

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

TO: Mayor and City Council

FROM: Jelynne LeBlanc Burley, Assistant City Manager

SUBJECT: Resolution supporting special legislation for the creation of the Espada Development District

DATE: May 12, 2005

SUMMARY AND RECOMMENDATIONS

The requested resolution would express the support of special legislation for the creation of the Espada Development District (or a variation thereof, known as the "District") that would provide a vehicle for financing public infrastructure within the District. The City's support is contingent upon the City's continued approval of the form of the legislation. After passage of the legislation, the City Council must consider and approve a separate resolution or ordinance consenting to or rejecting the creation and activation of said district and/or providing conditions for such consent, before the activation of the district may occur.

Staff recommends approval.

BACKGROUND INFORMATION

The City has promulgated a comprehensive plan that seeks to promote and encourage development within the area south of Loop 410 known as City South. Terramark Communities Ltd. has proposed a project within City South consisting of approximately 850 acres of land for the development of a mixed-use community to be known as "Espada" (the "Project"), and has determined that, in order for the Project to be economically viable, it would be necessary to create a district that could assist in the financing of public infrastructure through the levy of an additional ad valorem tax by such taxing authority on property included in the Project.

Legislation now being considered in the 79th Texas Legislature would create the Espada Development District (the "District"). If the legislation creating the district is adopted, then, in accordance with applicable Texas law, the City shall consider a separate resolution or ordinance consenting to or rejecting the creation and activation of said District and/or providing conditions for such consent, without which the activation of the District may not occur. The statement of support provided in the Resolution is not consent to the creation of the District, merely the support of the City of San Antonio for the creation of the District.

POLICY ANALYSIS

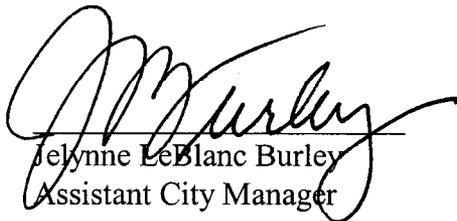
This resolution would express the City of San Antonio's support for the creation of the Espada Development District. The support is not the statutorily required consent to activation of the District, which shall not occur until such time as the District has been created by the legislature, and which may be conditioned upon factors determined by the City, and which may include the consent to or the rejection of the creation of the District, of terms contained in the legislation, and/or of the boundaries of the District.

FISCAL IMPACT

There is no direct fiscal impact of this resolution.

COORDINATION

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



Jelynnne LeBlanc Burley
Assistant City Manager

J. Rolando Bono
Interim City Manager