



City of San Antonio

Agenda Memorandum

File Number:19-2832

Agenda Item Number: 20.

Agenda Date: 4/18/2019

In Control: City Council A Session

DEPARTMENT: Planning

DEPARTMENT HEAD: Bridgett White, AICP

COUNCIL DISTRICTS IMPACTED: City Council District 6

SUBJECT:

A public hearing and consideration of the following items related to the proposed Talley Road Special Improvement District: a) the City's consent to the expansion of the boundaries of the proposed Public Improvement District by Bexar County and b) an Amendment to the Development Agreement between the City of San Antonio, Talley Road Extension Revitalization Initiative, LLC., and S & P Land Holdings, LLC., to include an additional 204.83 acre parcel to the boundaries of the Talley Road Special Improvement District and apply the conditions of the City's original consent to the inclusion of the additional parcel and the expanded PID boundaries.

SUMMARY:

A public hearing and consideration of the following items related to the proposed Talley Road Special Improvement District: a) the City's consent to the expansion of the boundaries of the proposed Public Improvement District by Bexar County and b) an Amendment to the Development Agreement between the City of San Antonio, Talley Road Extension Revitalization Initiative, LLC., and S & P Land Holdings, LLC., to include an additional 204.83 acre parcel to the boundaries of the Talley Road Special Improvement District and apply the conditions of the City's original consent to the inclusion of the additional parcel and the expanded PID boundaries.

BACKGROUND INFORMATION:

On November 29, 2018, the City Council granted its consent to the creation of a Public Improvement District (PID), named the Talley Road Special Improvement District by Bexar County (County); and approved a Development Agreement with Wayne Lee Benke and the Talley Road Extension Revitalization Initiative, LLC.

The 232.314 acre PID consists of three parcels of land including the 222.6 acre “Benke tract.” The Agreement includes the terms and conditions in the City’s consent to the creation to the PID that deferred annexation of the PID for 30 years until November 29, 2048 and provided the Owner’s consent to annexation at the expiration of the agreement.

On December 4, 2018, the County established the PID, appointed the PID’s Board of directors (Board) and granted the PID the power to impose ad valorem taxes and use the tax revenues to finance public improvement for the residential development within the PID. On January 4, 2019, Wayne Lee Benke conveyed the Benke Tract to Talley Road Extension Revitalization Initiative LLC, the current PID Owner.

In February 2019, the Owners and the PID’s board of directors (Board) petitioned the County to allow them to expand the existing PID’s boundaries by adding an approximately 204.83 acre parcel of land. This proposed extension is generally located northwest of the intersection of Tamaron Pass and Talley Road and to east of the Bexar-Medina County line. The right-of-way of future State Highway 211 bisects the property. Upon approval of the expansion of the PID, S & P Land Holdings, LLC, the current owners of the 204.83 acre parcel, plans to convey it to the PID’s Owner.

The Owners propose to develop and provide public infrastructure for the entire PID property. The proposed development on the newly added parcel will consist of 1,023 single-family residential units with an average housing price of \$200,000. Proposed improvements in the expanded area include a 6.14 acre park, right-of-way dedication for Talley Road and one mile of a collector road with 70 feet of right-of-way, which will serve as a west-to-east connector from the future State Highway 211 to Talley Road. Costs for the collector road; street, water, sewer and drainage infrastructure are projected at \$37.76 million. The PID’s revenue is estimated to \$38.5 million over a 30 year period.

The Owners petitioned the City to revise their consent and amend the Agreement prior to their Board election in May 2019. This election will confirm the establishment of the PID and approve its ad valorem tax rate.

ISSUE:

This amendment will expand the existing PID boundaries by adding 204.83 acres to the original 232.314 acres which increases the PID property to a total of 437.144 acres. This amendment will also reinstate the conditions of the City’s original consent and apply the terms and provisions of the original Agreement with respect to the development of the entire PID property. In addition, it will assign S & P Land Holdings LLC as one of the PID’s Owners.

The existing agreement and proposed amendment are consistent with the City's Annexation Policy, which includes the following consideration for issuing development agreements:

Non-Annexation Agreements:

- May be offered for Industrial PIDs, Public Improvement Districts, and other Special Districts.
- Shall require a statement that the property owner consents to voluntary annexation at the end of the term of the agreement or if the agreement is violated.

ALTERNATIVES:

An alternative is not to consent to the proposed Amendment. This action may delay the project because the

Owner would seek a different financing mechanism for developing the project.

FISCAL IMPACT:

This item is to consider the resolution granting the City's consent to the creation by Bexar County of the PID and an ordinance authorizing an amendment to the development agreement between the City of San Antonio and Talley Road Extension Revitalization Initiative, LLC, to add S & P Land Holdings, LLC. Therefore, there is no fiscal impact to the City of San Antonio associated with the passage of the resolution and ordinance.

RECOMMENDATION:

Staff recommends approval of a) a Resolution granting the City Council's consent to the expansion of the boundaries of the proposed Talley Road Special Improvement District by the inclusion of an approximately 204.83 acre parcel to the original 232.314 PID boundary; and b) an Ordinance authorizing an Amendment to the Development Agreement between the City of San Antonio, Talley Road Extension Revitalization Initiative, LLC., and S & P Land Holdings, LLC., to include an additional 204.83 acre parcel to the boundaries of the Talley Road Special Improvement District and apply the conditions of the City's original consent to the inclusion of the additional parcel and the expanded PID boundaries.

On March 27 2019, the Planning Commission provided its recommendation to City Council to grant its consent to expanding the PID boundaries and the approval of the proposed Amended Agreement.