

City of San Antonio



AGENDA

City Council A Session

Municipal Plaza Building
114 W. Commerce Street
San Antonio, Texas 78205

Thursday, May 15, 2025

9:00 AM

Municipal Plaza Building

The City Council will hold its regular meeting in the Norma S. Rodriguez Council Chamber in the Municipal Plaza Building located at 114 W. Commerce Street beginning at the above referenced date and time for the following items. Once convened, the City Council will take up the following items in any order during the meeting but no sooner than the designated times.

9:00 AM: Call to Order

Members of the public can comment on items on the agenda. To sign up to speak visit www.saspeakup.com. Click on meetings and events and select the meeting you'd like to participate in. Sign up to speak or submit a written comment. **NOTE: Speaker registration closes 15 minutes before the start of the meeting.** Questions relating to these rules may be directed to the Office of the City Clerk at (210) 207-7253.

Individuals signing up for public comment may register for VIA bus fare or parking validation at www.saspeakup.com. VIA bus fare or parking at City Tower Garage (located at 100 Blk N. Main) will be provided to individuals who request the assistance. Staff will provide VIA bus fare passes and parking validation tickets in the lobby of City Council Chambers.

To view the Live meeting please view our [Live Stream](#)

During the meeting, the City Council may meet in executive session for consultation with the City Attorney's Office concerning attorney-client matters under Chapter 551 of the Texas Government Code.

ACCESS STATEMENT

The City of San Antonio ensures meaningful access to City meetings, programs and services by reasonably providing: translation and interpretation, materials in alternate formats, and other accommodations upon request. To request these services call (210) 207-2098 or Relay Texas 711 or by requesting these services online at <https://www.sanantonio.gov/DEI/Language-Services>. Providing at least 72 hours' notice will help to ensure availability.

Intérpretes en español estarán disponibles durante la junta del consejo de la ciudad para los asistentes que lo requieran. También se proveerán intérpretes para los ciudadanos que deseen exponer su punto de vista al consejo de la ciudad. Para más información, llame al (210) 207-7253.

For additional information on any item on this agenda, please visit www.sanantonio.gov or call (210) 207-7080.

- 13.** Ordinance terminating the City's prior creation of Project Financing Zone Number One, City of San Antonio, Texas and other related items. [Ben Gorzell Jr., Chief of Financial and Administrative Services; Troy Elliott, Chief Financial Officer]

THE CITY COUNCIL MAY RECESS FOR LUNCH AND RECONVENE TO CONSIDER ANY UNFINISHED COUNCIL BUSINESS

6:00 P.M. – If the Council has not yet adjourned, the presiding officer shall entertain a motion to continue the council meeting, postpone the remaining items to the next council meeting date, or recess and reconvene the meeting at a specified time on the following day.



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 13

Agenda Date: May 15, 2025

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Creation of a Public Finance Zone

SUMMARY:

This Ordinance terminates the City's prior creation of Project Financing Zone Number One, City of San Antonio, Texas and other related items.

BACKGROUND INFORMATION:

On December 12, 2023, the City created a Project Financing Zone to take advantage of a new funding option available to the City due to the passage of Senate Bill 2220 during the 88th legislative session. The bill added the City of San Antonio to the list of cities eligible to participate in a "Project Finance Zone", or "PFZ". A PFZ allows the City to create a 3-mile zone centered around a convention center facility or venue in which the increment – or growth – in the State's hotel associated revenues can be used by the City for a 30-year period. Hotel-associated revenues include the State's hotel occupancy tax and sales tax revenue from businesses located within the hotel, mixed beverage sales tax revenue, and mixed beverage gross receipts tax revenue from hotels located within the PFZ.

The creation of the PFZ allowed the City to utilize specific incremental revenues the State would

have received within the PFZ over 30 years which would be redirected to the City for investment in qualifying projects. The City originally designated the Henry B. Gonzalez Convention Center and Alamodome as qualifying projects to be funded by the PFZ.

As the City has been working with public and private stakeholders to create a Sports and Entertainment District in downtown San Antonio, it has become necessary to add flexibility to the use of the PFZ funding source given the timing, scale, and magnitude of the proposed projects. The PFZ has also been identified as a potential funding source for the proposed new NBA arena for the San Antonio Spurs. City Staff discussed alternatives to modifying the existing PFZ to add the proposed new arena and the flexibility needed to fund projects within the proposed district with the Texas Comptroller's Office. Their proposed solution was for the City to terminate the current PFZ (abandoning its boundaries and the year of designation), create a new PFZ, and designate the Convention Center Complex as the singular qualifying project for the new PFZ. The Complex under the new PFZ would be comprised of the Henry B. Gonzalez Convention Center, Alamodome, and the new sports arena.

ISSUE:

This Ordinance terminates the prior PFZ that was designated on December 12, 2023. A separate ordinance to create a new PFZ will be considered as a separate agenda item.

ALTERNATIVES:

The City could choose to keep the current PFZ in place, however, terminating the current PFZ and creating a new PFZ with a singular qualifying project adds flexibility to the funding source.

FISCAL IMPACT:

The termination of the current PFZ has no impact on the City's Operating Budget.

RECOMMENDATION:

Staff recommends approval of this Ordinance terminating the City's prior creation of Project Financing Zone Number One, City of San Antonio, Texas and other related items.

ORDINANCE

TERMINATING THE CITY'S PRIOR CREATION OF PROJECT FINANCING ZONE NUMBER ONE, CITY OF SAN ANTONIO, TEXAS AND OTHER RELATED MATTERS

* * * *

WHEREAS, the City of San Antonio, Texas (the *City*), by Ordinance No. 2023-12-12-0986 adopted by the City Council (the *Council*) on December 12, 2023 (the *Creation Ordinance*), created by designation Project Financing Zone Number One, City of San Antonio, Texas (the *Zone*) pursuant to and in accordance with Section 351.1015, as amended, Texas Tax Code (the *PFZ Act*); and

WHEREAS, in conjunction with creation and designation of the *Zone*, the City, in the *Creation Ordinance*, identified two “qualified projects” under Section 351.1015(k), as amended, Texas Tax Code (each, a *Qualified Project*):

- (1) the Henry B. Gonzalez Convention Center, 900 E. Market Street, San Antonio, Texas (the *Convention Center*); and
- (2) the Alamodome, 100 Montana Street, San Antonio, Texas (the *Alamodome*); and

WHEREAS, since the creation and designation of the *Zone*, the City has determined to recharacterize the Qualified Projects as a single “qualified project” under Section 351.1015(k), as amended, Texas Tax Code that is comprised of a complex of related and synergistically-integral facilities, located in close-proximity to each other, that anchor a City-established sports and entertainment district in the downtown area of the City, and that individually include the Convention Center, the Alamodome, and a new sports arena to be located on a tract of property with a current address of 801 E. Cesar Chavez Boulevard, San Antonio, Texas; and

WHEREAS, the City has discussed the recharacterization of the *Zone* and its qualified projects in the manner described above with the Office of the Texas Comptroller of Public Accounts (the *Texas Comptroller*), who has confirmed that this is best accomplished by termination of the existing *Zone* and creation of a new project finance zone, with identification of a new qualified project (the *Qualified Project*), in accordance with the applicable provisions of the *PFZ Act*; and

WHEREAS, as of the date of adoption of this Ordinance, there are no outstanding Qualified Project Activities (as such term is defined in the *Creation Ordinance*) that would preclude the early termination of the *Zone* under the *Creation Ordinance*; and

WHEREAS, on the basis of such Texas Comptroller guidance and the City’s determination that there exists no conditions that would preclude or prevent such action, the City has now determined to terminate the *Zone*, to provide notice of the same to the Texas Comptroller, and by separate action designate a new project finance zone and qualified project under the *PFZ Act*; **NOW, THEREFORE:**

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

SECTION 1. TERMINATION OF ZONE. The *Zone*, as created by the *Creation Ordinance*, is hereby terminated, immediately and upon the effectiveness of this Ordinance in accordance with Section 8 hereof. All effects and impacts of the *Zone*’s creation and passage of the *Creation*

Ordinance, respectively, are hereby in their entirety dissolved, relinquished, and released. Adoption of this Ordinance represents the City's exercise of its right to compel the early expiration of the Zone, as contemplated under Section 1 of the Creation Ordinance.

SECTION 2. NOTIFICATIONS TO COMPTROLLER. The City Council hereby directs the City's Chief Financial Officer to notify the Texas Comptroller of the Zone's termination.

SECTION 3. INCORPORATION OF PREAMBLE RECITALS. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

SECTION 4. REPEAL OF CONFLICTING ACTIONS. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

SECTION 5. GOVERNING LAW. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. SEVERABILITY. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and this Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 7. COMPLIANCE WITH OPEN MEETINGS ACT. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 8. EFFECTIVE DATE. The effective date of this Ordinance shall be governed by the provisions of Sections 1-15 of the City Code of San Antonio, Texas. This Ordinance shall take effect immediately if passed by eight (8) affirmative votes; otherwise, this Ordinance shall take effect 10 days from the date of passage.

PASSED and APPROVED this 15th day of May, 2025.

M A Y O R

Ron Nirenburg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney