

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

ORDINANCE

**APPROVING THE ASSIGNMENT OF ALL OBLIGATIONS AND RIGHTS
UNDER THE DEVELOPMENT AGREEMENT FOR TAX INCREMENT
ZONE NUMBER #28 FROM VERANO LAND GROUP, LP, TO SOUTHSTAR
AT VERANO, LLC.**

* * * * *

WHEREAS, in accordance with Chapter 311 of the Texas Tax Code (the “Act”), the City through Ordinance No. 2007-12-06-1257 established Tax Increment Reinvestment Zone Number Twenty-Eight, San Antonio, Texas, known as the Verano TIRZ (“TIRZ”), to promote development and redevelopment which would not otherwise occur solely through private investment; and

WHEREAS, the TIRZ consists of approximately 3,100 acres of largely undeveloped land off Loop 410 between Zarzamora and Pleasanton Road with plans for a walkable mixed-use community built on the concept of an integrated urban village centered around the Texas A&M University San Antonio (TAMU-SA) main campus; and

WHEREAS, the TIRZ Project and Finance Plans as well as a Development Agreement with the original developer of record, VTLM Texas, LP (“VTLM”) were approved by City Council on November 20, 2008 through Ordinance 2008-11-20-1016 and subsequently amended on June 24, 2010 through Ordinance 2010-06-24-0621; and

WHEREAS, little development occurred within the Verano TIRZ after the original designation and, subsequently, all rights and obligations related to the Verano development were assigned from VTLM to Verano Land Group, L.P. (“VLG”) as the new Master Developer of the TIRZ, which was approved by City Council through Ordinance 2016-01-28-0041; and

WHEREAS, in May 2019, VLG informed the City that it was in the process of selling a portion of the TIRZ property to Southstar Communities, LLC, and asked the City to approve the assignment of the rights and interest in the Development Agreement to its affiliate Southstar at Verano, LLC (collectively “Southstar”); and

WHEREAS, the assignment of the Development Agreement from VLC to Southstar will give way to an array of much-needed housing infrastructure, capital improvements and office and retail space to an area that has seen stagnant growth and little economic development since the TIRZ formed in 2007. Construction by Southstar is anticipated to begin in the second quarter of 2020; and

WHEREAS, it is now necessary for the City Council to approve the assignment and assumption of the obligations and rights under the Development Agreement from VLG to Southstar. **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of the Assignment and Assumption Agreement assigning all obligations and rights of Development Agreement from Verano Land Group, L.P. to Southstar at Verano, LLC, is hereby approved. A copy of the Assignment and Assumption Agreement is attached to this Ordinance as **Attachment I**.

SECTION 2. The City Manager or designee is hereby authorized to execute consent to the Assignment and Assumption Agreement, which has been incorporated into this Ordinance for all purposes.

SECTION 3. RESERVED FOR FINANCIAL LANGUAGE

SECTION 4. The Verano TIRZ Finance Plan and Project Plan will be updated by mid-FY 2020 to reflect any changes to the development plan, contingent upon Verano TIRZ Board and City Council approval.

SECTION 5. This Ordinance shall be effective upon passage by eight affirmative votes; otherwise it shall be effective on the tenth day after passage.

PASSED AND APPROVED this _____ day of November, 2019.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

EXHIBIT A

DRAFT