

By: Cortez

H.B. No. 4349

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Alamo Management District; providing authority to issue bonds; providing authority to impose assessments and fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3636 to read as follows:

CHAPTER 3636. ALAMO MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3636.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of San Antonio.

(3) "Commissioner" means the commissioner of the General Land Office.

(4) "County" means Bexar County.

(5) "Director" means a board member.

(6) "District" means the Alamo Management District.

Sec. 3636.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3636.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this

1 chapter. By creating the district and in authorizing the city,  
2 county, and other political subdivisions to contract with the  
3 district, the legislature has established a program to accomplish  
4 the public purposes set out in Section 52-a, Article III, Texas  
5 Constitution.

6 (b) The creation of the district is necessary to protect and  
7 preserve the Alamo shrine and the area surrounding the Alamo  
8 shrine.

9 (c) The creation of the district is necessary to promote,  
10 develop, encourage, and maintain employment, commerce,  
11 transportation, tourism, recreation, the arts, entertainment,  
12 enjoyment of historic and cultural treasures, economic  
13 development, safety, health, and the public welfare in the  
14 district.

15 (d) This chapter and the creation of the district may not be  
16 interpreted to relieve the city or county from providing the level  
17 of services provided on November 1, 2016, to the area in the  
18 district. The district is created to supplement and not to supplant  
19 city and county services provided in the district or city and county  
20 zoning or site development ordinances or orders applicable to the  
21 territory in the district.

22 Sec. 3636.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
23 The district is created to serve a public use and benefit.

24 (b) All land and other property included in the district  
25 will benefit from the improvements and services to be provided by  
26 the district under powers conferred by Sections 52 and 52-a,  
27 Article III, and Section 59, Article XVI, Texas Constitution, and

1 other powers granted under this chapter.

2 (c) The creation of the district is in the public interest  
3 and is essential to further the public purposes of:

4 (1) developing and diversifying the economy of the  
5 state;

6 (2) eliminating unemployment and underemployment; and

7 (3) developing or expanding transportation and  
8 commerce.

9 (d) The district will:

10 (1) promote the health, safety, and general welfare of  
11 residents, employers, employees, visitors, and consumers in the  
12 district, and of the public;

13 (2) provide needed funding for the district to  
14 protect, preserve, maintain, and enhance the economic health and  
15 vitality of the district territory as a community, business,  
16 historic, and cultural center; and

17 (3) promote the health, safety, welfare, and enjoyment  
18 of the public by providing pedestrian ways and by landscaping and  
19 developing certain areas in the district, which are necessary for  
20 the restoration, preservation, and enhancement of scenic,  
21 cultural, and aesthetic beauty.

22 (e) Pedestrian ways along or across a street, whether at  
23 grade or above or below the surface, and street lighting, street  
24 landscaping, and street art objects are parts of and necessary  
25 components of a street and are considered to be a street or road  
26 improvement. Parking facilities are considered to be a street or  
27 road improvement.

1       (f) The district will not act as the agent or  
2 instrumentality of any private interest even though the district  
3 will benefit many private interests as well as the public.

4       Sec. 3636.005. INITIAL DISTRICT TERRITORY. (a) The  
5 district is initially composed of the territory described by  
6 Section 2 of the Act enacting this chapter.

7       (b) The boundaries and field notes of the district contained  
8 in Section 2 of the Act enacting this chapter form a closure. A  
9 mistake in the field notes of the district contained in Section 2 of  
10 the Act enacting this chapter or in copying the field notes in the  
11 legislative process does not in any way affect the district's:

12           (1) organization, existence, or validity;

13           (2) right to issue any type of bond or other obligation  
14 for a purpose for which the district is created or to pay the  
15 principal of and interest on a bond;

16           (3) right to impose or collect an assessment; or

17           (4) legality or operation.

18       Sec. 3636.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
19 All or any part of the area of the district is eligible to be  
20 included in:

21           (1) a tax increment reinvestment zone created under  
22 Chapter 311, Tax Code;

23           (2) a tax abatement reinvestment zone created under  
24 Chapter 312, Tax Code;

25           (3) an enterprise zone created under Chapter 2303,  
26 Government Code; or

27           (4) a similar zone created for economic development

1 purposes.

2 Sec. 3636.007. APPLICABILITY OF MUNICIPAL MANAGEMENT  
3 DISTRICTS LAW. Except as otherwise provided by this chapter,  
4 Chapter 375, Local Government Code, applies to the district.

5 Sec. 3636.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
6 chapter shall be liberally construed in conformity with the  
7 findings and purposes stated in this chapter.

8 Sec. 3636.009. CONFLICT WITH RIVER AUTHORITY. If any  
9 authority or power granted to the district overlaps or conflicts  
10 with any authority or power granted to the San Antonio River  
11 Authority, the authority or power granted to the San Antonio River  
12 Authority shall supersede and control over the authority or power  
13 granted to the district, unless the San Antonio River Authority  
14 consents to the exercise of the authority or power by the district.

15 SUBCHAPTER B. BOARD OF DIRECTORS

16 Sec. 3636.051. BOARD; TERMS. (a) The district is governed  
17 by a board of seven voting directors who serve staggered terms of  
18 four years, with three or four directors' terms expiring February 1  
19 of each odd-numbered year.

20 (b) The board by resolution may change the number of voting  
21 directors on the board if the board determines that the change is in  
22 the best interest of the district. The board may not consist of  
23 fewer than 7 or more than 15 voting directors.

24 Sec. 3636.052. APPOINTMENT AND REMOVAL OF DIRECTORS. (a)  
25 The commissioner serves as the presiding officer of the board.

26 (b) The commissioner shall appoint the remaining members of  
27 the board as follows:

1           (1) a person with knowledge of Texas history;

2           (2) a person with knowledge of preservation or  
3 operation of historic sites;

4           (3) a person with knowledge of fund-raising or state  
5 funding sources and procedures;

6           (4) a person with knowledge of municipal land use or  
7 site development regulation;

8           (5) a person who owns a business in or near the  
9 district; and

10           (6) a person qualified to serve as a director under  
11 Section 375.063, Local Government Code.

12           (c) If the board increases the number of directors under  
13 Section 3636.051 to more than seven, the commissioner shall appoint  
14 the additional directors. The additional directors must be  
15 qualified to serve as a director under Section 375.063, Local  
16 Government Code.

17           (d) If a vacancy occurs on the board, the commissioner shall  
18 appoint a director for the remainder of the unexpired term only with  
19 the approval of a majority of the remaining directors.

20           (e) Each director serves at the pleasure of the  
21 commissioner. The commissioner may remove a director at any time in  
22 a manner authorized by law.

23           Sec. 3636.053. NONVOTING DIRECTORS. The board may appoint  
24 nonvoting directors to serve at the pleasure of the voting  
25 directors.

26           Sec. 3636.054. QUORUM; BOARD ACTION. (a) Section 375.071,  
27 Local Government Code, does not apply to the board.

1       (b) For purposes of determining the requirements for a  
2 quorum of the board, the following are not counted:

3           (1) a board position vacant for any reason, including  
4 death, resignation, or disqualification;

5           (2) a director who is abstaining from participation in  
6 a vote because of a conflict of interest; or

7           (3) a nonvoting director.

8       (c) A concurrence of a majority of a quorum of directors is  
9 required for an official action of the district.

10       (d) Official actions of the district must be made by written  
11 resolution.

12                   SUBCHAPTER C. POWERS AND DUTIES

13       Sec. 3636.101. GENERAL POWERS AND DUTIES. The district has  
14 the powers and duties necessary to accomplish the purposes for  
15 which the district is created.

16       Sec. 3636.102. STANDARDS FOR LAND USE, SITE DEVELOPMENT,  
17 ARCHITECTURAL DESIGN. (a) The district may adopt and enforce  
18 standards for land use, site development, and architectural design  
19 in the district to ensure that land use, site development, and  
20 architecture in the district are compatible with land use, site  
21 development, and architecture in the Alamo complex.

22           (b) The district may create and adopt a master plan for land  
23 use, site development, and architectural design in the district. If  
24 the district adopts a master plan, any standards adopted under  
25 Subsection (a) must conform with the plan.

26           (c) A standard adopted under this section may not be less  
27 strict than a standard adopted by the city that applies to land or

1 architecture in the district.

2 Sec. 3636.103. DEVELOPMENT CORPORATION POWERS. The  
3 district, using money available to the district, may exercise the  
4 powers given to a development corporation under Chapter 505, Local  
5 Government Code, including the power to own, operate, acquire,  
6 construct, lease, improve, or maintain a project under that  
7 chapter.

8 Sec. 3636.104. NONPROFIT CORPORATION. (a) The board by  
9 resolution may authorize the creation of a nonprofit corporation to  
10 assist and act for the district in implementing a project or  
11 providing a service authorized by this chapter.

12 (b) The nonprofit corporation:

13 (1) has each power of and is considered to be a local  
14 government corporation created under Subchapter D, Chapter 431,  
15 Transportation Code; and

16 (2) may implement any project and provide any service  
17 authorized by this chapter.

18 (c) The board shall appoint the board of directors of the  
19 nonprofit corporation. The board of directors of the nonprofit  
20 corporation shall serve in the same manner as the board of directors  
21 of a local government corporation created under Subchapter D,  
22 Chapter 431, Transportation Code, except that a board member is not  
23 required to reside in the district.

24 Sec. 3636.105. AGREEMENTS; GRANTS. (a) As provided by  
25 Chapter 375, Local Government Code, the district may make an  
26 agreement with or accept a gift, grant, or loan from any person.

27 (b) The implementation of a project is a governmental



1 function or service for the purposes of Chapter 791, Government  
2 Code.

3 Sec. 3636.106. CONTRACT WITH POLITICAL SUBDIVISION. The  
4 county, the city, or another political subdivision of this state,  
5 without further authorization, may contract with the district to  
6 implement a project of the district or assist the district in  
7 providing a service authorized under this chapter. A contract  
8 under this section may:

9 (1) be for a period on which the parties agree;

10 (2) include terms on which the parties agree;

11 (3) be payable from any source of revenue that may be  
12 available for that project or service; and

13 (4) provide terms under which revenue collected at a  
14 district project or from a person using or purchasing a commodity or  
15 service at a district project may be paid or rebated to the  
16 district.

17 Sec. 3636.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
18 district may join and pay dues to a charitable or nonprofit  
19 organization that performs a service or provides an activity  
20 consistent with the furtherance of a district purpose.

21 Sec. 3636.108. ANNEXATION. The district may annex  
22 territory that is adjacent to the district in the manner provided by  
23 Section 49.301, Water Code.

24 Sec. 3636.109. NO EMINENT DOMAIN POWER. The district may  
25 not exercise the power of eminent domain.

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

27 Sec. 3636.151. PETITION REQUIRED FOR FINANCING SERVICES AND

1 IMPROVEMENTS. (a) The board may not finance a service or an  
2 improvement project under this chapter unless a written petition  
3 requesting that service or improvement is filed with the board.

4 (b) The petition must be signed by the owners of a majority  
5 of the assessed value of real property in the district subject to  
6 assessment according to the most recent certified tax appraisal  
7 roll for the county.

8 Sec. 3636.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
9 board by resolution shall establish the number of directors'  
10 signatures and the procedure required for a disbursement or  
11 transfer of the district's money.

12 Sec. 3636.153. AUTHORITY TO IMPOSE ASSESSMENTS, IMPACT  
13 FEES, AND OTHER FEES. (a) The district may impose an assessment,  
14 impact fee, or other fee as provided by Chapter 375, Local  
15 Government Code, to finance:

16 (1) an improvement this chapter authorizes the  
17 district to construct or acquire; or

18 (2) a service this chapter authorizes the district to  
19 provide.

20 (b) The district may impose an assessment, impact fee, or  
21 other fee only on property on which a structure is, on or after the  
22 date the district is created:

23 (1) constructed; or

24 (2) renovated in a manner that removes, replaces, or  
25 renovates at least 50 percent of the square footage of the  
26 structure.

27 Sec. 3636.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)

1 The board by resolution may impose and collect an assessment for any  
2 purpose authorized by this chapter.

3 (b) An assessment or reassessment, including an assessment  
4 resulting from an addition to or correction of the assessment roll  
5 by the district, penalties and interest on an assessment or  
6 reassessment, an expense of collection, and reasonable attorney's  
7 fees incurred by the district:

8 (1) are a first and prior lien against the property  
9 assessed;

10 (2) are superior to any other lien or claim other than  
11 a lien or claim for county, school district, or municipal ad valorem  
12 taxes; and

13 (3) are the personal liability of and a charge against  
14 the owners of the property even if the owners are not named in the  
15 assessment proceeding.

16 (c) The lien is effective from the date of the board's  
17 resolution imposing the assessment until the date the assessment is  
18 paid.

19 (d) The board may correct, add to, or delete assessments  
20 from its assessment rolls after notice and hearing as provided by  
21 Subchapter F, Chapter 375, Local Government Code.

22 Sec. 3636.155. ASSESSMENT ABATEMENTS. The district may  
23 grant abatements of an assessment on property in the district.

24 Sec. 3636.156. USE OF ELECTRICAL OR OPTICAL LINES. (a) The  
25 district may impose an assessment to pay the cost of:

26 (1) burying or removing electrical power lines,  
27 telephone lines, cable or fiber-optic lines, or any other type of

1 electrical or optical line;

2 (2) removing poles and any elevated lines using the  
3 poles; and

4 (3) reconnecting the lines described by Subdivision  
5 (2) to the buildings or other improvements to which the lines were  
6 connected.

7 (b) The district may acquire, operate, or charge fees for  
8 the use of the district conduits for:

9 (1) another person's:

10 (A) telecommunications network;

11 (B) fiber-optic cable; or

12 (C) electronic transmission line; or

13 (2) any other type of transmission line or supporting  
14 facility.

15 (c) The district may not require a person to use a district  
16 conduit.

17 (d) The district may not impose an assessment under this  
18 section on the property, including the equipment, rights-of-way,  
19 facilities, or improvements, of:

20 (1) a telecommunications provider, as defined by  
21 Section 51.002, Utilities Code; or

22 (2) a cable service provider or a video service  
23 provider, as defined by Section 66.002, Utilities Code.

24 (e) Subsection (d) does not apply to property that is used  
25 for an office.

26 Sec. 3636.157. NO AD VALOREM TAX. The district may not  
27 impose an ad valorem tax.

1       Sec. 3636.158. BONDS AND OTHER OBLIGATIONS. (a) The  
2 district may issue bonds, notes, or other obligations payable  
3 wholly or partly from assessments or other money available to the  
4 district in the manner provided by Subchapter J, Chapter 375, Local  
5 Government Code.

6       (b) In exercising the district's borrowing power, the  
7 district may issue a bond or other obligation in the form of a bond,  
8 note, certificate of participation or other instrument evidencing a  
9 proportionate interest in payments to be made by the district, or  
10 other type of obligation.

11                   SUBCHAPTER E. DISSOLUTION BY BOARD

12       Sec. 3636.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING  
13 DEBT. (a) The board may dissolve the district regardless of  
14 whether the district has debt. Section 375.264, Local Government  
15 Code, does not apply to the district.

16       (b) If the district has debt when it is dissolved, the  
17 district shall remain in existence solely for the purpose of  
18 discharging its debts. The dissolution is effective when all debts  
19 have been discharged.

20                   SUBCHAPTER Z. SPECIAL BOND PROVISIONS

21       Sec. 3636.901. APPLICABILITY. This subchapter applies to  
22 bonds payable wholly or partly from revenue derived from  
23 assessments on real property in the district.

24       Sec. 3636.902. CONFLICT OF LAWS. In the event of a conflict  
25 between this subchapter and any other law, this subchapter  
26 prevails.

27       Sec. 3636.903. WRITTEN AGREEMENT REGARDING SPECIAL

1 APPRAISALS. Before issuing bonds, the district and any person to  
2 whom the governing body of the district intends that proceeds of the  
3 bonds be distributed, including a developer or other owner of land  
4 in the district, and any entity acting as a lender to a developer or  
5 other owner of land in the district for the purpose of a project  
6 relating to the district, must enter into a written agreement that:

7 (1) waives for the term of the agreement the right to a  
8 special appraisal with respect to taxation by the district under  
9 Subchapters B, C, D, E, F, and H, Chapter 23, Tax Code; and

10 (2) remains in effect for 30 years and is binding on  
11 the parties, on entities related to or affiliated with the parties,  
12 and on their successors and assignees.

13 Sec. 3636.904. REQUIREMENTS FOR ADVERTISING BOND ISSUE.

14 The district may not advertise for an issuance of bonds until the  
15 completion of at least 25 percent of the projected value of the  
16 improvements, including houses and other buildings, that are liable  
17 for district assessments and necessary to support the district  
18 bonds.

19 Sec. 3636.905. REQUIREMENTS FOR BOND ISSUE. The district  
20 may not issue bonds until:

21 (1) the district submits to the Texas Commission on  
22 Environmental Quality:

23 (A) an engineer's report describing the project  
24 for which the bonds will provide funding, including data, profiles,  
25 maps, plans, and specifications related to the project; and

26 (B) a cash flow analysis to determine the  
27 projected rate of assessment, which includes the following

1 assumptions:

2 (i) each ending balance for debt service in  
3 the analysis is not less than 25 percent of the following year's  
4 debt service requirement;

5 (ii) interest income is only shown on the  
6 ending balance for debt service for the first two years; and

7 (iii) the projected rate of assessment is  
8 level or decreasing for the life of the bonds issued by the  
9 district;

10 (2) the completion of at least 75 percent of the  
11 projected value of the improvements, including houses and other  
12 buildings, that are liable for district assessments and necessary  
13 to support the district bonds; and

14 (3) the district has obtained an independent market  
15 study from a firm recognized in the area of real estate market  
16 analysis supporting the development projects for the real property  
17 that is liable for district assessments and necessary to support  
18 the district bonds.

19 Sec. 3636.906. REQUIREMENTS FOR COLLECTION OF REVENUE TO  
20 PAY CERTAIN BONDS. The district may not collect an assessment to be  
21 used for the payment of bonds to be issued to finance the  
22 construction of underground water, wastewater, and drainage  
23 facilities until:

24 (1) the completion of at least 95 percent of the  
25 underground water, wastewater, and drainage facilities financed  
26 from bond proceeds that are necessary to serve the projected  
27 build-out, as certified by the district's engineer;

1           (2) the district or other appropriate party has  
2 secured the groundwater, surface water, and water discharge permits  
3 that are necessary to secure capacity to support the projected  
4 build-out;

5           (3) the completion of at least 95 percent of lift  
6 station, water plant, and sewage treatment plant capacity  
7 sufficient to serve the connections constructed in the project for  
8 a period of not less than 18 months, as certified by the district's  
9 engineer; and

10           (4) the completion of at least 95 percent of the  
11 streets and roads that are necessary to provide access to the areas  
12 served by utilities and to be financed by the proceeds of the bonds,  
13 as certified by the district's engineer and constructed in  
14 accordance with city or county standards.

15           SECTION 2. The Alamo Management District initially includes  
16 all the territory contained in the following area:

17           From the midpoint of the intersection of W Market Street and N  
18 Presa Street; Northward along N Presa Street, to the intersection  
19 of E Houston Street and N Presa Street; Eastward along E Houston  
20 Street to the intersection of E Houston Street and Jefferson;  
21 Northward along Jefferson to the intersection of Jefferson and E  
22 Travis Street; Eastward along E Travis Street, to the intersection  
23 of N Alamo Street and E Travis Street; Northeastward along N Alamo  
24 Street to the intersection of 4th Street and N Alamo Street;  
25 Southeastward along 4th Street to the intersection of Bonham Street  
26 and 4th Street; Northeastward along Bonham Street to the  
27 intersection of Elm Street and Bonham Street; Southward along Elm



1 Street to the intersection of E Houston Street and Elm Street;  
2 Eastward along E Houston Street to IH-37; Southeastward along the  
3 south-bound lanes of IH-37, to the intersection of IH-37 and E  
4 Market Street; West-northwestward along E Market Street to the  
5 point of origin, the intersection of W Market Street and N Presa  
6 Street.

7 SECTION 3. (a) The legal notice of the intention to  
8 introduce this Act, setting forth the general substance of this  
9 Act, has been published as provided by law, and the notice and a  
10 copy of this Act have been furnished to all persons, agencies,  
11 officials, or entities to which they are required to be furnished  
12 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
13 Government Code.

14 (b) The governor, one of the required recipients, has  
15 submitted the notice and Act to the Texas Commission on  
16 Environmental Quality.

17 (c) The Texas Commission on Environmental Quality has filed  
18 its recommendations relating to this Act with the governor,  
19 lieutenant governor, and speaker of the house of representatives  
20 within the required time.

21 (d) The general law relating to consent by political  
22 subdivisions to the creation of districts with conservation,  
23 reclamation, and road powers and the inclusion of land in those  
24 districts has been complied with.

25 (e) All requirements of the constitution and laws of this  
26 state and the rules and procedures of the legislature with respect  
27 to the notice, introduction, and passage of this Act have been

1 fulfilled and accomplished.

2           SECTION 4. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2017.