

**All you ever wanted to know about TIRZ #11**  
From Councilmember Ivy R. Taylor, San Antonio District 2

Recently, I have been asked numerous questions regarding the Inner City Tax Increment Reinvestment Zone, also known as the Inner City TIRZ, and how it operates. In an effort to further address the concerns on this issue, the following outlines the history, the process and opportunities to interested constituents.

The Inner City Tax Increment Reinvestment Zone, also known as TIRZ #11, was created in 2000 in an effort to support the development, redevelopment, revitalization and public infrastructure of improvements within a 3.9 square mile, or 2,524 acres, area adjacent to downtown San Antonio. At the time that TIRZ #11 was created, a list of desired community projects was also outlined. Some of the projects did not come to fruition due to lack of funding or capacity by the developer. Additional projects were added to the list over the years. A list of projects that were funded by TIRZ #11 is attached as well as the original project list. The Inner City TIRZ includes portions of City Council Districts 1, 2 and 5 (with the majority of the area lying in District 2) therefore the project list includes projects outside of District 2.

For those who are unfamiliar with how tax increment financing (TIF) works, Tax Increment Financing (TIF) is a special funding tool used by the City of San Antonio to promote public and private investment in areas where little to no private sector investment is currently taking place. A portion of collected taxes are contributed to a fund that is used to help revitalize a designated area of town called a Tax Increment Reinvestment Zone (TIRZ). The funds are used to build and repair roads and infrastructure and rehabilitate historic facilities and existing vacant buildings.

TIF allows future tax revenue to pay for the construction of public infrastructure improvements. Any increment that is created over the base property value at the start of a TIRZ is collected in the TIF fund throughout its life and used for eligible project costs in the TIRZ development. Tax increment is a relatively small amount of money; for example, the City's share is \$0.58 per \$1,000 of value. Increment does not include any existing value - only the new value that is created as a result of the Zone. So the longer a Zone can collect increment, the better. But in order to collect increment, development has to take place first to create the increment. A finance plan is created to show how new development or redevelopment will generate new tax revenue ("tax increment"), and to what extent that tax increment can pay for the public infrastructure that is required to support the new development.

Every Zone is different, but a useful rule of thumb is to expect that for every \$1,000,000 of value a project creates above the Zone's base value, the TIRZ fund will be able to collect about \$8,800 per year. A number of variables will ultimately influence that calculation; the number of taxing entities that are participating in the Zone, their level of participation, changes in tax rates, collection rates, and most importantly, the phasing of the public and private improvements themselves. TIF works best where it is possible to create substantial property value. If values are growing quickly prior to the Designation

of a Zone, the TIF incentive will be underutilized. If values are low and declining or growing slowly, compared to the rest of the City, then the TIF incentive can be maximized. **As of today, TIRZ #11 has \$2,201,087.48 available.**

As you can see, the TIF tool is most effective when projects that are funded stimulate the tax base and therefore generate additional funds that can be invested into the area.

Currently, the City of San Antonio is soliciting request for proposals (RFP) that will enhance East San Antonio through the Inner City Tax Increment Reinvestment Zone (TIRZ #11). The Inner City Tax Increment Reinvestment Zone (TIRZ #11) is comprised of 3.9 square miles, east of Downtown San Antonio inside Loop 410 primarily south of Interstate Highway 35, north of Interstate Highway 10, and straddling both sides of Interstate Highway 37. Due to its size and location, the zone contains a wide variety of neighborhoods, businesses and entertainment districts that are broadly representative of the City's development history. The zone includes the San Antonio Independent School District and key landmarks such as the Riverwalk, Alamodome, AT&T Center, and Sunset Station. At least fourteen different neighborhood associations are represented in the Zone, including: Arena District, Coliseum Willow Park, Coliseum Oaks, Denver Heights, Dignowity Hill, Downtown, Government Hill Alliance, Harvard Place/Eastlawn, Historic Gardens, Jefferson Heights, King William, Lavaca, Roosevelt Park and St. Paul Square.

The City of San Antonio released the TIRZ #11 Request For Proposals on February 3rd. The (TIRZ #11) RFP is posted on the City's "Bidding and Contracting Opportunities" web page at <http://www.sanantonio.gov/RFPListings/>

The purpose of the TIRZ #11 RFP is to seek proposals for projects that will help revitalize the area, generate TIRZ fund revenue, and implement the goals of the previous planning studies. Projects must meet the special development use patterns in compliance with the 2008 TIF manual adopted by the City Council on October 16, 2008.

TIRZ #11 is governed by a TIRZ Board whose responsibilities include the selection and prioritization of projects to receive TIF revenue. These project(s) get incorporated by amending the Project and Financing Plans which are presented as recommendations to City Council for final approval. Although City Council can review the recommendations, the final approval is granted from the TIRZ board. The TIRZ Board directed City staff on January 20, 2012 to issue a Request for Proposals (RFP) to generate proposals that directly engage the critical challenges and unique opportunities within the Zone.

For the past two years, the District 2 Council office has led an effort focused on reinvestment and revitalization of East San Antonio. Moving forward, that effort will be focused on: 1) increasing housing options in East San Antonio, 2) improving the area's key commercial corridors, and 3) improving educational opportunities in East San Antonio. In light of the emphasis on these areas, TIRZ projects that incorporate them are encouraged.

City staff will conduct three separate pre-submittal conferences to explain the proposal process and to help answer any questions from potential applicants. Attendance to the conferences is optional but are strongly encouraged.

The first conference was held at the Cliff Morton Development Services Building located at 1901 S. Alamo at 10:00 a.m. on February 13th. The next two conferences will be held at the following locations, dates and times:

- Claude Black Community Center, Meeting Room 25 at 2805 E. Commerce at 10:00 a.m. on March 23rd
- Carver Library at 3350 E. Commerce at 1:00 p.m. on April 29th

Proposals from prospective applicants will be due on Monday, May 7th no later than 11:00 a.m. in the Office of the City Clerk located at 100 Military Plaza on the 2nd floor of City Hall. Prospective applicants can also mail in proposals to the Office of the City Clerk , ATTN: Planning and Community Development, P.O. Box 839966, San Antonio, TX 78283-3966.

Copies of the RFP may be obtained at the Cliff Morton Development Services Building located at 1901 S. Alamo, on the 2nd floor reception area.

For more information on the Inner City Tax Increment Reinvestment Zone (TIRZ #11) Request for proposal (RFP), please contact Debra Ordaz, the procurement specialist III with the City of San Antonio Finance Department at [debra.ordaz@sanantonio.gov](mailto:debra.ordaz@sanantonio.gov). However, please note that after April 16th, questions will not be answered.

As chairperson of the TIRZ #11 board, I take seriously my responsibility to be a good steward over the scarce resources that we have available. East San Antonio has a lot of need that has built up over many years. It is critical that we make good decisions on how to invest so that we can generate additional benefits for the community.

**For individuals who are focusing on nonprofit and youth related activities in East San Antonio, there are additional opportunities to apply for funding through the East Side Promise Neighborhood initiative as well as the City of San Antonio Delegate Agency RFP. For more information on either of those options, please email us at [district2@sanantonio.gov](mailto:district2@sanantonio.gov) or call 210-207-2122. Based on the description of how the TIRZ works, you can see that it is an economic development tool and not best suited for supporting all community oriented initiatives.**

For those who are interested in East Side redevelopment in general, I am also attaching a copy of a document that outlines projects that are in the works. San Antonio for Growth on the Eastside (SAGE) is also a good source of information about what's going on with East Side reinvestment. You can call SAGE at 248-9178.

Ivy Taylor is the Councilmember for San Antonio's District 2. To keep up with announcements of events and information, please e-mail [district2@sanantonio.gov](mailto:district2@sanantonio.gov) to join the e-blast list.

