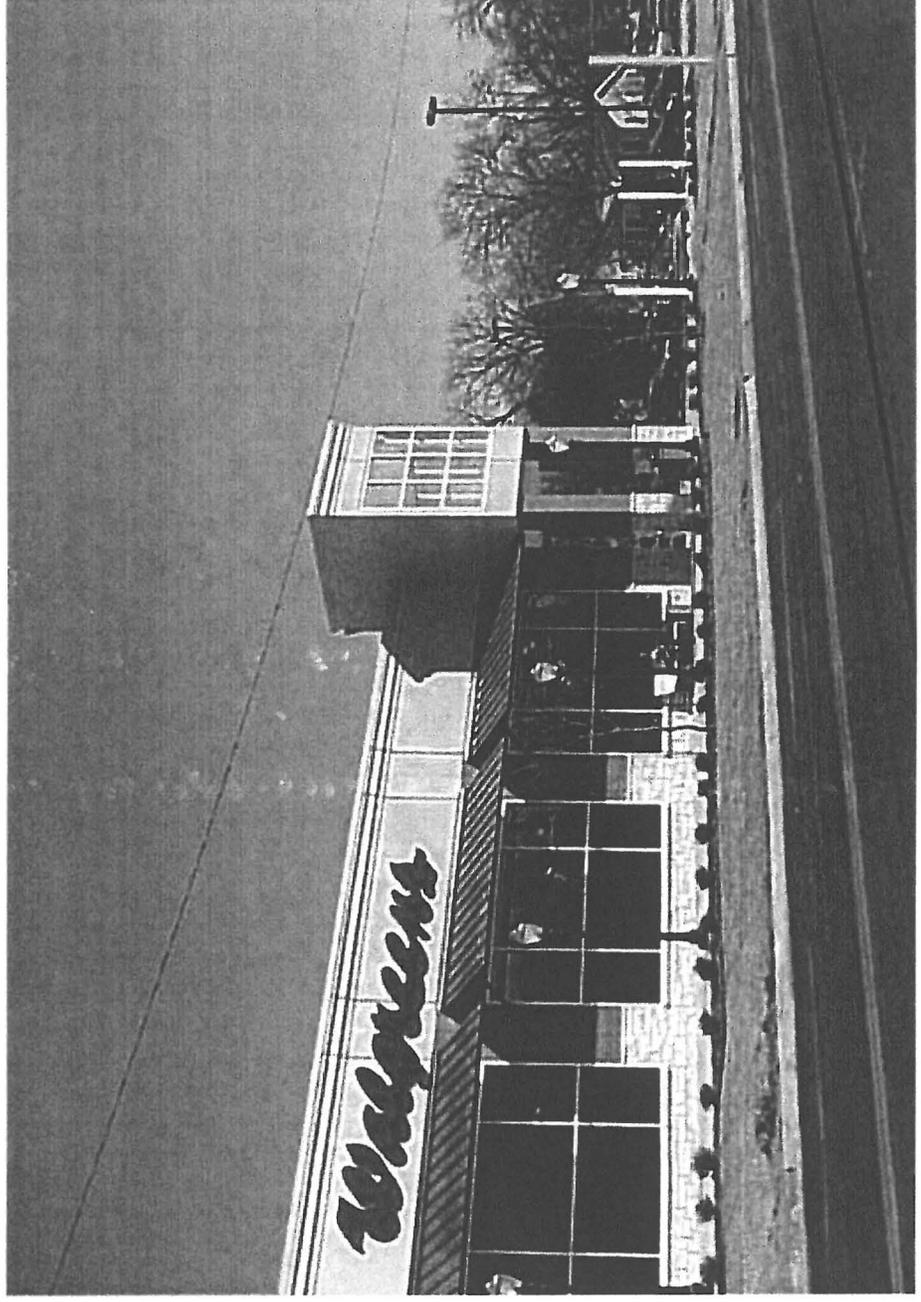
Final Staff Recommendation:

Uses permitted within the C-2 zoning district located within a TIF shall have a maximum front setback of 35 feet unless the proposed commercial development fronts on an expressway identified in the City's Major Thoroughfare Plan. Buildings shall contain ground level windows. Higher standards are strived for projects that involve City funds like a TIF.

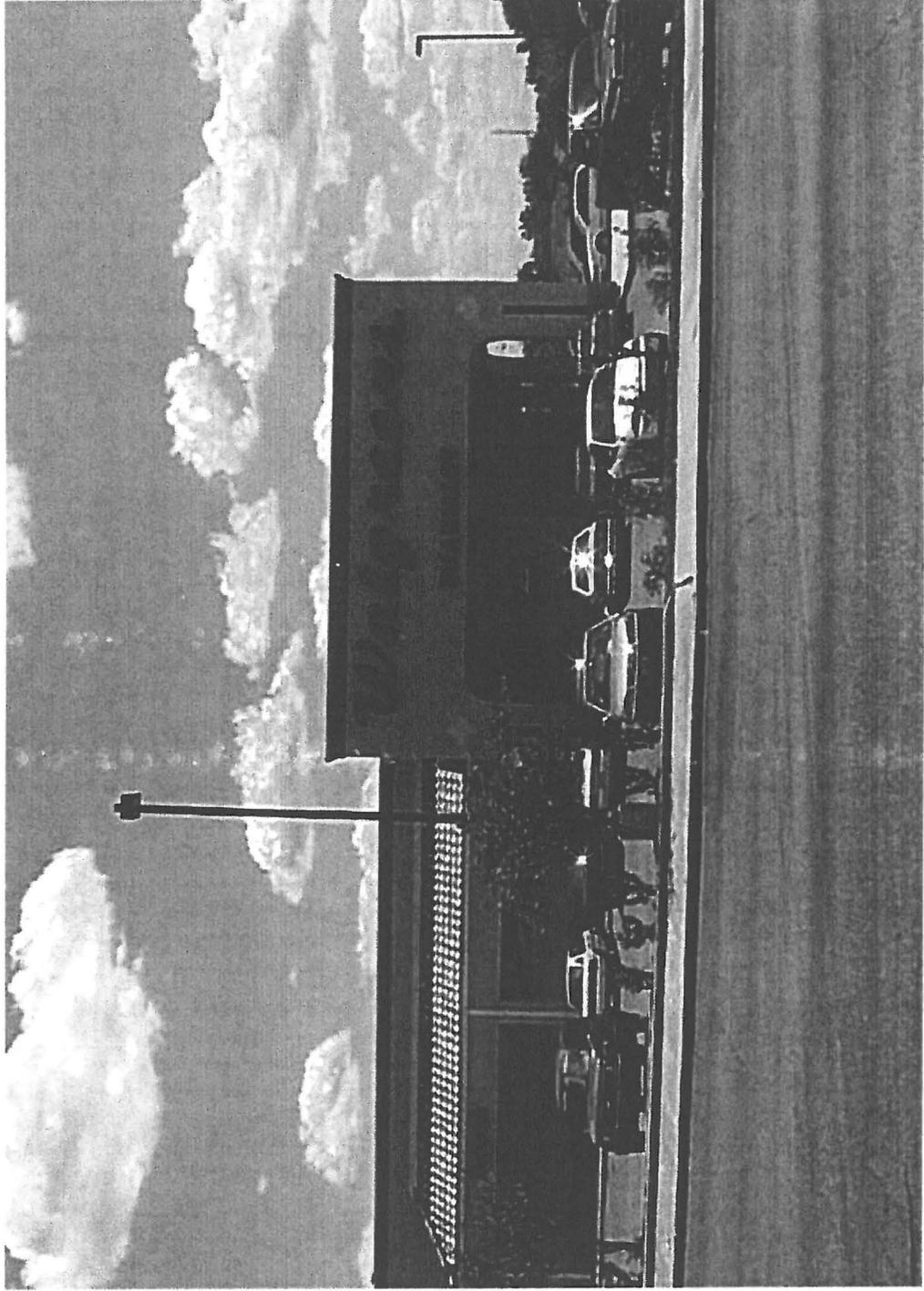
Commercial Use Maximum Front Setback Requirement



MEETS COMMERCIAL USE MAXIMUM FRONT SETBACK REQUIREMENT



**DOES NOT MEET COMMERCIAL USE MAXIMUM
FRONT SETBACK REQUIREMENT**



PROPOSED REVISION #7: STREET CONNECTIVITY RATIO

Current Practice: Not addressed.

Proposed Revision:

Street connectivity ratio shall not be less than 1.6.

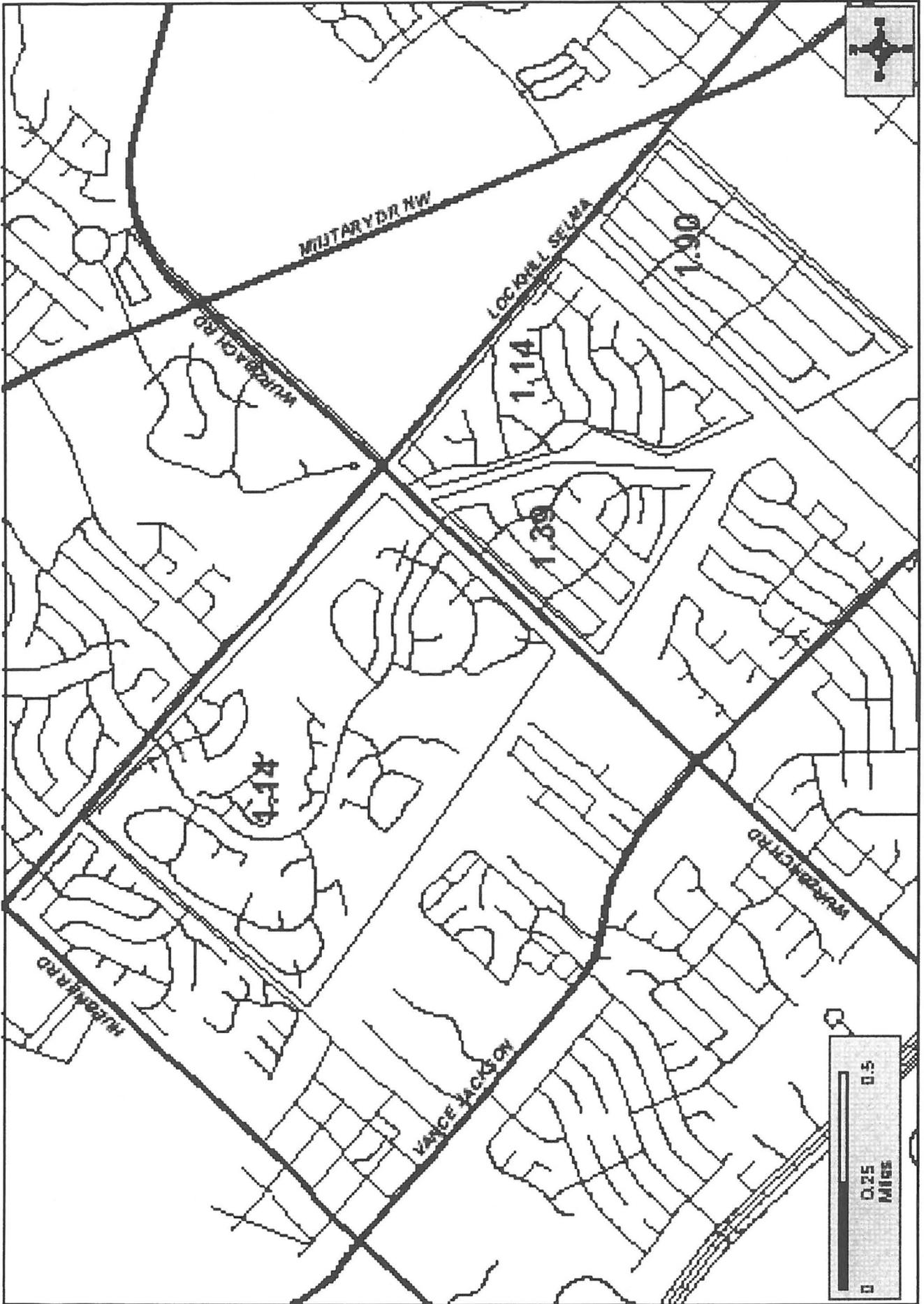
Developer Suggestion:

Exceptions will be considered for topography variances in the development.

Final Staff Recommendation:

Street connectivity ratio shall not be less than 1.6. Higher standards are strived for projects that involve City funds like a TIF. The UDC set a minimum standard of 1.2 for a street connectivity. A perfect street grid has a connectivity ratio of 2.0. Given typical lot sizes and the number of houses constructed in a TIF, the developments need greater connectivity to ease traffic burdens. A topographical variance would be considered if, in order to reach the required street connectivity ratio, the street layout would require a street to exceed a grade of 12 percent.

Connectivity Ratios of Existing Neighborhoods in San Antonio



PROPOSED REVISION #8: AVERAGE LENGTH OF BLOCKS

Current Practice: Not addressed.

Proposed Revision:

Blocks shall have an average length not exceeding 400 feet, with no block exceeding 700 feet in length.

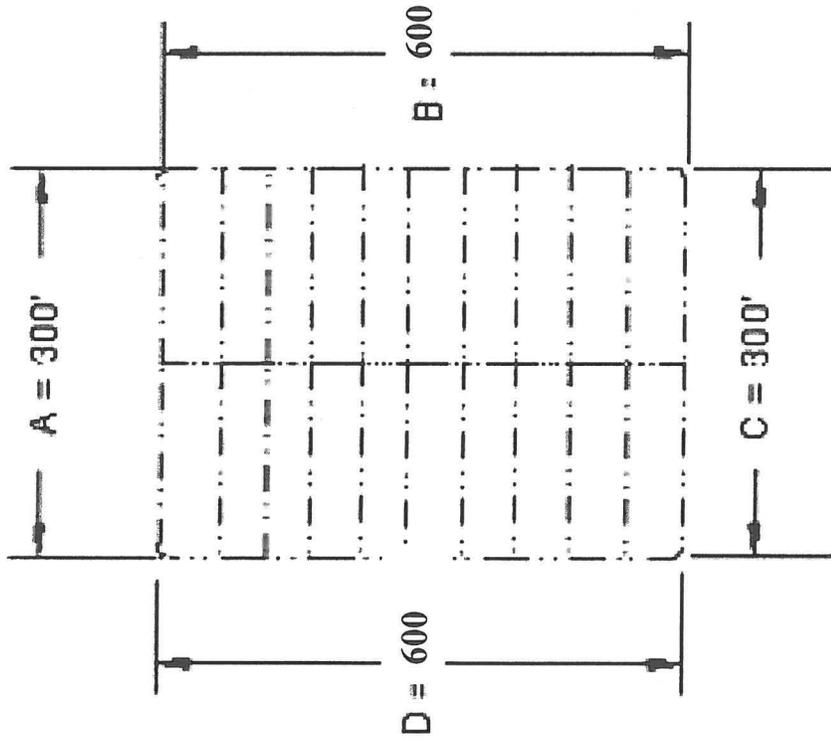
Developer Suggestion:

Amend 400 feet to 600 feet and amend 700 feet to 800 feet.

Final Staff Recommendation:

Blocks shall have an average length not exceeding 600 feet, with no block exceeding 800 feet. The City's Master Plan & UDC supports policies to encourage the submittal of Traditional Neighborhood Developments (TNDs). Higher standards are strived for projects that involve City funds like a TIF.

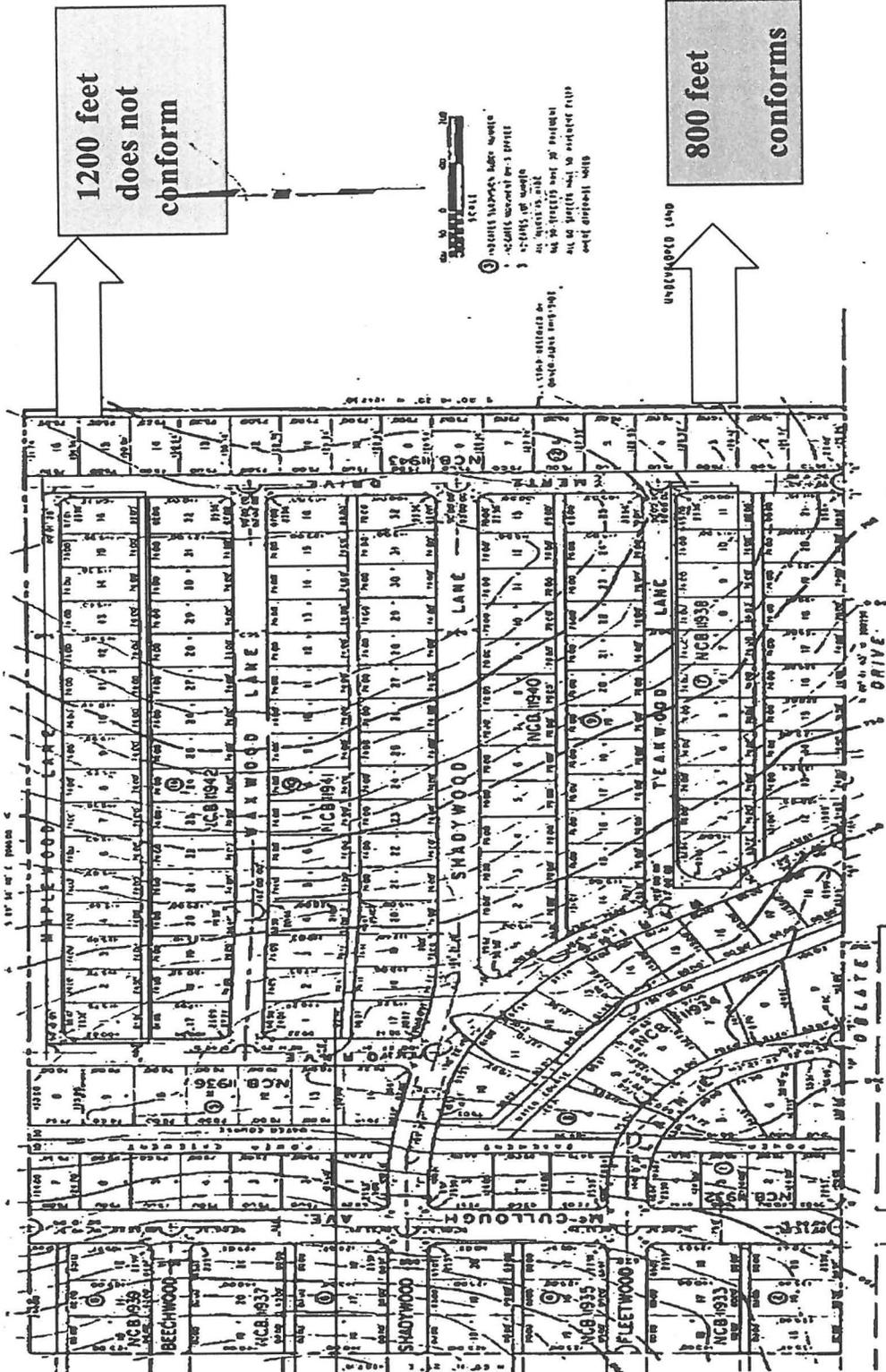
AVERAGE LENGTH OF BLOCKS



A, B, C and D are Block
Lengths

$A + B + C + D = \text{Block}$
Perimeter

Example of Block Lengths in Ridgeview Subdivision



Filed for record 2/28/1940 by A. D. 1955 et al. Plats of Block A.A.M.
 Recorded & Indexed 2/28/1940 by A. D. 1955 et al. Plats of Block A.A.M.
FRED HUNTER,
 County Clerk, Bexar County, Texas

RIDGEVIEW
 58.023 ACRES OF LAND OUT OF



PROPOSED REVISION #9: TERMINATING A TIRZ

Current Practice: Incorporates statutory provisions for termination of a TIRZ.

Proposed Revision:

City may elect to terminate a TIRZ if 50% of the housing and/or commercial construction scheduled for initial three-year period, from date TIRZ is created, is not complete.

Developer Suggestion:

Take into account market conditions before terminating a TIRZ.

Final Staff Recommendation:

City may elect to terminate a TIRZ if 50% of the housing and/or construction projected for years 1, 2, & 3 from date TIRZ is created is not complete. Infrastructure construction does not count toward construction schedule, only housing and/or commercial units. Any default of the terms contained in the Development Agreement that is not cured within the 90 day time frame contained in the Development Agreement may also result in Zone Termination.

PROPOSED REVISION #10: PRELIMINARY PLAN REVIEW PROCESS (OPTIONAL)

Current Practice: No pre-application process.

Proposed Revision:

Developer may request meetings with appropriate City Staff prior to submitting a TIF application. The meeting will cost \$75 per hour and should be scheduled through the TIF Unit.

Final Staff Recommendation:

Modeled after preliminary plan review services provided by the Development Services Department, developer may request meetings with appropriate City Staff prior to submitting a TIF application to obtain technical assistance. Each meeting will cost developer \$75 per hour and will be scheduled through the TIF Unit.

Developer Suggestion:

No Developer opposition received.

PROPOSED REVISION # 11: APPLICATION FEE

Current Practice: A non-refundable range of \$1,000 to \$3,000 charged based on number of affordable units created.

Proposed Revision:
\$3,000 charged for all applications.

Developer Suggestion:
TIF consultant suggested waiver of all fees. Developers had no objection to application fee but requested justification.

Final Staff Recommendation:

A non-reimbursable, non-refundable \$3,000 application fee for all applications to support administration costs of initial review for completeness, HNAT and Urban Affairs Presentations, preparation of Resolution of Intent.

PROPOSED REVISION #12: NEW PROCESSING FEE – PAID BY THE DEVELOPER BUT REIMBURSABLE

Current Practice: No processing fees charged on TIF applications.

Proposed Revision:
\$31,000 new processing fee paid by developer no later than 10 days after passage of Resolution of Intent.

Developer Suggestion:
Processing fees should be reimbursable with TIF funds.

Final Staff Recommendation:
New \$31,000 processing fee paid by developer but is reimbursable with TIF funds. The fee supports upfront administrative requirements, scrub team coordination, participating taxing entity presentations, designation of zone, zone plans and financial and legal document preparation, negotiation and execution.

PROPOSED REVISION #13: REVENUES GENERATED FROM TIRZ TO PAY ADMINISTRATIVE FEES

Current Practice: Current administrative fees varied and were negotiated with developers. These fees are generated & paid by the TIRZ.

Proposed Revision: Funds generated by each TIRZ

- **First year Revenues received only:** 10% of total projected revenues for each newly created TIRZ or \$75,000, whichever is the lesser of the two. These revenues will be divided among all participating taxing entities.
- **2nd year Revenues received – end of TIRZ:** 5% of projected annual revenues or \$50,000, whichever is the lesser of the two.

Developer Suggestion:

Keep \$10,000 as set amount per year admin. costs after 1st year.

Final Staff Recommendation:

Implement City's proposed administrative fee policy to support monitoring activities through life of TIF projects.

HIGHLIGHTS OF ADMINISTRATIVE RESPONSIBILITIES

Initial & First Year duties:

- Review for acceptance of application
- Staff Review and Processing
- Interdepartmental Review / Approval Process
- Notices to taxing entities of TIF designation
- Development of financial & legal documents
- Presentations to other taxing entities
- Facilitate TIRZ Board meetings
- Ensure execution of interlocals & development agreement by all parties
- Transmit interlocals and development agreements to other taxing entities and file final copies with City Clerk

HIGHLIGHTS OF ADMINISTRATIVE RESPONSIBILITIES

Post zone designation – end of TIRZ duties:

- Review & process reimbursement requests as submitted
- Schedule and facilitate monthly TIRZ Board meetings
- Analyze appraised values for projections
- Maintain & manage TIF fund for balances, amount available for reimbursements, and TIF collections from participating taxing entities
- Prepare & update finance plans
- Invoice participating taxing entities for tax increments
- Amend plans and legal documents, as necessary
- Monitor construction development & compliance with Pro forma
- Provide technical assistance to TIRZ board of directors and developers related to construction issues

PROPOSED REVISION #14: WAIVER OF PROCESSING FEES

Current Practice: Processing fee previously not addressed

Proposed Revision:

No waiver of processing fees

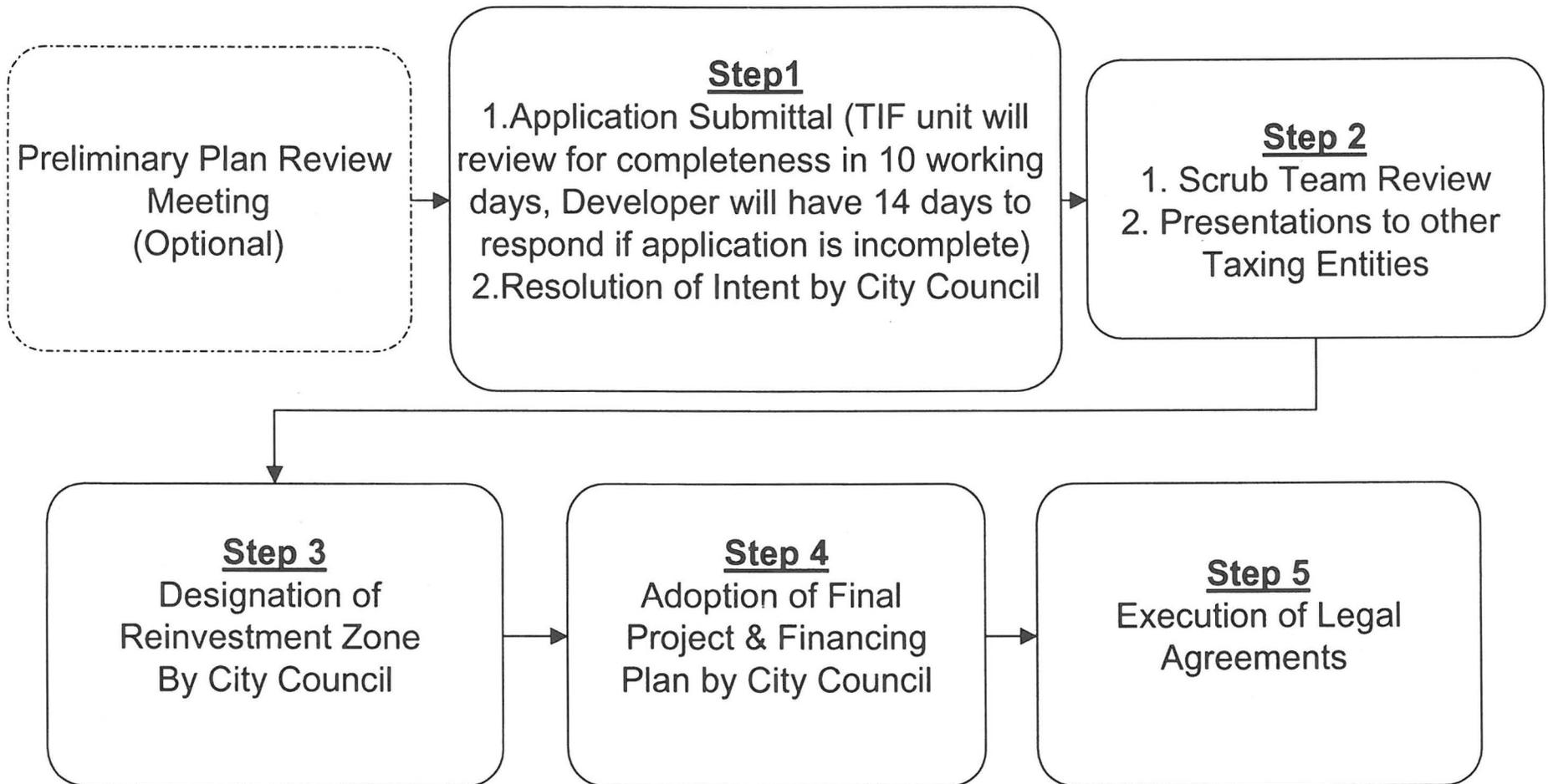
Developer Suggestion:

Non-profit developer expressed concern regarding non-profits capacity to bear process fee. Private and nonprofit developers should be treated the same across the board.

Final Staff Recommendation:

No waiver of processing fees because all TIF projects require same work load.

VI. NEW PROPOSED TIF PROCESS



- **Processing time average of 4 months**

PRELIMINARY PLAN REVIEW MEETING (OPTIONAL)

- TIF applicant has option to request preliminary plan review meetings in advance of submitting an application
- Required TIF staff and Scrub team members will be in attendance to answer any questions the applicant might have
- The benefit to the applicant will be the opportunity to get a full understanding of the process and what is required in the application, as well as any potential issues with the project plan
- The benefit to City Staff will be in receiving more complete applications which translates into faster processing

STEP 1: APPLICATION SUBMITTAL AND RESOLUTION OF INTENT

- TIF Unit will review application for completeness and will send a letter to the applicant either stating the application is complete or that the application is incomplete with a description of the portions that were insufficient (TIF unit will complete this task within 10 working days, Developer will have 14 days to respond if application is incomplete)
- Once an application is deemed complete, it will be distributed to the scrub team & the appropriate steps will be taken so City Council can vote on the Resolution of Intent. Those steps include presentations to the Housing and Neighborhood Action Team and the Urban Affairs Council Committee
- Staff will present to City Council a recommendation of approval during the Resolution of Intent presentation
- \$3,000 application fee is based on an estimated average staff time of 112 hours with personnel costs totaling \$3,153 for processing through Resolution of Intent

STEP 2: SCRUB TEAM REVIEW AND PRESENTATIONS TO OTHER TAXING ENTITIES

- TIF Unit will coordinate with the Scrub team to make sure all the City Departments that are affected by the TIRZ have approved the planned development
- TIF Unit is also required to give statutory presentations to all affected taxing entities
- A 60-day written notice is required to all the taxing entities before the City Council may designate a zone
- Estimated average staff time of 289 hours and personnel costs totaling \$7,813 which includes TIF Unit and Scrub Team

STEP 3: DESIGNATION OF ZONE BY COUNCIL

- A preliminary finance plan must be prepared by TIF Unit to be reviewed by the Finance Department and approved by the City Council
- TIF Unit will hold informal discussions with the various taxing entities to present preliminary financing plan and project plan
- TIRZ Board is created and Board appointed by City Council
- TIF Unit will prepare presentations to the Housing and Neighborhood Action Team as well as the Urban Affairs Council Committee if issues arise, before presenting the project to City Council for designation of the zone
- TIF Unit will make a recommendation to City Council during the designation of the zone
- Estimated average staff time of 430 hours and personnel costs totaling \$11,807 for NAD Management, TIF Unit and Scrub Team

STEP 4: ADOPTION OF FINAL PROJECT AND FINANCING PLAN

- TIF Unit and developer negotiate development agreements
- Draft interlocal agreements with other taxing entities
- Draft TIRZ Board of Directors Bylaws
- TIF Unit coordinates Board Meeting where final project and financing plan, the development agreement, and all interlocals are approved by the board
- TIF Unit presents Final Project and Financing Plan to the Housing and Neighborhood Action Team as well as the Urban Affairs Committee before presentation to City Council.
- Estimated time of 428 hours and personnel costs totaling \$10,542 for NAD Management and TIF Unit

STEP 5: EXECUTION OF LEGAL AGREEMENTS

- TIF Unit coordinates the execution of the interlocals with participating taxing entities and the TIRZ Board
- TIF Unit coordinates the execution of the development agreement with the Developer and the TIRZ Board
- Estimated average staff time of 73 hours and and personnel costs totaling \$1,706 for TIF Unit
 - ✓ If there are amendments to the project or financing plans, steps 2-5 must be repeated

Summary of Estimated Costs Per TIF Steps

- Preliminary Plan Review Process (Optional)
 - Fee: \$75/hour
- Step 1: \$3,153
 - Application Submittal and Resolution of Intent: 112 hours
- Step 2: \$7,813
 - Scrub Team Review and Presentations to other taxing entities: 289 hours
- Step 3: \$11,807
 - Designation of Zone, Creation of Board, TIF Fund: 430 hours
- Step 4: \$10,542
 - Adoption of Final Project and Financing Plan: 428 hours
- Step 5: \$1,706
 - Execution of Legal Agreements: 73 hours
- **TOTAL ESTIMATED COST: \$35,021**
(Proposed application fee of \$3,000 and processing fee of \$31,000 for total of \$34,000)

CURRENT STAFFING

- **Current – 2 Full Time NAD Employees (FTE's)**
 - Special Projects Coordinator
 - Special Projects Officer
- **1 Full Time Equivalent dedicated to TIF from other Departments**
 - Assistant City Attorney II (.5 FTE)
 - Finance Officer (.5 FTE)
- **Coordination with Scrub Team**
 - Scrub Team positions include: Planner II, Sr. Planner, Finance Officer, Engineer, Attorney, and Assistant Fire Chief

VI. PROPOSED STAFFING COMPLEMENT

- **In FY 03, 7 FTE's are proposed to be added – \$340,658 (10-months salary)**
- **One-Time costs total - \$39,661**
- **With this addition, one existing Special Projects Coordinator would be dedicated to HARP and Affordable Showcase of Homes Programs**
- **Full FY 03 Complement would be 8.5 FTEs - \$380,319**
 - 1 Special Projects Coordinator \$ 50,205
 - 2.5 Financial Analysts* \$100,411
 - 1 Construction Coordinator \$ 44,242
 - 1 Senior Planner \$ 44,242
 - 1 Assistant City Attorney III \$ 68,328
 - 1 Administrative Assistant \$ 33,230
 - 1 Special Projects Officer** \$ 52,031
- **In FY 04 if volume and revenues warrant, recommend staffing for 2 additional positions totaling \$114,380**

* .5 FTE will remain in Finance

**Current position, no new funding necessary

REVENUES

Proposed Revenues:

- Application Fee \$3,000
- Processing Fee \$31,000

<u>Projected Revenues</u>	FY 03	FY 04
Number of projected TIF Applications	8*	8
NEW TIF REVENUES:		
Application Fee	\$24,000	\$24,000
Processing Fee	\$248,000	\$248,000
EXISTING TIFs' REVENUES		
Current Administrative Fees from Adopted Project and Financing Plans	**\$40,000	***\$60,000
Projected Totals	\$312,000	\$332,000

*Staff has received 12 applications since September 1, 2002

**Rosedale, Brookside, New Horizons, Stablewood Farms, NE Crossing

***Above projects and Plaza Fortuna & Sky Harbor (Projects being finalized)

PROPOSED STAFFING

	FY 03	FY 04
Beginning Balance	\$0	\$31,682
Projected Revenue ¹	\$312,000	\$332,000
Adopted Budget Improvements	\$100,000	\$100,000
Proposed One-time Budget Transfer of Existing Position	<u>\$52,031</u>	<u>\$0</u>
Total Revenues	\$464,031	\$463,682
Proposed Personnel Complement (8 FTEs)	\$432,350 ²	\$452,927 ³
Gross Ending Balance	\$31,682	\$10,755

¹ Assumes 8 applications processed in FY 03 and FY 04

² Includes One-time costs and 10 months funding for 7 new FTEs

³ Assumes full year funding for all 8.5 FTEs administering TIF Program (no funding associated with .5 FTE in Finance)

VIII. COORDINATION WITH TAXING ENTITIES

- A meeting was held on August 19, 2002 to discuss the proposed TIF guideline revisions with Bexar County. Alamo Community College District representatives were unable to attend but a future meeting with ACCD is being coordinated
- Staff has also requested in writing an itemization of start-up costs incurred by other taxing entities, in order to determine the amount of work / time dedicated to TIF processing

IX. BENEFITS OF NEW TIF PROCESS

- Improve management and monitoring of existing TIRZ
- Increase number of new processed applications
- Improve processing time of applications (4 months average – if there are no development issues)
- Refocus development in targeted areas using City incentive tools
- Increase quality of developments by requiring higher development standards
- Improve responsiveness and customer service

X. IMPLEMENTATION PLAN

- Implementation plan includes:
 - Continue acceptance of TIF applications with a prioritization plan on processing of new TIF applications from Oct. 1 – Dec. 31, 2002
 - Hold education workshops for internal and external customers to review all amendments to the guidelines and ensure proper understanding of such amendments
 - Implement new processes and revisions with support of additional staff

XI. COORDINATION AND RECOMMENDATION

- This item has been coordinated with the following departments:
 - Finance
 - City Attorney's Office
 - Office of Budget and Management
 - Planning
 - Development Services
 - Parks and Recreation
- Staff recommends approval of this ordinance.

**DISCUSSION ON PROPOSED
IMPROVEMENTS TO TAX INCREMENT
FINANCING (TIF) PROGRAM**

City Council

October 24, 2002

Item #38

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
NEIGHBORHOOD ACTION DEPARTMENT**

TO: Mayor and City Council

THRU: Terry M. Brechtel, City Manager

FROM: David D. Garza, Director, Neighborhood Action Department

COPIES: Jelyne LeBlanc Burley; Milo Nitschke; Lou Lendman; Andrew Martin; file

SUBJECT: **REVISIONS TO TAX INCREMENT FINANCING PROGRAM**

DATE: October 24, 2002

SUMMARY AND RECOMMENDATION

This ordinance would amend the City's Tax Increment Financing (TIF) Guidelines as amended and approved by ordinance number 92710 on October 12, 2000. This ordinance would also establish one central TIF Unit within the Neighborhood Action Department to administer all residential and commercial TIF projects, as well as approve a schedule of fees for the application and processing of all TIF Applications and the administration of Reinvestment Zones. The ordinance would approve a budget and staffing complement for the TIF Unit for a first-year cost of \$432,350 and amend the FY 2002-2003 Adopted Budget. This ordinance would also amend the City Code of the City of San Antonio, Texas, Chapter 6, Buildings, Article XII, Section 6-301 by adding a new subparagraph (b)(5) to include Tax Increment Financing in a Tax Increment Reinvestment Zone established in accordance with the Tax Increment Financing Act.

Staff is also recommending an implementation plan which includes:

- Continue acceptance of TIF applications with a prioritization plan on processing of new TIF applications from October 1 – December 31, 2002;
- Assess the proposed fees for any applications presented for Resolution of Intent after October 1, 2002;
- Create and hold education workshops for internal and external customers; and
- Staffing of specialized TIF unit to support proposed process revision.

Staff is recommending approval of this item.

BACKGROUND INFORMATION

In 1998, City Council adopted guidelines and established the TIF program in accordance with a Community Revitalization Action Group (CRAG) recommendation. The Tax Increment Financing Program is an incentive tool to redevelopment, governed by the TIF Act (Chapter 311 of the Texas Tax Code), that local governments can use to publicly finance needed residential and commercial improvements and enhance infrastructure within a defined area, called a Tax Increment Reinvestment Zone (TIRZ). The TIF Act specifies that areas to be designated as a TIRZ must be economically distressed, unproductive, underdeveloped, or blighted, and impair the City's growth because of those factors. Cities may not designate an area as a TIRZ, solely for the purpose of encouraging future development in that area.

CRAG identified, and City adopted in the TIF Guidelines, target areas for TIRZs as those primarily inside Loop 410 and south of Highway 90. Each taxing unit that levies taxes against the property contributes future tax revenues to a TIF Fund which is used to repay developers for the cost of infrastructure improvements. Original participating taxing entities included the City, Bexar County, Alamo Community College District, University Health System, and local school districts. Statutory changes penalize local school districts from further participation in a TIF. Current participating taxing entities include the City, Bexar County, and the Alamo Community College District. TIF Guideline Revisions adopted by City Council in September 1998 (Ordinance 92552) and amended in October 2000 (Ordinance 92710) expired on September 30, 2002.

POLICY ANALYSIS

The proposed revisions to the TIF Program include amendments to the TIF guidelines, a new proposed TIF process, as well as a proposed staffing plan. City staff sent thirty-five invitations to current TIF developers as well as a random sampling of developers provided by the Greater San Antonio Builder's Association and held two meetings to discuss the proposed revisions. This dialogue provided a good opportunity to receive feedback for improving the program. Furthermore, the following revisions are proposed in an effort to pursue higher standards for projects assisted through city programs.

The redline version of the TIF Guidelines indicating the amendments is included as Attachment A. The major revisions to the Guidelines include:

1. All future TIF developments should adhere to the Universal Design Policy adopted by the City Council in April 2002.
2. No TIF projects will be accepted where all or part of the proposed project boundaries fall over the Edwards Aquifer Recharge Zone.
3. Mixed-use requirements whereby if a TIF projects exceed 20 acres, then at least twelve percent (12%) of the gross land area must be utilized for retail, service, civic, office, or parks uses. These guidelines exist for Traditional Neighborhood Developments as described in the Uniform Development Code and the Master Plan.
4. Construction and operating costs of new facilities may be funded through a pledge from a monetary contribution by the developer of a TIF project. These costs as well as the pro-rata share and timing of payments for the additional public services would be negotiated in the development agreement.
5. Uses permitted within the C-2 zoning district located within a TIF shall have a maximum front setback of 35 feet unless the proposed commercial development fronts on an expressway

- identified in the City's Major Thoroughfare Plan. Building shall also contain ground level windows.
6. Street connectivity ratio shall not be less than 1.6. The UDC set a minimum standard of 1.2 for street connectivity. A perfect street grid has a connectivity ratio of 2.0. Given typical lot sizes and the number of houses constructed in a TIF, the developments need greater connectivity to ease traffic burdens. A topographical variance would be considered if, in order to reach the required street connectivity ratio, the street layout would require a street to exceed a grade of 12 percent.
 7. Blocks shall have an average length not exceeding 600 feet, with no block exceeding 800 feet. The City's Master Plan & UDC supports policies to encourage the submittal of Traditional Neighborhood Developments (TNDs).
 8. City may elect to terminate a TIRZ if 50% of the housing and/or commercial construction projected for years 1, 2, & 3, from date TIRZ is created, is incomplete. Infrastructure construction does not count toward construction schedule, only housing and commercial units. The zone may also be terminated if any default of the terms contained in the Development Agreement that is not cured within the 90-day time frame contained in such agreement.
 9. Option for developer to request preliminary plan review process meeting with appropriate City Staff prior to submitting a TIF application. This meeting will provide an opportunity to discuss requirements in the TIF application and process. If requested, the meeting will cost developer \$75 per hour and will be scheduled through the Neighborhood Action Department TIF Unit.
 10. An amendment to the non-reimbursable, non-refundable application fee for all applications is included in the revisions. The proposed \$3,000 fee is to support administration costs of initial review for completeness, internal review processes (HNAT and City Council Urban Affairs), and preparation of the City Council's consideration of a Resolution of Intent.
 11. A new \$31,000 processing fee is proposed with the changes in the TIF Program. This fee is to be paid by developer 10 days after the Council has approved a Resolution of Intent. This fee is reimbursable with TIF funds and would be used to support processing requirements, scrub team coordination, participating taxing entity presentations, designation of zone, zone plans and financial and legal document preparations and negotiations.
 12. The administrative fees will be used to support the ongoing annual monitoring activities required for each TIRZ, which include staffing TIRZ Board meetings. The proposed administrative fee policy is as follows:
 - **First year revenues received only:** 10% of total projected revenues for each newly created TIRZ or \$75,000, whichever is the lesser of the two. These revenues will be divided among all participating taxing entities.
 - **2nd year revenues received thru end of TIRZ:** 5% of annual projected revenues or \$50,000, whichever is the lesser of the two.
 13. The guidelines would not provide for any waiver of processing fees due to the fact that all TIF projects require same workload.

The estimated costs associated with the implementation and approval of a TIF application total \$35,021. The estimated cost associated with each step is as follows:

- Step 1: \$3,153 (Application Submittal and Resolution of Intent)
- Step 2: \$7,813 (Scrub Team Review and Presentations to the other taxing entities)
- Step 3: \$11,807 (Designation of Zone, Creation of Board, Establishing of TIF Fund)
- Step 4: \$10,542 (Adoption of Final Project and Financing Plan)
- Step 5: \$1,706 (Execution of legal agreements)

The TIF Staffing plan proposes an increase in TIF staffing for a total complement of 8.5 FTEs in FY 03. The benefits of the new TIF staffing unit include:

- Improved management and monitoring of existing TIRZ
- Increased number of new processed applications to a minimum of 8 per year
- Improved processing time of applications (4 months average – if there are no development issues)
- Refocused development in targeted areas using City incentive tools
- Increased quality of developments by requiring higher development standards
- Improved responsiveness and customer service

FISCAL IMPACT

Staff is proposing to increase and implement new revenues to support the proposed TIF staffing unit which will provide for a more effective TIF program. The proposed revenues include \$3,000 per application submitted; new \$31,000 processing fee per project upon approval of the Resolution of Intent by City Council. The proposed revenues also include projected administrative fees to be received during FY 03. The following summarizes the proposed FY 03 and projected FY 04 revenues and expenditures:

	FY 03	FY 04
Beginning Balance	\$0	\$31,682
Projected Revenue ¹	\$312,000	\$332,000
Adopted Budget Improvements	\$100,000	\$100,000
Proposed One-time Budget Transfer for Existing Position	\$52,031	\$0
Total	\$464,031	\$463,682 ³
Proposed Personnel Complement (8 FTEs) ²	\$432,350	\$452,927
Gross Ending Balance	\$31,682	\$10,755

¹ Assumes 8 applications processed in FY 03 and FY 04

² Includes One-time costs and 10-months funding for 7 new FTEs, plus costs associated with 1 existing position

³ Assumes full year funding for all 8.5 FTEs administering TIF Program (no cost associated with .5 FTE in Finance)

The proposed staffing complement includes the addition of 7 new FTE's in FY 03 for a first year cost of \$380,319 (10-months salary of \$340,658 plus one-time expenses of \$39,661). The total budget for the TIF Unit for FY 03 is \$432,350, this includes the transfer of the existing position and one-time funding into the proposed TIF Fund in the amount of \$52,031. For FY 04, all costs associated with the 8 FTEs will be funded through the proposed TIF Revenues. With this addition, one existing Special Projects Coordinator would be dedicated to HARP and Affordable Showcase of Homes Programs. The personnel complement and budget for the proposed TIF Unit is included as Attachment B.

Current TIF projects which have been approved by the City Council will maintain existing administrative fees as negotiated and indicated in the development and interlocal agreements. TIF

projects yet to have a Resolution of Intent approved by the City Council will be subject to proposed fees and guidelines, including new application, processing and administrative fees.

COORDINATION

This item has been coordinated with Finance, Public Works, Parks and Recreation, Development Services, Fire, Environmental Services, Planning, the Office of Management and Budget, and the City Attorney's Office. The Housing & Neighborhood Action Team was briefed on the project September 18, 2002. Management Team was briefed on September 24, 2002 and October 8, 2002. This item was presented to the Urban Affairs Committee October 15, 2002 and received favorable review.



David D. Garza, Director
Neighborhood Action



Jelynn LeBlanc Buricy
Assistant City Manager



Terry M. Brechtel
City Manager

Affidavit of Publisher

PUBLIC NOTICE

AN ORDINANCE 96621

AMENDING THE CITY'S TAX INCREMENT FINANCING (TIF) GUIDELINES AS AMENDED AND APPROVED BY ORDINANCE NUMBER 92710 ON OCTOBER 12, 2000; APPROVING A SCHEDULE OF FEES FOR THE APPLICATION AND PROCESSING OF TIF APPLICATIONS AS WELL AS THE ADMINISTRATION OF REINVESTMENT ZONES; ESTABLISHING ONE CENTRAL TIF UNIT WITHIN THE NEIGHBORHOOD ACTION DEPARTMENT TO ADMINISTER ALL RESIDENTIAL AND COMMERCIAL TIF PROJECTS; ESTABLISHING A FUND AND APPROVING A BUDGET; APPROVING A STAFFING COMPLEMENT FOR THE TIF UNIT FOR A FIRST-YEAR COST OF \$432,350.00; AMENDING THE FY 2002-2003 ADOPTED BUDGET; AND AMENDING THE CITY CODE OF SAN ANTONIO, TEXAS, CHAPTER 6, BUILDINGS, ARTICLE XII, SECTION 6-301 BY ADDING A NEW SUBPARAGRAPH (b) (5) TO INCLUDE TAX INCREMENT FINANCING IN A TAX INCREMENT REINVESTMENT ZONE ESTABLISHED IN ACCORDANCE WITH THE TAX INCREMENT FINANCING ACT.

PASSED AND APPROVED
THIS 24TH DAY OF OCTOBER,
2002.

/s/EDWARD D. GARZA
Mayor

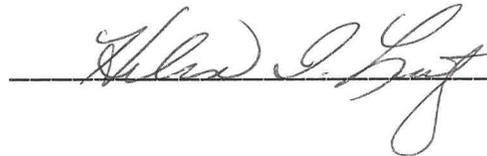
ATTEST:
/s/ NORMA S. RODRIGUEZ
City Clerk
11/6

STATE OF TEXAS,

COUNTY OF BEXAR

CITY OF SAN ANTONIO

Before me, the undersigned authority, on this day personally appeared Helen I. Lutz, who being by me duly sworn, says on oath that she is the Publisher of the Commercial Recorder, a newspaper of general circulation in the City of San Antonio, in the State and County aforesaid, and that the Ordinance 96621 heretofore mentioned has been published in every issue of said newspaper on the following date, to-wit: November 6, 2002.



Sworn to and subscribed before me this 6th day of November, 2002.



Notary Public in and for Bexar County, Texas

