



## Legislation Text

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**File #:** Res. 2019-11R, **Version:** 1

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### **AGENDA CAPTION:**

Consider approval of Resolution 2019-11R, approving an agreement regarding conveyance of right of redemption and waiver of agricultural valuation with Highpointe Trace, LLC and UMB Bank, N.A. in connection with the Trace Public Improvement District; authorizing the City Manager or his designee to execute such agreement on behalf of the City; and declaring an effective date.

**Meeting date:** January 15, 2019

**Department:** City Manager Office

### **Amount & Source of Funding**

**Funds Required:** N/A

**Account Number:** Click or tap here to enter text.

**Funds Available:** Click or tap here to enter text.

**Account Name:** Click or tap here to enter text.

### **Fiscal Note:**

**Prior Council Action:** The City Council approved the Amended Trace Public Improvement District Financing agreement and the Acquisition and Reimbursement agreement on September 18, 2018 and they also amended the Trace Public Improvement District Term Sheet on August 7, 2018. An amended and updated Service and Assessment Plan was approved on October 15, 2018.

**City Council Strategic Initiative:** [Please select from the dropdown menu below]

Workforce Housing

City Facilities

Choose an item.

**Comprehensive Plan Element (s):** [Please select the Plan element(s) and Goal # from dropdown menu below]

☒ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☒ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Not Applicable

**Master Plan:** *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

**Background Information:**

Highpointe Communities has approximately 420 acres of land, generally located on the east side of IH-35, south of Posey Road, and also bordered by Old Bastrop Highway, at the southern edge of the City of San Marcos. The property is primarily for residential housing along with a component of multi-family along with a business park and community commercial.

Under Texas law, ag exempt property can be reclaimed by the original property owner within two years of foreclosure. Collection of both ad valorem taxes and special assessments can be enforced through foreclosure, but ag exempt property (and homesteads) can be reclaimed up to two years after the foreclosure. Since the Developer currently owns a significant portion of land within the PID that has a wildlife management exemption from ad valorem taxes (i.e. ag exempt), this agreement would prevent them from trying to reclaim (or redeem) the foreclosed land. As development progresses in the PID, less and less property will claim this exemption, so at full development, this issue will go away, but until then the City will be able to enforce collection of the taxes and assessments through foreclosure.

**Council Committee, Board/Commission Action:**

Click or tap here to enter text.

**Alternatives:**

Click or tap here to enter text.

**Recommendation:**

City staff recommends approval of this agreement.