



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 9

**Agenda Date:** April 10, 2025

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** District 3

**SUBJECT:**

Releasing a 25.40-acre tract of land in Mission Del Lago Tax Increment Reinvestment Zone back to Southstar Mission del Lago Developer, LLC

**SUMMARY:**

An Ordinance approving the release of a City held 25.40-acre tract of land back to Southstar Mission del Lago Developer LLC., and approving a Right of First Refusal on a 13.60-acre tract of land, in the New City Block (N.C.B.) 11166, both are within the Mission Del Lago Tax Increment Reinvestment Zone ("Mission Del Lago TIRZ") for future affordable housing development. The 25.40-acre tract of land was originally donated to Southside Independent School District by Southstar but was never developed due to financial hardship.

**BACKGROUND INFORMATION:**

In 2019 the City of San Antonio ("City"), Southside ISD and the Board of Directors (the "Board") for the Mission Del Lago TIRZ entered into an Interlocal Agreement ("ILA") defining the rights and responsibilities of the participating taxing entity in the Mission Del Lago TIRZ. In this ILA, Southstar agreed to donate a 25.40-acre tract of land to Southside ISD for the construction of educational facilities. On February 19, 2020, Southstar donated the land to Southside ISD.

On December 6, 2023, Southside ISD informed City and the Mission Del Lago TIRZ Board of its intention to no longer act as a participating tax entity in the Mission Del Lago TIRZ due to financial concerns. The City, Bexar County (as a participating taxing entity), Southside ISD and the Developer negotiated the terms of an agreement to allow Southside ISD to terminate its involvement in the Mission Del Lago TIRZ. Part of that agreement was Southside ISD transferring the 25.40-acre tract of land to the City, and ultimately back to Southstar who donated the land to Southside ISD, in order for the land to be used for the development of the TIRZ as intended. On March 21, 2024, pursuant to Ordinance 2024-03-21-0201, City Council approved the transfer of the property from Southside ISD to the City and On August 1, 2024, the property was transferred from Southside ISD to the City by Special Warranty Deed.

#### **ISSUE:**

This Ordinance recommends the City release a 25.40-acre tract of land that was gifted to Southside ISD back to Southstar and include a Right of First Refusal to the City on a parcel of real property located on 13.60-acre tract of land, in the New City Block (N.C.B.) 11166, within the Mission Del Lago TIRZ, owned by Southstar Mission del Lago Developer LLC.

Returning the land to Southstar Mission del Lago Developer LLC, as the developer of the TIRZ, will ensure the parcel is developed in accordance with the TIRZ project plan. Additionally, through this transfer the City has been able to secure an agreement from Southstar for a Right of First Refusal on another parcel of real property located within the TIRZ to be used as possible future affordable housing. That property is a 13.60-acre tract of land, in the New City Block (N.C.B.) 11166, and is better located for housing development. The donation from the City to Southstar is made in accordance with Section 272.001 of the Texas Local Government Code as the Property is part of the Project Plan for the Mission Del Lago TIRZ and Southstar is the owner of abutting property. The Planning Commission was briefed on March 12, 2025, and approved the donation.

#### **ALTERNATIVES:**

City Council could choose not to approve this request; however, this could prevent the development of the property in accordance with the approved TIRZ plan and remove the like-kind first right of refusal on a 13.6-acre tract of land for possible future affordable housing.

#### **FISCAL IMPACT:**

There is no fiscal impact to the City.

#### **RECOMMENDATION:**

Staff recommends approval.