

BILL ANALYSIS

Senate Research Center
85R13745 SMT-D

S.B. 1855
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Veteran Affairs & Border Security
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Brooks City Base is a former Air Force base in San Antonio that was closed as a result of the 1995 base realignment and closure and turned over to the Brooks Development Authority (BDA), a public-private partnership that would redevelop the area to mitigate the economic costs of the closure. The Air Force officially left in 2011, and the base is now the home of a STEM-focused charter school, Texas A&M University-San Antonio, a Mission Trail Baptist Hospital, and the University of the Incarnate Word's Osteopathic Medical School.

S.B. 1855 allows BDA to set up special purpose entity (SPE) as an investment vehicle for private investment in real estate projects. BDA would be able to move a single parcel of land (or a ground lease for the land) into an SPE and allow private investors to contribute equity funds to that project. This action would allow the defense base development authority to employ commonly used financing structures and partnership mechanisms to aide in the development of its real estate projects. Brooks City Base has requested this legislation to increase investment in the Brooks area as part of the continuing effort to develop the former base to, among other purposes, replace the economic activity that was lost as a result of the base closure.

S.B. 1855 applies to all such base development authorities, although no other entity is known to be pursuing SPEs.

As proposed, S.B. 1855 amends current law relating to the authority of a defense base development authority to participate in a company or partnership organized to finance redevelopment projects.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 379B.004(a), Local Government Code, to authorize a defense base development authority to exercise power necessary or convenient to carry out a purpose of this chapter (Defense Base Development Authorities), including the power to, among certain other actions, participate as a member or partner of a limited liability company, a limited liability partnership, or other entity organized to finance a project designated as a redevelopment project under Section 379B.009 (Redevelopment Projects).

SECTION 2. Effective date: upon passage or September 1, 2017.