

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

AN ORDINANCE

AUTHORIZING THE CITY OF SAN ANTONIO'S EXECUTION 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.

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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 **NOW, THEREFORE:**

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

SECTION 1. The City Manager, or his designee, is authorized to execute a Development Agreement ("Agreement") between the City of Marmaxx Operating Corp. (Marmaxx) and Lennar Homes of Texas Land and Construction, Ltd (Lennar), containing the terms and conditions governing the development of the Espada Special Improvement District No. 1 ("District" or "PID") property, preserving the extraterritorial status of the District property during the term of the Agreement, establishing the Agreement as a voluntary petition for annexation providing the City with the option of annexing the District property in the event of default of the Agreement by the Owners, a subsequent owner or end-buyers of properties developed within the District or upon the termination date of the Agreement; agreeing to the assessment of taxes within the District, providing for municipal services to be provided to the District property in the event of annexation; and providing for a SPA for limited purpose annexation and revenue sharing by City of sales and use taxes imposed within commercial areas of the District, which will be attached in substantial

form to the Agreement; and all other terms and conditions the City Manager finds to be in the City's best interest. A copy of said Agreement is attached hereto as **Attachment "B"**.

SECTION 2. The City Council of the City of San Antonio ordains that its consent to the amendment to the Espada PID No. 1 will remain in effect so long as the Owners comply with the terms of the Agreement.

SECTION 3. The City Council approves the assessment and collection of a Special District Application Fee in the amount of \$7,500.00; a Special District Operations Assessment in the amount of \$175.00 per residential lot and/or multifamily unit platted and constructed as more fully set forth in this Ordinance and the Agreement; and the reimbursement by the Owners of costs to be paid by the City for the recording of the Development Agreement **and the SPA** in the property records of Bexar County be deposited as specified in this Ordinance.

SECTION 4. Funds received for this ordinance for Special District Operations Assessment fees will be deposited in Fund **11001000**, Internal Order **223000000260**, and General Ledger **4401844**.

SECTION 5. Funds received for this ordinance for annexation and reimburse the legal recordings will be deposited in Fund **11001000**, Internal Order **250000000000**, and General Ledger **6301130**.

SECTION 6. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer 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 7. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer 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 8. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED on this 20th day of June 2024.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FOR

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney