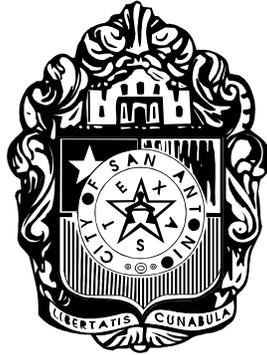


**CITY OF SAN ANTONIO, TEXAS**  
**Department of Planning & Community Development**



**Westside**

**Tax Increment Reinvestment Zone  
Thirty**

**Project Plan**

**January 19, 2017**

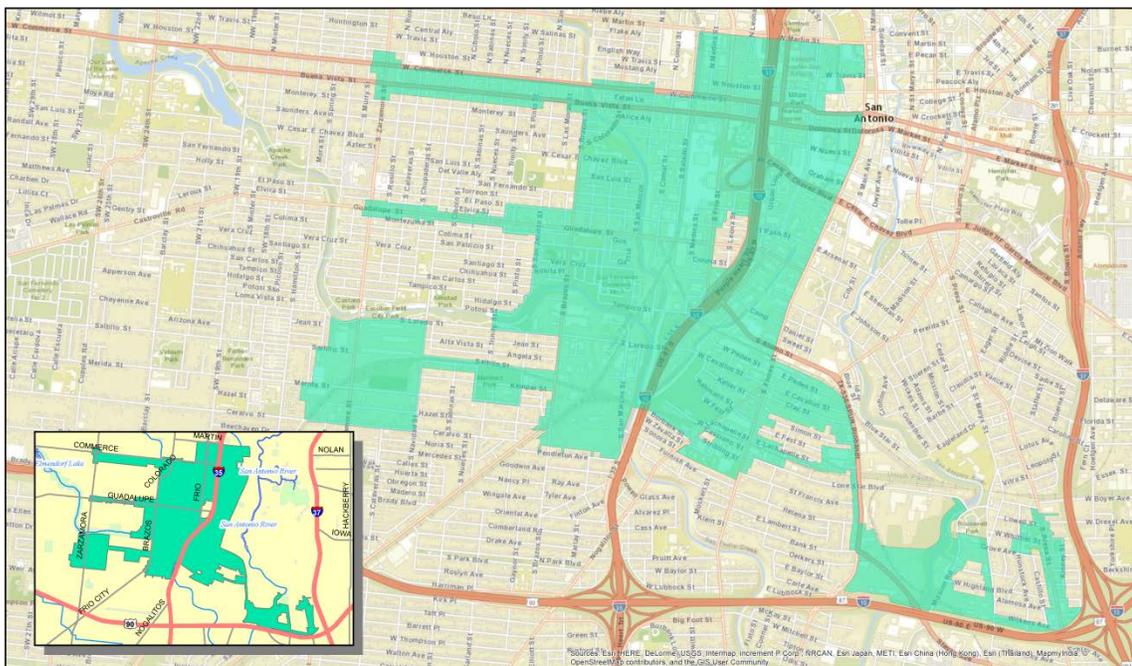
## Executive Summary

This project Plan describes, pursuant to Section 311.011 of the Texas Tax Code:

1. An overview of the TIRZ project,
2. Existing uses and condition of real property in the TIRZ,
3. Proposed improvements and property uses in the TIRZ,
4. Proposed changes to municipal ordinances,
5. Estimated non-project costs, and
6. Relocation of persons to be displaced as a result of plan implementation.

The City of San Antonio's Westside Tax Increment Reinvestment Zone (TIRZ) 30 was Designated on December 11, 2008 through Ordinance No. 2008-12-11-1173 and subsequently amended to change the boundary on December 10, 2009 through Ordinance No. 2009-12-10-0998 and again on June 4, 2015 through Ordinance 2015-06-04-0489. The area of the Westside boundary encompasses approximately 1043.79 Acres and approximately 1897 parcels. The life of the Tax Increment Reinvestment Zone (TIRZ) is 23.82 years through September 30, 2032.

The Westside TIRZ is located within the boundaries of Council Districts 1 and 5. Each Councilperson maintains an ex officio seat on the 7 member TIRZ Board of Directors. The TIRZ boundary is shown in the map below:



TIRZ #30 - Westside Tax Increment Reinvestment Zone



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The zone presents an interesting contrast as it is bisected by IH-35 with approximately two thirds of the boundary area to west of IH-35 acting as buffer to the highly dense and historically economically depressed Westside of San Antonio and downtown. The remaining third of the boundary mass extends into the Central Business District (CBD) and traverses south on S. Flores St. capturing a variety of new housing developments that represent a renaissance of the CBD and the South Flores St. artery through downtown.

The City of San Antonio is the only Participating Taxing Entity contributing tax increment to the Westside TIRZ. Financial information regarding the TIRZ can be found in the Westside TIRZ Finance Plan.

The Westside TIRZ is eligible for the Tax Increment Financing as defined in the City's 2008 TIF Guidelines.

On July 5, 2015, San Antonio's five Spanish colonial missions – Missions San Jose, San Juan, Concepcion, Espada and the world renowned Alamo – were declared by United Nations Educational, Scientific and Cultural Organization (UNESCO) as a World Heritage Site. The Missions now represent the only World Heritage site in Texas and one of just 23 in the United States. The UNESCO World Heritage Designation is a catalyst for socio-economic change, with increased visitation and tourist spending. The southeaster portion of the Westside TIRZ overlaps the World Heritage boundary (please see map on next page.)



## Policy and Program

### Policy

The City of San Antonio is dedicated to the revitalization of inner-city neighborhoods and commercial districts by using a tiered system of incentive tools, one of which is Tax Increment Financing (TIF). Development projects supported by a Tax Increment Reinvestment Zone (TIRZ) should act as economic stimulus to 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.

### Program

The TIF Program has evolved since 1998 to ensure that the incentive is used to support the City's Economic Development, Community Development and Urban Design goals. TIF seeks to directly promote recommendations made in the City's Comprehensive Plan, Neighborhood Plans, Sector Plans, Community Plans, Corridor and Regional Center Plans, and the Housing Master Plan.

#### TIF Guidelines

The designation date of a TIRZ determines the applicable Guidelines for that TIRZ. Because the Westside TIRZ was designated on December 11, 2008 it falls under the guidelines adopted on October 16, 2008 through Ordinance No. 2008-10-16-0942. The Guidelines serve as policy direction to City staff and interested parties regarding the Application for Redevelopment specifically related to Tax Increment Financing, which supports certain types of development in targeted areas of the city. Reinvestment Zones may be designated either through (1) a City-initiated project or (2) by Petition. The Westside TIRZ is a City-initiated project.

City-initiated TIRZ are designed to assist ongoing revitalization and reinvestment initiatives by implementing the goals of existing City programs and City-adopted plans. City-initiated TIRZ maximize the benefits of public-private collaboration by focusing exclusively on areas of the City that have been predetermined to be eligible for TIF; by using a comprehensive Reinvestment Plan to coordinate development incentives and set development standards that encourage long-term, high-quality investment.

#### Tax Increment Reinvestment Zones Highlights:

- TIF is an incentive tool that local governments can use to finance public improvements and enhance infrastructure within a defined area, called a Tax Increment Reinvestment Zone (TIRZ)
- Tax Increment Financing is governed by the TIF Act found in Chapter 311 of the Texas Tax Code
- The Texas Constitution and 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 these factors
- Each taxing entity that collects taxes against the property within a TIRZ has an opportunity to contribute future tax revenues to a TIRZ fund to reimburse developers for the cost of public infrastructure improvements in the TIRZ

## Targeted Economic Development

Implementation of the TIF incentive is tailored to the strengths and needs of specific areas of the City. The City has identified target areas where projects may be eligible for TIF with varying participation levels and terms. The Westside TIRZ, a City-initiated TIRZ, will have a term of up to 23.82 years with a City participation level up to 90% of its tax increment collected.

The City may not designate any area as a Reinvestment Zone solely for the purpose of encouraging future development in that area, but may do so if development or redevelopment would not occur solely through private investment in the reasonably foreseeable future. All proposed Zones require a market feasibility study in order to demonstrate the demand, viability, and capacity for the project. This study should validate estimated values, adjacent property lease space and reference established and on-going neighborhood plans.

## Community Investment

The planned investment must contribute to revitalization activities in the community of which the TIRZ is a part. Input of nearby neighborhood residents, businesses, and schools have been considered in the project planning process as have the objectives of numerous plans that have been produced.

## Design Quality

Projects supported by TIF should add long-term value to the public realm. Thus, projects must be built according to design principles that prioritize the safety and comfort of all public infrastructure users – whether they are walking, jogging, riding or driving. The City's Unified Development Code (UDC) sets out a menu of approaches to help designers and developers meet the program's urban design goals. Projects must also consider the long-term value of the private improvements supported by TIF. Specifically, the City's Comprehensive Plan calls for efforts to facilitate the provisions of choice in housing for special needs populations. Efforts to meet this policy may include ensuring homes are visitable or easily adaptable to disabled persons.

The City of San Antonio adopted a Universal Design Policy (Ord. No. 95641) on April 18, 2002, requiring that any person receiving financial assistance from city, state, or federal funds administered by the City of San Antonio for the construction of new single family homes, duplexes, or triplexes, shall construct the units in accordance with specific features including an entrance with no steps, wider doorways (2' 8"), lever door handles, lever controls on kitchen and lavatory faucets, and light switches and electrical receptacles within reachable height.

Development within the Westside TIRZ will be required to comply with the City's Universal Design requirements (UD), located in the City Code, Chapter 6, Article XII. All single family residential, duplex and triplex residential units shall comply with the Universal Design requirements.

## Environmental Protection

Projects receiving funding from the Westside TIRZ fund will be required to complete a Phase 1 Environmental Site Assessment.

No applications will be accepted for a TIF where all or part of the proposed project falls over the Edwards Aquifer Recharge Zone. The Westside TIRZ is not located over the Edwards Aquifer Recharge Zone.

### San Antonio River Authority

The San Antonio River Authority (SARA) was created by the 45th Texas Legislature on May 5, 1937, and then reorganized in 1961 to plan, manage and implement water-related programs and projects within the San Antonio River Basin. The State of Texas empowered SARA to preserve, protect and manage the resources and the ecology of the San Antonio River and its tributaries. SARA has been a key partner in the Westside TIRZ area with the Westside Creeks Restoration Projects. Its mission is to 1) develop concepts for restoring the environmental condition of the Alazán, Apache, Martínez, and San Pedro Creeks, 2) maintain the current flood control components of these creeks, and 3) provide increased opportunities for people to enjoy these urban creeks

### Developer

City-Initiated TIRZs, like Westside, are unique in that there is typically not a single developer to manage the project. It is likely that Westside will have numerous private developers working on different projects throughout the zone which could be reimbursed for the public improvements related to those projects. In such cases, TIF staff would evaluate the projects and associated funding application to identify eligible expenses, coordinate the preparation and negotiation of legal documents, coordinate for TIRZ Board and City Council approvals, monitor construction, process reimbursement requests from the developer and monitor statutory compliance.

## Existing Conditions

(Note: Items in the Existing Conditions section were current at the time of designation and are not updated to reflect the and preserve the original condition of the TIRZ.)

### Schools, School District and Universities

St. Cecilia Catholic Elementary School – 118 Lowell

SAISD:

- JT Brackenridge Academy - 1214 Guadalupe Street
- Briscoe Academy – 2015 South Flores Street
- Christus Santa Rosa Elementary School - 333 Santa Rosa
- Green Elementary School - 122 Whittier St W
- Navarro Academy - 623 S Pecos
- Tafolla Middle School - 1303 Durango St W

University of Texas at San Antonio

### Parks and other facilities

Milam Park – 501 West Commerce

Smith Playground – 1301 Buena Vista

Garcia Park– 1200 N. Frio

Martinez, Patrolman Guadalupe Park – 201 Merida

San Fernando Park– 319 West Travis

### Emergency Services

Due to its central location to Downtown San Antonio, the Westside TIRZ is currently covered adequately by Emergency Services. There are six Fire Stations covering the Westside TIRZ; Fire Station (FS) #1, at 801 E Houston St., FS #7 at 1414 S St Mary's, FS #8 at 619 S Hamilton, FS #11 at 610 S Frio, FS #13 at 3203 S Presa and FS #16 at 2110 Nogalitos St. All Fire Stations are either in the TIRZ Boundary or within  $\frac{3}{4}$  of a mile from the Service Area.

Westside is covered under the Central Patrol District of the San Antonio Police Department and has the Central Substation and Police Headquarters within the TIRZ boundaries. The Police Headquarters built at Cesar E. Chavez and Santa Rosa is also in the TIRZ Boundary.

In addition to Fire and Police, there are five hospitals in the TIRZ Boundary or within a ½ mile of Westside including; the Nix Medical Center, the Baptist Medical Center, Metropolitan Methodist Hospital, Santa Rosa Hospital and the Downtown University Health Center.

## Neighborhood & Community Plans

The purpose of Neighborhood and Community Plans is to identify proposed land uses, potential housing development areas, transportation systems, economic development initiatives, urban design guidelines, as well as pedestrian and open space connections. In developing the plan, stakeholders and the general community participated in a community-based process to identify a vision for the respective communities.

The Neighborhood and Community Plans listed within this plan are a component of the City's Comprehensive Plan. The plan is a guide to development and can be used when reviewing zoning and development proposals as well as when considering policy development and public capital projects.

The Plans in the Westside TIRZ Boundary are:

- Downtown Neighborhood Plan
- Guadalupe Westside Neighborhood Plan
- Nogalitos / South Zarzamora Community Plan
- South Central San Antonio Community Plan

## Westside Reinvestment Plan

The purpose of the Westside Reinvestment Plan is to assemble reinvestment strategies from the existing Neighborhood and Community Plans that fall in the TIRZ Boundary. The information was gathered utilizing public involvement.

## Relocation of Displaced Persons

Implementation of the Project Plan does not require the Developer or any other agency or participating taxing entity to relocate or find housing for any current residents due to their displacement under the plan.

## Historic Use

### Cattleman Square Historic District

The Cattleman Square Historic District is a small collection of streets on the west side of IH-35 immediately west of downtown. The buildings within the district include a variety of late 19th and early 20th century commercial and industrial structures. The Cattleman Square Historic District is roughly bounded by Travis and Martin Streets to the north, Buena Vista and Commerce Streets to the south, Pecos La Trinidad (IH-35) to the east, and the railroad tracks to the west. Cattleman Square was designated a local historic district in 1985.

In 1881, four years after the first rail line was extended to San Antonio, the International and Great Northern Railroad (I&GN) opened its line from St. Louis to San Antonio. The

first I&GN depot was constructed shortly thereafter at West Houston Street in what is today within the historic district boundary. The expansion of the railroad to this community led to a flurry of real estate activity in the area, including a mix of new residential, industrial, and commercial buildings.

One of the most significant buildings within the district is the former **I&GN Railroad Passenger Station** at 123 N. Medina. The I&GN Railroad Passenger Station, later known as the Missouri Pacific Station, was designed in 1907 by architect Harvey L. Page. The majestic building is of steel frame construction in the plan of a Greek cross, with tan brick cladding, a central dome, bell towers, mission-style parapets, stained glass windows, and barrel vaults on the interior. The lantern over the dome features a bronze Indian figure. It is one of two remaining railroad stations in San Antonio, along with the Southern Pacific Depot or Sunset Station on the city's east side. The station was built to replace the earlier wood-frame I&GN depot constructed in the late nineteenth century on W. Houston Street. The railroad eventually linked Austin to Laredo, providing a route into Mexico. The depot closed in 1979 but has since been restored and is utilized as a banking facility by Generations Federal Credit Union.

Another building of note within Cattleman Square is the former **I&GN Hotel (Heimann Building)** at 118 N. Medina. The three-story brick building was constructed in 1909 by noted San Antonio architect Atlee B. Ayres. Located across the street from the railroad station, the building was owned by businessman Silva Heimann and housed the International and Great Northern Hotel on the second and third floors. The intersection of Medina and Houston Streets was one of the busiest in the city with commercial and transportation activity. The area deteriorated after World War II, with many buildings demolished for construction of the interstate. In the 1970s, the Heimann Building reportedly had a cameo role in the movie "The Getaway" with Steve McQueen. The building remained mostly vacant until 2000 when it was rehabilitated for the national headquarters of Avance, a non-profit organization. Cattleman Square continues to boast a variety of late 19th and early 20th century commercial and industrial structures today.<sup>1</sup>

#### Main and Military Plaza Historic District

A wide variety of architectural styles are represented in the Main and Military Plaza Historic District, covering a time span of over 200 years. This variety illustrates, through the built environment, San Antonio's evolution from Spanish Presidio in the 18th century to 19th-century cow town, to solid commercial city center in the late 19th and early 20th centuries, giving the area an organic, eclectic flavor not found in many downtown areas of this size. The District has been the traditional hub of downtown San Antonio since the 18th century.

Military Plaza was first established in 1722 as a parade ground and market square for the Spanish soldiers garrisoned there. While this plaza is associated with early Spanish colonialism, due, in large part to the preservation of the 1749 Spanish Governor's Palace, it evolved over the years from a community gathering place and market place into the seat of government for the city when the Italian Renaissance Revival style City Hall was built in 1888-91.

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<sup>1</sup> *Historic Preservation Certification Application-Part 1-Evaluation of Significance, Heimann Building/I&GN Hotel, National Park Service, Office of Historic Preservation archives.*

*National Register Nomination: International & Great Northern Railroad Passenger Station, 1975. Available at: <http://atlas.thc.state.tx.us/>.*

Main Plaza was the site of the first authorized Texas City when it was established as the market square for the Canary Island fundadores of San Antonio March 9, 1731. These early settlers built small, primitive jacal, palisado, or caliche block residences around the square, with their village church (now San Fernando Cathedral) and the Casas Reales (now 114 E. Main Plaza), their seat of government, as their focal points. A local government structure still shares the architectural focus of Main Plaza with the Cathedral, in the form of the 1882 Romanesque Revival style County Courthouse.

Through the 18th and 19th centuries, the two plazas have been the scene of everyday business and social events, as well as many skirmishes and battles, with the architecture changing to late 19th and early 20th century commercial and governmental structures as these functions became more important to the area. Many of these structures and facade rows remain today, with commerce, banking, government and the historic ambiance of the area combining to make the plazas popular with natives and tourists alike.<sup>2</sup>

#### Mission Historic District

The boundaries of the Mission Historic District were designed primarily to include the lower four missions in the San Antonio area (Listed from north to south: Concepcion, San Jose, San Juan Capistrano, and Espada), their *acequias* and fields, and secondarily the significant preserved historic and prehistoric sites in the area. These boundaries represent an area less impacted than most areas of San Antonio by urban development.

The area designated as the Mission Historic District, located along the San Antonio River in the south section of the city, originally attracted both prehistoric Indian and historic Spanish and Anglo populations because of the prevalence of unique natural resources. The abundant water, game, and other natural foods seem to have provided prehistoric Indians with an ample non-agricultural subsistence type of lifestyle based upon hunting, gathering, and fishing. The arrival of the Spanish missionaries brought primarily agricultural exploitation of this area by means of the *acequia* systems. After the establishment of the Spanish Missions, the area was similarly utilized for agricultural purposes as well as local industries; this trend continued well into the twentieth century.

The growth and expansion of the City of San Antonio, primarily since the 1930s, has transformed much of this area into an urban or suburban environment. The southern portion of this area, roughly between Mission San Juan and Mission Espada, can be characterized as an open-space, rural environment, with some agriculture still being practiced through use of the San Juan and Espada *acequias*. The remaining historic district area is interspersed with public and institutional land uses among residential, industrial, commercial, and historic areas through which the San Antonio River passes.<sup>3</sup>

#### River Improvement Overlay

Apart from landmarked historic resources within the Westside district, the TIRZ Boundary also falls within River Improvement Overlay (RIO) District 4 at IH 10 and Roosevelt. RIO is a zoning overlay. Its purpose is to establish regulations to protect, preserve and enhance the San Antonio River and its improvements by establishing design standards and guidelines for properties located near the river. The San Antonio River is a unique and precious natural, cultural and historic resource that provides a physical connection through San Antonio by linking a variety of neighborhoods, cultural sites, public parks and

<sup>2</sup> [http://www.sanantonio.gov/historic/Districts/Main\\_Military\\_Plaza.aspx](http://www.sanantonio.gov/historic/Districts/Main_Military_Plaza.aspx)

<sup>3</sup> <http://www.sanantonio.gov/historic/Districts/Mission.aspx>

destinations. The districts cover a total of six geographic areas spanning the river from its northern boundary, near Hildebrand Avenue, to a southern boundary near Mission Espada and the Southern City Limits. The RIO design objectives were developed through an intensive public input process and were adopted as part of the enabling ordinance approved by City Council on February 21, 2002.

#### RIO-4

Extending from West Cesar E. Chavez Boulevard south to Mission Road, RIO-4 meanders along the Arsenal, through the King William Historic District, and south through a portion of the Mission Historic District.

The design objectives for RIO-4 are:

- Encourage urban quality mixed-use development;
- Preserve and enhance the historic character as well as emphasize the street scene;
- Construct new development that complements the nearby historic King William area but does not mimic its style; and
- Encourage new development in clustered nodes.

## Project Information

### Other Economic Development Tools in Use

#### Chapter 380 of the Local Government Code

380 Economic Development Grant and Loan Agreements, are authorized under Chapter 380 of the Local Government Code. Under the statute, “the governing body of a municipality may establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality.”

Statue enables the TIRZ and the City to provide incentives to many of the following economic development projects by allowing the repayment of future tax revenue generated by the projects over a set period of time, typically 10 - 15 years. By using this tool, the TIRZ Board is able to incentivize projects with the future tax increment generated by those projects.

#### Center City Housing Incentive Policy (CCHIP)

On June 21<sup>st</sup>, 2012, City Council adopted the Center City Housing Incentive Policy which provides greater incentives to housing projects within the targeted growth areas identified in the Downtown Strategic Framework Plan and prioritizes the urban core. The Policy established an as-of-right housing incentive system for housing in the Center City. It was re-evaluated for extension after four (4) years with changes approved by City Council on June 16, 2016. The revised policy expires June 30, 2018.

A key component of the CCHIP provides Real Property Tax Reimbursement Grants to multi-family rental or for sale projects within the area. The City's real property tax increment generated as a result of the Project is the funding source of the Grant.

The Grant will be disbursed over a 10 or 15 year period which is determined by the location of the Project or the type of project. The current version is approved by the Westside TIRZ Board on December 12, 2016.

### Proposed Changes to Municipal Ordinances

There are no proposed changes identified to be made to Municipal Ordinances regarding the Westside TIRZ at the time of approval of this Project Plan. Potential future changes will likely involve zoning changes to accommodate proposed projects that favorably impact strategic goals of the Westside TIRZ.

### Estimated Non-Project Costs

Annual Administrative Fees are the only estimated Non-Project Costs identified for the Westside TIRZ.

### Projects Approved by the TIRZ Board for Funding

<u>Project Name</u>	<u>Funding Amount</u>	<u>Funding Type</u>	<u>Termination Date</u>
1334 S. Flores	\$3,894,053.00	Tax Reimbursement *	12-31-2031
Cevallos Urban	\$141,660.00	Tax Reimbursement *	12-31-2031
Clay Street Homes	\$583,409.00	Tax Reimbursement *	12-31-2031
Guadalupe + Flores	\$85,816.00	Tax Reimbursement *	12-31-2032
Iron and Steel Lofts	\$719,962.00	Tax Reimbursement	1-1-2031
Lone Star Urban	\$235,420.00	Tax Reimbursement *	12-31-2031
Peanut Factory	\$1,041,449.00	Tax Reimbursement *	12-31-2031
Southtown Flats	\$2,758,869.00	Tax Reimbursement *	12-31-2031
The Vitre	\$2,062,337.00	Tax Reimbursement *	12-31-2031

Note: \* Denotes a CCHIP Project.

### Financial Information

The City and TIRZ Board may enter into development agreements with various entities that will participate in the development of the Westside TIRZ. Developers will be required to submit an application to demonstrate experience in the construction of major projects, financial capability, and must provide performance and payment bonds in connection with public infrastructure improvements associated with the development projects.

## Order or Priority of Payment

Revenues derived from the TIRZ will be used to pay costs in the following order of priority of payment:

- a. Reimburse eligible startup Administrative Costs;
- b. To pay all other ongoing Administrative Costs to the Participating Taxing;
- c. To reimburse the City for costs of the repair, replacement, and maintenance of public infrastructure and associated costs as described in any Development Agreements (if any); and
- d. To reimburse the developer(s), if any, and/or the City for public improvements, as provided in the Final Project and Finance Plans. These costs will be financed/reimbursed to the extent that funds in the Tax Increment Fund are available for these purposes.

For specific requirements for any project within the TIRZ, refer to the legal documents applicable to the project in concern. No reimbursements will be paid from the TIF Fund to any party of a Development Agreement for its financial or legal services in any dispute arising under that Development Agreement.