



# City of San Antonio

## Agenda Memorandum

### File Number:

**POSTING LANGUAGE:** Ordinance approving the release of a City held 25.40 acre tract of land at US-281 South and Del Lago Parkway in the Mission Del Lago TIRZ back to Southstar Mission del Lago Developer LLC and approving a Right of First Refusal of a 13.60 acre tract of land near US-281 South and Mission Grande in Mission Del Lago TIRZ for future affordable housing development. [Lori Houston, Assistant City Manager; Veronica Garcia, Director, Neighborhood and Housing Services]

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**Agenda Item Number:** 19

**Agenda Date:** June 26, 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

### 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, for future affordable housing development. Both tracts are within the Mission Del Lago Tax Increment Reinvestment Zone ("Mission Del Lago TIRZ"). 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.

In 2019, the City of San Antonio ("City"), Southside ISD, and the Board of Directors for the Mission Del Lago TIRZ ("Board") entered into an Interlocal Agreement ("ILA") establishing the rights and responsibilities of each participating taxing entity. As part of this agreement, Southstar committed to donating a 25.40-acre tract of land to Southside ISD for the construction of educational facilities. The donation was completed on February 19, 2020.

On December 6, 2023, Southside ISD notified the City and the Board of its intent to withdraw as a participating taxing entity in the Mission Del Lago TIRZ due to financial constraints.

Subsequently, the City, Bexar County (another participating entity), Southside ISD, and Southstar negotiated an agreement to facilitate Southside ISD's departure from the TIRZ. A condition of this agreement involved Southside ISD transferring the 25.40-acre tract of land back to the City, and ultimately to the original land donor Southstar, to ensure the land could be used in accordance with the TIRZ development plan.

On March 21, 2024, City Council approved the transfer pursuant to Ordinance 2024-03-21-0201. The property was formally conveyed from Southside ISD to the City via Special Warranty Deed on August 1, 2024.

Returning the land to Southstar, the designated developer for the TIRZ, ensures that the property is developed in line with the existing TIRZ project plan. Through this transaction, the City secures the opportunity to acquire another strategically located 13.60-acre parcel for potential future affordable housing. This parcel is better suited for residential development and also lies within the Mission Del Lago TIRZ.

The land conveyance is authorized under Section 272.001 of the Texas Local Government Code, as the property is included in the TIRZ Project Plan and is adjacent to other land owned by Southstar. The City's Planning Commission was briefed on the proposed donation on March 12, 2025, and formally approved it.

**FISCAL IMPACT:**

There is no fiscal impact to the City.