



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: {{item.number}}

Agenda Date: December 13, 2023

In Control: Tax Increment Reinvestment Zone No. 06 - Mission Del Lago Meeting

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

Southside ISD request to end participation in the TIRZ

SUMMARY:

Discussion and possible action relating to Southside ISD's request to exit the TIRZ and cease future participation in the TIRZ.

BACKGROUND INFORMATION:

The Mission del Lago Tax Increment Reinvestment Zone was designated by the City Council of the City of San Antonio on August 19, 1999. The TIRZ is scheduled to expire September 30, 2032.

The Mission del Lago Development is located in the southern section of the City of San Antonio, approximately 1.5 miles south of Loop 410 South on Highway 281 South adjacent to Mitchell Lake. The development encompasses approximately 812 acres. The project plans to construct

over 2,500 single family homes, 520 multi-family homes and commercial space.

The City of San Antonio, Bexar County, University Health System and Southside Independent School District are the current participating taxing entities. Alamo Colleges participation expired September 30, 2014. The City's current participation rate is at 100% of the tax rate which is \$0.558270 in Tax Year 2018. Beginning in Tax Year 2027, the City's participation rate will be at 75% of its tax increment each year through the 2031 Tax Year. Bexar County's current participation is at 100% Operations and Maintenance portion of the Tax Rate which is \$0.26250 in Tax Year 2018. From the period from the 2025 Tax Year through the 2031 Tax Year, the County's participation rate will be at 75% of its respective operations and maintenance portion of the Tax Rate. University Health System's current participation is at 75% of the tax rate which is \$0.276235 in Tax Year 2018. Southside ISD's current participation is at 65% of the tax rate which is \$1.575900 in Tax Year 2018.

On December 7, 2023, the City received notification from Southside ISD with their request to exit and cease future participation in the Tax Increment Reinvestment Zone Number 6 – Mission del Lago.

ISSUE:

Board consideration is requested relating to Southside ISD's request to exit the TIRZ and cease future participation in the TIRZ.

FISCAL IMPACT:

Removal of Southside ISD would reduce the amount of funding available to the Developer; however, the exact fiscal impact will be determined based on direction from the Board.

ALTERNATIVES:

The Board could decide to not honor Southside ISD's request to termination participation in the TIRZ; however, failing to address the expected shortfall from Southside ISD's inability to contribute its increment could prevent the Developer from recovering the maximum amount under the current Development Agreement.

RECOMMENDATION:

Staff recommends the TIRZ Board provide direction to Staff to analyze the impact of Southside ISD's request to exit the TIRZ and cease future participation in the TIRZ with return to the TIRZ Board with recommendation(s).