



# City of San Antonio

## Agenda Memorandum

**File Number:**  
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**Agenda Date:** March 12, 2025

**In Control:** Planning Commission Meeting

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** District 3

**SUBJECT:**

Transfer of 25.40-acre tract of land that was gifted to Southside Independent School District (“SISD”) back to Southstar Mission del Lago Developer LLC and the approval of a Right of First Refusal on a 13.60-acre tract of land.

**SUMMARY:**

A resolution to recommend the return of a 25.40-acre tract of land that was gifted to SISD back to Southstar Mission del Lago Developer LLC. and approve a Right of First Refusal on a 13.60-acre tract of land, in the New City Block (N.C.B.) 11166, within the MDL TIRZ to support the City’s affordable housing goals.

**BACKGROUND INFORMATION:**

In 2019, the City of San Antonio (“City”), SISD and the Board of Directors (the “Board”) for Tax Increment Reinvestment Zone Six – Mission Del Lago (“MDL TIRZ”) entered into that certain

Amended and Restated Interlocal Agreement (“ILA”) in an effort to define the rights and responsibilities of the Parties in connection with the tax increment to be paid by SISD, as a participating taxing entity in the MDL TIRZ. As set forth in Section V., Subsection I Conveyance of Land, “as a precondition to any obligation of [SISD] hereunder, that two (2) separate tracts of land of up to twenty-five (25) contiguous acres each within the MDL TIRZ shall be given as gifts from the owners of property within the MDL TIRZ to SISD for construction of Educational Facilities.” ILA at p.14.

On February 19, 2020, Southstar Mission Del Lago Developer LLC (“Southstar”) deeded by Special Warranty Deed to SISD, a 25.40-acre tract of real property, Parcel Tax ID 1318572, (the “Property”) within the MDL TIRZ, described as:

A 25.40 acre tract of land, out of the J.A. De La Garza Survey A-3, being a portion of a 96.98-acre tract of land known as Tract 3 conveyed to SouthStar Mission Del Lago Developer, LLC of record in Volume 17107, Page 1426 of the Official Public Records of Bexar County, Texas and being more particularly described by metes and bounds on Exhibit "A" attached hereto and referred to as the "Land", together with (i) any and all improvements, buildings and fixtures situated on the Land (the "Improvements"); and (ii) all right, title and interest of SouthStar Mission Del Lago Developer, LLC, id any, in and to any and all appurtenances, strips or gores, roads, easements, streets, alleys, drainage facilities and rights-of-way bounding the Land, all utility capacity, utilities, water rights, licenses, permits, entitlements, and bonds, if any, and all other rights and benefits attributable to the Land, and all rights of ingress and egress thereto (collectively, the "Additional Interests". The Land, Improvements and any Additional Interests are hereinafter collectively referred to as the "Property".

On December 6, 2023, SISD informed City and the Board of its intention to no longer act as a participating tax entity in the MDL TIRZ. At the time of the decision, the outstanding balance owed by SISD to the MDL TIRZ was over \$3,000,000.00, which would have been paid to Southstar as part of its reimbursement. In connection with the discussions on termination of SISD’s participation, Southstar requested the return of the Property. SISD stated that it could not legally give the land back; instead, Southstar could reacquire the Property through a public auction. Since the Property was part of the MDL TIRZ Project Plan, City believed that it could undertake the transfer of the land back to Southstar without the need for a public auction. An agreement was reached that SISD would deed the Property to the City, which could occur without an appraisal or public auction, in exchange for a release of all remaining amounts owed to the MDL TIRZ.

On March 21, 2024, pursuant to Ordinance 2024-03-21-0201, City Council approved the transfer of the Property from SISD to City. On August 1, 2024, The Property was transferred from SISD to the City by Special Warranty Deed. The Property can be found on the BCAD website at Parcel ID 1318572. The Property is an odd-shaped, vacant lot and the City has no use for the Property. Instead, to procure additional space for affordable housing, 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 MDL TIRZ. That property is a 13.60-acre tract of land, in the New City Block (N.C.B.) 11166, out of the Junn Manuel Urriegas Survey Section 32, Abstract Number 769, and the Jose Dela Garza Survey, Abstract Number 3, being out of the remaining portion of a called 382.74-acre tract as described to Southstar Mission Del Lago Developer, LLC of record in

Document Number 20140098479 of the Official Public Records of Bexar County, Texas.

Canvassing was waived by the Neighborhood and Housing Department's Director, in accordance with the City's statutory authority, to return the Property to Southstar, who in good faith transferred the Property to SISD without compensation. The transfer can be made in accordance with Section 272.001 of the Texas Local Government Code, as the Property is part of the Project Plan for the MDL TIRZ and Southstar is the owner of abutting property.

Effectively, the City is returning the Property to Southstar, who in good faith transferred the Property to SISD. The City in exchange for assisting with the land transfer has requested a First Right of Refusal to have the option to purchase the 13.60-acre tract, if for sale, for the purposes of building affordable housing in alignment with the City's Strategic Housing Implementation Goals.

#### **ISSUE:**

**This resolution recommends the City return a 25.40-acre tract of land that was gifted to SISD back to Southstar Mission Del Lago Developer LLC. and approve a Right of First Refusal 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 MDL TIRZ, owned by Southstar Mission del Lago Developer LLC.**

**SISD is no longer participating as a taxing entity in the Interlocal Agreement with the City and MDL TIRZ. Effectively the City is following required statutory authority to return the Property to Southstar, who in good faith transferred the Property to SISD without receiving any additional compensation. The transfer can be made in accordance with Section 272.001 of the Texas Local Government Code, as the Property is part of the Project Plan for the MDL TIRZ.**

#### **ALTERNATIVES:**

The Planning Commission could choose not to approve this request; however, this would prevent the City efforts to have the first right of refusal on a 13.6-acre tract of land for affordable housing.

#### **RECOMMENDATION:**

This action is consistent with the City Code and Ordinances which requires City Council approval to transfer or dispose of City-owned real property.

Staff recommends approval of this request.