

ORDINANCE

ORDINANCE APPROVING THE RETURN OF A CITY HELD 25.40-ACRE TRACT OF LAND THAT WAS GIFTED TO SOUTHSIDE INDEPENDENT SCHOOL DISTRICT (“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 MISSION DEL LAGO TAX INCREMENT REINVESTMENT ZONE.

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WHEREAS, the City of San Antonio, Texas (“City”), Bexar County, Texas (“County”) and the Mission Del Lago TIRZ Board of Directors (“Board”) support all programs which allow for economic development within its boundaries; and

WHEREAS, in accordance with the Tax Increment Financing Act, Texas Tax Code, Chapter 311 (the “Act”), City Council in 1999 through Ordinance No. 90312 designated the Mission Del Lago Tax Increment Reinvestment Zone Number Six, to promote the development and redevelopment of property within the Mission Del Lago TIRZ, which would not otherwise occur through private investment in the reasonably foreseeable future; and

WHEREAS, on June 29, 2006, City Council through Ordinance No. 2006-06-29-0801 approved a Development Agreement with SouthStar Development Partners, Inc. for the construction of public infrastructure to support over 2,734 single-family homes; and

WHEREAS, on January 18, 2018, City Council approved an assignment of the Development Agreement from SouthStar Development Partners Inc. to SouthStar Mission Del Lago Holdings, L.P. (“Developer”); and

WHEREAS, on May 9, 2019, City Council through Ordinance No. 2019-05-09-0387 approved an Amended and Restated Development Agreement by and between the City, Board and Developer to further develop the property located within the Mission Del Lago TIRZ; and

WHEREAS, on May 9, 2019, City Council through Ordinance No. 2019-05-09-0387 also approved Amended and Restated Interlocal Agreements by and between the City, Board, Bexar County, Southside ISD and University Health System to address the maximum contribution of the Participating Taxing Entities, as well as lower participation rates for the Participating Taxing Entities in the future; and

WHEREAS, on February 19, 2020, the Developer deeded by Special Warranty Deed to Southside Independent School District (“School District”), a 25.40 acre tract of real property within the Mission Del Lago 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".

WHEREAS, on December 6, 2023, the School District notified the City of its intent to terminate its involvement as a Participating Taxing Entity in connection with Mission Del Lago TIRZ, which was accepted by the Board for the Mission Del Lago TIRZ on February 23, 2024.

WHEREAS, as part of the termination of School District's involvement as a Participating Taxing Entity, School District has agreed to transfer the Property to City, so that City could transfer the Property back to Developer; and

WHEREAS, on March 21, 2024, pursuant to Ordinance 2024-03-21-0201, City Council approved the transfer of the Property from School District to City; and

WHEREAS, on August 1, 2024, the Property was transferred from School District to the City by Special Warranty Deed. The Property is an odd-shaped, vacant lot and the City has no use for the Property; and

WHEREAS, to procure additional space for affordable housing, the City has been able to secure an agreement from Developer for a Right of First Refusal on another parcel of real property located within the Mission Del Lago Tax Increment Reinvestment Zone. 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; and

WHEREAS, it is now necessary for the City Council to approve the transfer of the Property to Developer through a Special Warranty Deed, which is attached hereto as **Exhibit "A"**, and the agreement on the Right of First Refusal, which is attached hereto as **Exhibit "B"**, for the continued development of the Mission Del Lago TIRZ; **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of the Special Warranty Deed, by and between the Developer and the City, attached hereto as **Exhibit A**, are hereby approved.

SECTION 2. The City Manager or his designee is authorized to execute the Special Warranty Deed, which has been incorporated into this Ordinance for all purposes.

SECTION 3. The terms and conditions of the Right of First Refusal, by and between the City and the Developer, attached hereto as **Exhibit B**, are hereby approved.

SECTION 4. The City Manager or his designee is authorized to execute this Right of First Refusal, which has been incorporated into this Ordinance for all purposes.

SECTION 5. Funding for the amendments in this ordinance will come from Fund 29086004, Cost Center 0703260001 and General Ledger 5201040.

SECTION 6. The acquisition of surplus property must be coordinated through the city's Finance Department to assure the addition of these assets into the City's financial records and to record the proper accounting transactions.

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 passage by eight affirmative votes; otherwise, it is effective on the tenth day after passage.

PASSED AND APPROVED this ____ day of _____ 2025.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney

EXHIBIT A

DRAFT

EXHIBIT B

DRAFT