



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-2829

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**Agenda Item Number:**

**Agenda Date:** 4/25/2017

**In Control:** Tax Increment Reinvestment Zone 06 -- Mission del Lago

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### Mission Del Lago TIRZ Board of Directors Meeting - April 25, 2017

#### Individual Item #3

#### **SUBJECT**

Discussion and possible action to approve a Resolution authorizing an Assignment and Assumption Agreement between Mission Del Lago, Ltd., a Texas limited partnership and SouthStar Mission Del Lago Holdings L.P., a Delaware limited partnership.

#### **BACKGROUND:**

The City, the TIRZ Board, and MDL entered into the Development Agreement on June 29, 2006 authorized by Ordinance No. 2006-06-29-0801 and later amended the agreement by Ordinance No. 2014-05-01-0286 on May 1, 2014. MDL is the "Developer" in the Development Agreement.

On May 13, 2014, MDL sold its assets to SouthStar and MDL assigned a portion of the revenues it receives from Reinvestment Zone Number Six (the "TIRZ") to SouthStar.

On May 13, 2014, MDL and SouthStar entered into an Operating Agreement defining each party's rights and responsibilities related to the TIRZ and the same was Amended and Restated on February 23, 2017.

MDL desires to assign its interests, rights, duties, obligations, and responsibilities as Developer under the Development Agreement to Southstar.

Section 16.3 of the existing Development Agreement provides for such assignment, stating:

*"The Developer may sell or transfer its rights and obligations under this Agreement only with the written consent of the City, as evidenced by an ordinance passed and approved by the City Council, and the Board when a qualified purchaser or assignee specifically agrees to assume all of the obligations of the Developer under this Agreement."*

The Assignment and Assumption Agreement will require subsequent approval by the following Participating Taxing Entities, in accordance with the established Interlocal Agreements: Bexar County and University Health System (Note: the Interlocal Agreement with Southside Independent School District does not require approval by the District).

**FISCAL IMPACT:**

There is no fiscal impact to the Mission Del Lago TIRZ fund, nor the City's General Fund, due to this action.

**RECOMMENDATION:**

Staff is recommending the TIRZ Board approve a Resolution authorizing an Assignment and Assumption Agreement between Mission Del Lago, Ltd., a Texas limited partnership and SouthStar Mission Del Lago Holdings L.P., a Delaware limited partnership.