

RESOLUTION NO. ____

RECOMMENDING THE CITY OF SAN ANTONIO GRANT ITS CONSENT TO AN AMENDMENT TO THE BOUNDARIES OF THE ESPADA SPECIAL IMPROVEMENT DISTRICT NO. 1 BY EXCLUDING 68.1823 ACRES AND ESTABLISHING NEW BOUNDARIES CONSISTING OF APPROXIMATELY 426.794 ACRES, AND APPROVAL OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SAN ANTONIO AND MARMAXX OPERATING CORP., AND LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD, THE OWNERS OF 426.794 ACRES GENERALLY LOCATED SOUTHEAST OF THE INTERSECTION OF SOUTH LOOP 410 AND HIGHWAY 281 SOUTH IN THE EXTRATERRITORIAL JURISDICTION (ETJ) OF THE CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS.

WHEREAS, on October 2, 2007, ESA Residential Development, Inc., E-TM Land Investment, LTD., and Terramark Communities, Ltd., the owners of approximately 1,840 acres of land, referred to as the Espada property, generally located southeast of the intersection of South Loop 410 and Highway 281 South in the San Antonio Extraterritorial Jurisdiction (ETJ), petitioned Bexar County (County) for the creation of up to three Public Improvement Districts (PIDs), and the City of San Antonio (City) for its consent to the PID creation in its ETJ; and

WHEREAS, on December 13, 2007, the City granted a six-month conditional consent to the creation by Bexar County (County), of three Espada PIDs under the provisions of Chapter 372, Texas Local Government Code (Code) by (*Resolution No. 2007-12-13-0026R*); and

WHEREAS, on May 27, 2008, the County approved a resolution with the intent to create the three Espada PIDs and added a three-month extension to the creation deadline; and, on June 12, 2008, the City extended its conditional consent to the PID creation, (*Resolution No. 2008-06-12-0030R*); and

WHEREAS, on October 21, 2008, the County updated its Espada PIDs creation order by delegating road district powers to the PIDs, which include the powers to construct water, wastewater, and drainage facilities, and established the respective three PIDs' boundaries and their activation periods; and on October 7, 2009, the County amended the Espada PID No. 1's boundaries from approximately 471.91 acres to approximately 494.976 acres; and

WHEREAS, on March 18, 2010, the City consented to the modification of the Espada PID No. 1 to approve the county's delegation of road district powers and entered into an Agreement for Services in Lieu of Annexation with the owners of the property at the time, (*Ordinance 2010-03-08-0224*). No development has occurred on the property located within the Espada PID No. 1; and

WHEREAS, on January 25, 2024, the County renewed its creation order and appointed new members of the Espada PID No. 1's Board of Directors (Board); and

WHEREAS, currently, Marmaxx Operating Corp. (Marmaxx) and Lennar Homes of Texas Land and Construction, Ltd (Lennar) own approximately 426.794 acres within the Espada PID No. 1, and have petitioned the Board of the Espada PID No.1 to reduce the boundaries of the Espada PID No. 1 by 68.182 acres to encompass a single-family residential development to be constructed by Lennar Homes; and

WHEREAS, on February 12, 2024, the Board authorized the amendment to the PID's boundaries to encompass the Lennar Homes residential development and reduce the existing PID area (494.794 acres) by 68.182 acres, establishing a new boundary of approximately 426.794 acres, subject to the consent from both the County and

the City; and

WHEREAS, on February 21, 2024, the Board formally requested the City to consent to the PID No. 1 boundary amendment described and depicted in the field notes and survey attached in the Petition which is attached hereto as **ATTACHMENT “A”**; and

WHEREAS, in consideration of the City’s consent to the amended Espada No. 1 PID boundaries, the Owners have agreed to enter into a 30-year Development Agreement, attached in substantially final form as **ATTACHMENT “B,”** which will set forth the conditions of the City’s consent, including the City’s authority to enforce development regulations and city ordinances applicable to other land within the City’s ETJ, and will provide terms for the voluntary annexation of the property within the Espada No.1 PID upon expiration of the term of the Agreement or violation of the Development Agreement by the Owners, their successors and/or assigns; and

WHEREAS, the Development Agreement will also include a proposed Strategic Partnership Agreement (SPA), attached in substantial form as an exhibit to the Development Agreement, attached hereto as **ATTACHMENT “B,”** to be entered into with the PID, which sets out the terms for limited purpose annexation by the City of commercial property in the PID and revenue sharing of the sales and use taxes collected within the PID; and

WHEREAS, the Owners agree to pay a Special District Application Fee in the amount of \$7,500.00 and will pay a Special District Operations Assessment in the amount of \$175.00 per residential lot, which in the Owners’ estimation amounts to Three Hundred and Fifty thousand, Eight Hundred and Seventy-Five and 00/100 (\$350,875.00), and which shall be paid annually based on the number of units built within the PID reflected in an annual report provided by the Owners and as verified by staff; and shall reimburse the City for all costs paid by City for the recording of this Agreement and related documents in the Bexar County property records; and

WHEREAS, the San Antonio Planning Commission held a public hearing on May 22, 2024, and at the conclusion thereof, determined that subject to the conditions set forth herein, the City should grant its consent to the amendment of the boundaries of the Espada No. 1 PID subject to the execution of a Development Agreement between the City and the Owners of the property located within the amended boundaries of the Espada No. 1 PID.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF SAN ANTONIO:

SECTION 1. The San Antonio Planning Commission recommends that the City of San Antonio grant its consent to the amendment of the boundaries of the Espada PID No. 1, as detailed in the District’s petition attached as **ATTACHMENT “A”** and to the County’s delegation to the District the powers granted by Section 52, Article III of the Texas Constitution, the powers and duties of a road district and the power or to construct water, wastewater, and drainage facilities, per Section 382.101 of the Local Government Code. The Planning Commission does not recommend that the City’s consent include the powers to exercise eminent domain, annexation, expansion, division, or exclusion of property from the District. The Planning Commission’s recommendation is contingent upon the Owner’s payment of the fees and expenses provided in the recitals above.

SECTION 2. The San Antonio Planning Commission further recommends that the City Council approve the 30-year Development Agreement, attached in substantially final form as **ATTACHMENT “B”** between the City and Marmaxx Operating Corp. and Lennar Homes of Texas Land and Construction, Ltd., the Owners of the property located within the Espada PID No. 1, providing development and land use standards for the

property, future voluntary annexation by the City in the city's sole discretion, upon expiration of the term of the Agreement or violation of the terms the Agreement by the Owners.

PASSED AND APPROVED ON THIS 22ND DAY OF MAY 2024.

Attest:

Approved:

Executive Secretary
San Antonio Planning Commission

Matthew Proffitt, Chair
San Antonio Planning Commission