

**THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.**

AN ORDINANCE

**AUTHORIZING AN ECONOMIC DEVELOPMENT PROGRAM LOAN
IN THE AMOUNT OF \$400,000.00 TO SOUTH FRIO DEVELOPMENT,
L.L.C. FOR THE PEANUT FACTORY LOFT PROJECT IN CITY
COUNCIL DISTRICT 5.**

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WHEREAS, South Frio Development, L.L.C. (“Developer”) is undertaking an economic development project that will be comprised of a \$10 million adaptive reuse housing development to include 98 market rate housing units and 500 square feet of retail space located on 3 parcels of land on Frio Street and Colima Street in City Council District 5(the “Project”); and

WHEREAS, the Project is located within the Westside Tax Increment Reinvestment Zone and in accordance with the Center City Housing Incentive Policy (CCHIP) which was approved by City Council on June 21, 2012, qualifies for a 15 year real property tax reimbursement grant and City and SAWS fee waivers; and

WHEREAS, in addition to CCHIP incentives, the Developer is seeking a Chapter 380 Economic Development Program Loan in the amount of \$400,000.00 to defer construction costs associated with undertaking and completing the Project; and

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

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

WHEREAS, the City finds that the goals of Chapter 380 will be met by assisting the Developer in undertaking and completing the Project and has identified economic development funds for use in carrying out this purpose; NOW THEREFORE:

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

SECTION 1. Subject to the Project receiving the required zoning, the City Council approves the terms and conditions of an Economic Development Program Loan Agreement with South Frio Development, L.L.C. in an amount not to exceed \$400,000.00 for the Project.

SECTION 2. The City Manager or her designee is authorized to execute an Economic Development Grant Agreement in accordance with the terms and conditions of this Ordinance. A copy of the Agreement, in substantially final form, is attached to this Ordinance as **Attachments I**. The final agreement shall be filed with this Ordinance upon execution.

SECTION 3. RESERVED.

SECTION 4. RESERVED.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Chief Financial Officer (CFO), City of San Antonio. The CFO may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance shall become effective immediately upon its passage by eight (8) votes or more and upon ten (10) days following its passage if approved by fewer than eight (8) votes.

PASSED AND APPROVED this ___ day of _____ 2012.

M A Y O R
Julián Castro

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Michael D. Bernard, City Attorney