

**CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
City Manager's Office**

**TO:** Mayor and City Council

**FROM:** Jelynn LeBlanc Burley, Assistant City Manager

**SUBJECT:** Resolution for funding development of Texas A&M University-San Antonio

**DATE:** May 12, 2005

**SUMMARY AND RECOMMENDATIONS**

The requested resolution would express the support and commitment of the City of San Antonio for the funding necessary to acquire and improve 400 or more acres and provide utilities for the development of a campus for Texas A&M University-San Antonio. This resolution would direct staff to negotiate terms and binding grant and loan agreements with CPS Energy for use of Community Infrastructure and Economic Development Fund (CIED Fund) moneys to acquire and improve a 400-acre site for the proposed campus. The contemplated agreements would be contingent upon approval of State funding for the campus development, as well as future approvals of CPS Energy and the City Council.

Staff recommends approval.

**BACKGROUND INFORMATION**

For the past several years, the Texas A&M University System has identified San Antonio as a preferred location for a four-year academic campus. In fact, Senate Bill 800 of the 78th Legislative Session formally established Texas A&M University—San Antonio. State legislation is now being considered to authorize the issuance of tuition revenue bonds in an amount up to \$80,000,000 for the purpose of constructing a San Antonio campus, opening in fall 2009.

Historically, land, as well as the provision of adequate transportation and utility facilities, has been provided to the A&M System for other campuses, either by private donors or adjacent communities. The A&M System, the Texas Higher Education Coordinating Board, and the Texas Legislature expect that title to the campus site and necessary infrastructure for a San Antonio campus will be provided and conveyed by the community. Based upon preliminary analysis, City staff estimates that the satisfactory acquisition, clearance, and removal of property impairments at the preferred campus site would likely exceed \$13 million.

## **POLICY ANALYSIS**

This resolution would express the City of San Antonio's continued support for the project and commitment to fund land acquisition and necessary improvements to the 400 acres to ensure that it is suitable for development as a campus. This is consistent with City Council Resolution No. 2005-04-02 approved on January 20, 2005, which had directed staff to undertake steps to: (1) negotiate legal agreements with the A&M System regarding the conveyance of 400 or more acres as developable land for the campus; (2) provide infrastructure and utilities to the campus, (3) identify funding for the project, and (4) identify, assess, and acquire property for the campus.

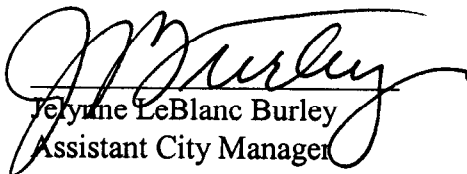
On April 25, 2005, the CPS Energy Board of Directors conditionally approved funding \$2.8 million in CIED fund grant support for the campus, as well as a \$15 million loan from the City of San Antonio's allocation of CIED Fund proceeds to support the project. This resolution would direct staff to negotiate the structure, term, and repayment system for the loan, as well as grant agreement.

## **FISCAL IMPACT**


There is no direct fiscal impact of this resolution. However, it is anticipated that local costs to provide land, utilities, and long-term transportation improvements could exceed \$32 million. Funding sources for these needs, particularly transportation system improvements, have not been fully identified at this time.

## **COORDINATION**

This item has been coordinated with the City Manager's Office, City Attorney's Office and outside counsel, Economic Development Department, Finance Department, and Intergovernmental Affairs Office.



Jelyne LeBlanc Burley  
Assistant City Manager



J. Rolando Bono  
Interim City Manager