

# **Agenda Item #3**

## **Lone Star District Project**

**Economic and Workforce Development Committee**  
May 4, 2021



CITY OF SAN ANTONIO  
**NEIGHBORHOOD & HOUSING  
SERVICES DEPARTMENT**

**Verónica R. Soto, FAICP, Director**

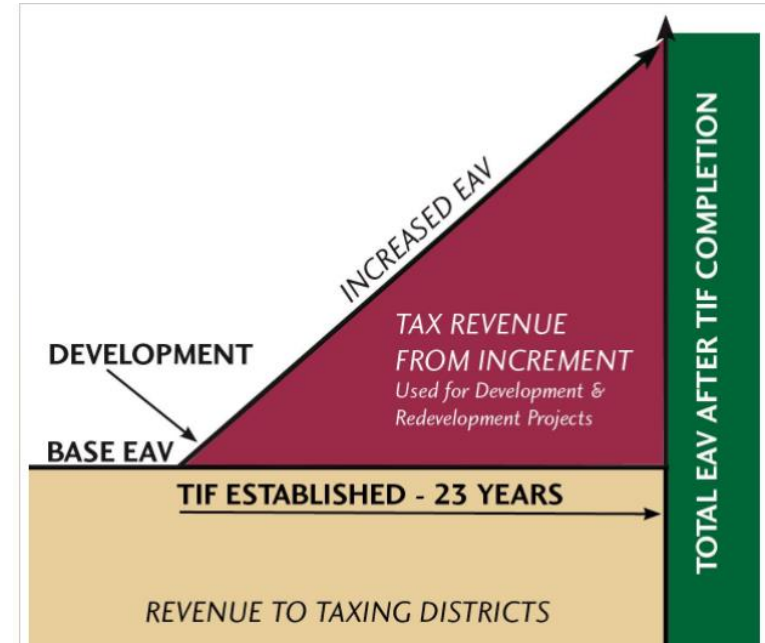
# What is Tax Increment Financing?

## Governed by Chapter 311 of Texas Tax Code

- An economic development tool used to spur development or redevelopment of blighted or underperforming areas that would otherwise remain stagnant.

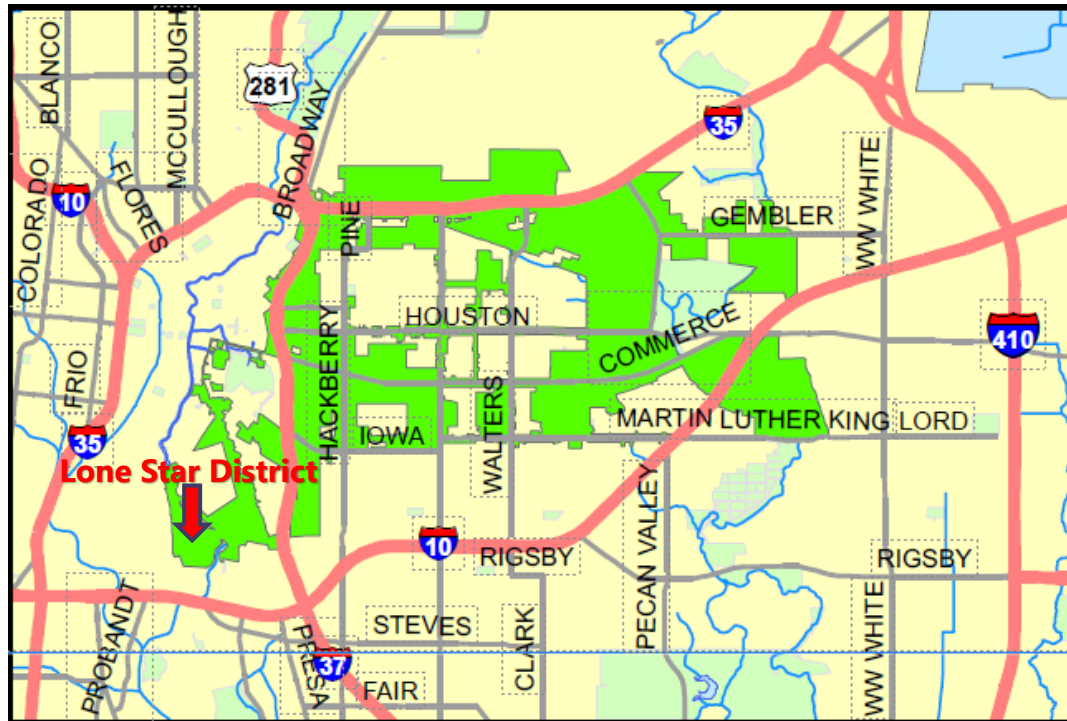
## Mechanics

- Designated area is called a Tax Increment Reinvestment Zone (TIRZ)
- A portion of collected taxes are contributed to a TIRZ fund
- The base year is the year the TIRZ is designated and the TIRZ fund revenue is the increment or portion of the increment from the base year

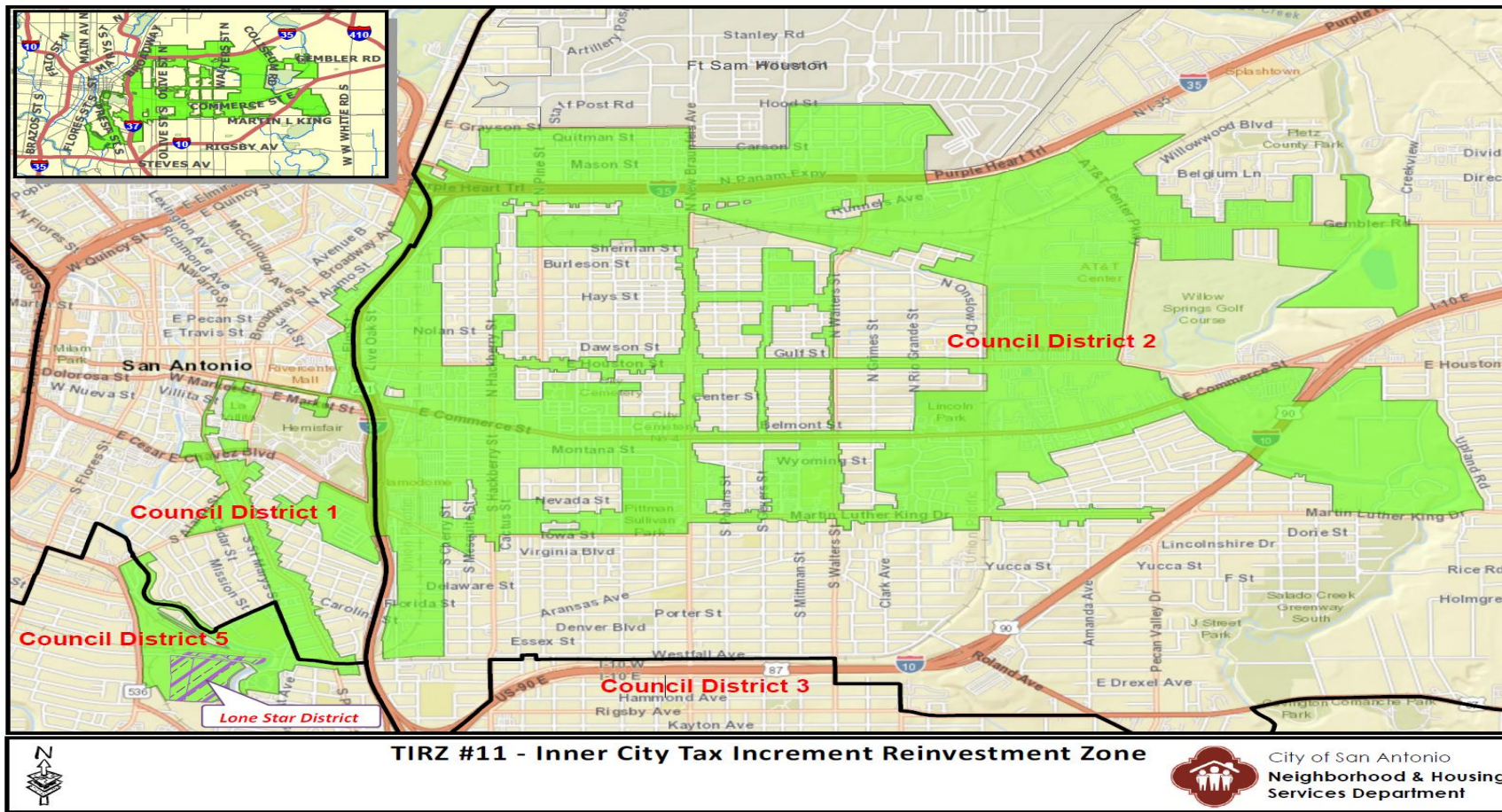


# Project Information

- **Council District:** 5
- **Developer:** GrayStreet / Midway
- **Project Type:** Mixed Use (Multi-Family/Retail)
- **Site Size:** 32 acres
- **Total Project Cost:** \$709,267,533
- **Current Land Use:** IDZ



# Inner City TIRZ





# Lone Star Brewery Existing Conditions



## OVERALL DISTRICT PHASING





# Development & Phasing

1,282 rental units; (20% affordable or 256 units)

186 Hotel Rooms

359,052 sq ft Office Space

65,247 sq ft Retail and Food & Beverage

38,312 sq ft Commercial

25,456 sq ft Market Space

## Phase I

- MF Units: 301
- Parking Spaces: 1,187 (garage 969, surface 171, street 47)
- Office Space: 133,729 sq ft
- Retail/F&B Space: 5,941 sq ft
- Commercial Space: 38,312 sq ft

## Phase II

- MF Units: 199
- Parking Spaces: 1,560 (garage 1,502, street 58)
- Office Space: 225,323 sq ft
- Retail/F&B: 44,560 sq ft
- Hotel Rooms: 186
- Market Space: 25,456 sq ft

## Phase III

- MF Units: 782
- Parking: 1,422 (garage 1,380, street 42)
- Retail/F&B Space: 14,746 sq ft

# Economic Impact



- Jobs Created during Construction: 3,900 direct and 7,734 indirect
- Jobs Created after Completion: 1,550 full-time across, retail, office, & hospitality
- Housing Created after Completion: 1,282 units; 20% affordable (256 units)
  - \$818,000 contributed to affordable housing fund
- Current Assessed value: \$10,585,150
- Projected Assessed Value after completion: \$709,267,533



# Community Impact



- Reactivate a dormant former industrial site
- Accelerate the transformation of Lone Star Blvd. (new widened sidewalks, bike lanes, and buried CPS overhead lines)
- Create an additional north-south connection between Lone Star and Steves Ave.
- New public greenspaces and additional portals to the Mission Reach trail, providing a community gathering space and launching point for the exploration of the San Antonio River, Missions, and other area cultural amenities.

# Projected Reimbursement Costs by Phase

**\$24M Over 10 years**

- Phase I (2021-2025):  
\$11.5 M
- Phase II (2024-2027):  
\$10 M
- Phase III (2025-2030):  
\$2.5 M



# Public Infrastructure and Public Improvements

- Demolition/Site Cleanup
- Soil remediation
- Site Work
- Water
- Sanitary Sewer
- Storm Drainage
- Underground Utilities
- Lone Star Blvd. improvements
- North/South Roadway improvements
- Steves Ave. connection



# Recommended Agreement Terms

- **Reimbursement Amount:** \$24,000,000
- **Agreement Type:** Chapter 380 Economic Development Grant Agreement
- **Reimbursement Type:** TIRZ Reimbursement & Tax Rebate
- **Duration of Agreement:** 15 year or \$24 M (whichever comes first)
- **Inner City TIRZ Termination:** September 30, 2025
- **Reimbursement Structure:**
  - 2022-2023 Inner City TIRZ reimburses up to \$2M
  - 2024-2036 Tax rebate
    - Inner City TIRZ (100%)
    - General Fund-Operations & Maintenance (62.15%)

# Projected Timeline

- **May 4, 2021** - Economic and Workforce Development Committee
- **May 7, 2021** – Inner City TIRZ
- **May 20, 2021** – City Council

If approved, demolition to start in fourth quarter of 2021

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