

**State of Texas
County of Bexar
City of San Antonio**



DRAFT

Meeting Minutes

City Council B Session

City Hall Complex
114 W. Commerce
San Antonio, Texas 78205

Wednesday, September 30, 2015

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the “B” Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call with the following Councilmembers present:

PRESENT: 11 - Mayor Taylor, Treviño, Warrick, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier, and Gallagher

1. Briefing and discussion regarding the Limited Purpose Annexation for Five Priority Areas in the FY 2015 and FY 2016 Annexation Program and Impervious Cover Regulations. [Peter Zaroni, Deputy City Manager; John Dugan, Director, Planning and Community Development]

Mayor Taylor stated that there was a team of dedicated staff generating facts and information in order for the City Council to make policy decisions regarding Annexation. She noted that her goal was for the City Council to have a conversation on growth and the future concerning four main factors: 1) Cost-Benefit Analysis to expand; 2) Impact to current services; 3) Where value is expected to be generated; and 4) How the growth is managed. She stated that it was important to consider how to increase value and productivity without drastically growing the City’s Footprint.

Peter Zaroni provided an overview of the topic noting that in December 2014; the City

Council had approved policy to move forward on five areas for Limited Purpose Annexation. He spoke of the items staff had researched to include Regulatory Plans and Zoning on each of the five areas. He mentioned that meetings were held with the affected communities in which maps were presented and the concept of Limited Purpose Annexation was discussed. He stated that staff would be presenting alternate scenarios to consider moving forward and introduced Mr. John Dugan.

Mr. Dugan presented a Power Point of various Annexation Scenarios. He stated that on January 9, 2014; the City Council authorized Limited Purpose Annexation on the South Side of the city. He noted that the goal was to encourage and promote economic development, as well as protect resources on the South Side. He provided an overview of the Five Annexation Areas proposed in 2015 noting the Characteristics of each to include Area, Square Miles, 2010 Population, Estimated 2030 Population, and 20-Year Operating Impact. He presented a Current Annexation Timeline noting that in September; Development Agreements were mailed to owners with Agriculture Property Valuation and public notices were sent for IH-10 East and West Areas.

Mr. Dugan highlighted Scenario 1 in which they could proceed with the current Council Direction to include:

- 1) Continue noticed annexation schedule
- 2) Required planning studies and regulatory plans completed
- 3) Fiscal analysis supports annexation of 5 areas
- 4) Provides owners three years to prepare for Full Purpose Annexation

He stated that Scenario 2 was a Modified Limited Purpose Annexation that would provide flexibility to homeowners. He cautioned that the Modified Limited Purpose Annexation would be financially challenging with a 20-year net negative operating impact and would require owners to sign an agreement with the city. He noted that Scenario 3 would consist of Commercial Annexation only which would extend zoning protections to the Hwy 281 Corridor. He stated that it would also be financially challenging with a 20-year net negative operating impact. Additionally, zoning and land use controls protecting the Edwards Recharge Zone would not apply to residential areas in the Extra Territorial Jurisdiction. He further noted that it would bring City Services closer to neighborhoods that were not paying for them. He reported the 20-Year Fiscal Impact would be Positive \$172 Million under the Initial Annexation and Negative \$35 Million under the Alternative. He stated that Scenario 4 was to Forgo Annexation in which unsustainable growth in the County would continue and leave the Edwards Aquifer and Military Installations vulnerable in the long-term.

Mr. Dugan highlighted the Impervious Cover Consideration noting that unless changes are

made when the properties are annexed; there will be a lot more intense development over the aquifer in newly annexed areas. He recommended that the issue be referred to the October Meeting of the Neighborhoods and Livability Council Committee. He showed a map of the additional Six Annexation Areas but noted that there was no Council Direction to move forward and no funds in the budget. He stated that if the City Council wanted to add the areas to the City's Annexation Program; a Budget Amendment of \$341,000 would be necessary. He added that staff recommended moving forward with Scenario 1 which encompassed the Five-Area Annexation Program previously approved by the City Council.

Mayor Taylor thanked staff for the presentation and asked how existing City Obligations would be met if they moved forward with Annexation. Mr. Chad Tustison stated that the Budget Office worked with the TCI Department to develop a model to estimate the amount of Annual Street Maintenance that would be needed. He noted that they would assume the current level of service provided in the City Limits. Mayor Taylor asked of the Fiscal Impact. Mrs. Sculley stated that annexing IH-10 West, IH-10 East, and Hwy 281 North would have a positive impact of \$172 Million over 20 years while the alternative of only annexing Commercial Properties would equate to a negative impact of \$35 Million over the same timeframe.

Councilmember Lopez spoke of SA2020 noting that one of the issues identified during that process was the need to effectively manage growth. He asked of the potential for an agreement with the County. Mr. Dugan replied that an agreement with the County would not bind the property owners. Councilmember Lopez asked of communication with the County. Mr. Dugan replied that they had seen the City's Proposals and that Judge Wolff believed the approach was conservative. Councilmember Lopez asked of the capital investment that would be needed. Ms. Maria Villagomez stated that they had not conducted an analysis of the improvements and that they would be addressed as part of the City Bond Program paid with the debt portion of the Property Tax Rate. Councilmember Lopez stated that it would be important to invest in a study to show the Capital Commitment that would be made by the City if an area is annexed. Mr. Dugan noted that State Law required a detailed plan to include cost and services that would be provided prior to annexation. Councilmember Lopez stated that he was in support of the staff recommendation to move forward with the approved 2-year, Five-Area Annexation Program. He noted the importance of educating the affected communities.

Councilmember Nirenberg asked of the timeline for Public Hearings. Mr. Dugan replied that the first IH-10 West Public Hearing would be held this evening and the second would be held on October 7th. He noted that it would be presented to the City Council for approval on October 29, 2015. Councilmember Nirenberg stated that he supported the staff recommendation but the issue of Impervious Cover still needed to be addressed. He noted

that annexation should be discussed within the SA Tomorrow Process and asked of Impervious Cover. Mr. Dugan provided a map of the Edwards Aquifer Recharge Zone and highlighted the area in which there could be 100% Impervious Cover. Councilmember Nirenberg stated that it was important to protect every acre possible within the Edwards Aquifer Recharge Zone and that growth should be encouraged in good places.

Councilmember Warrick asked what could be done to mitigate sprawl if the areas were not annexed. Mr. Dugan replied that there was nothing that the City could do if the property was not zoned. Councilmember Warrick asked if there were limits for developers. Mr. Dugan replied that there could be some limits but would be addressing same through the 2040 Plan which would require water and electricity for certain densities. Councilmember Warrick asked of cost savings for Bexar County. Mr. Dugan responded that the highest cost savings would be from Sherriff and Street Maintenance Services. Councilmember Warrick asked of the status of Legislation affecting Annexation. Mr. Dugan replied that Senator Campbell and Representative Larson planned to introduce Legislation that would require a vote of the people to be annexed.

Councilmember Saldaña asked if annexation was a tool to slow down or increase sprawl. Mr. Dugan stated that for San Antonio it was an opportunity to manage sprawl as there was currently no zoning in the County. Councilmember Saldaña asked of meeting demands for current city services while also bringing in new areas. Mr. Dugan spoke of the importance of land management to ensure quality of new growth. He stated that more revenues would be generated than would be used and could be used in other parts of the city. Councilmember Saldaña stated that he was supportive of Scenario 1 and asked of allowing the areas to incorporate. Mr. Dugan recommended that they not allow for Incorporation due to the fact that they would be competing in terms of housing, commercial, and industrial growth.

Mayor Taylor asked why being surrounded by smaller cities was considered negative. Mr. Dugan stated that it could cause the best, brightest, and newest citizens out of the Central City and into a new community.

Councilmember Gallagher spoke of the importance of managing growth and stated that he was supportive of the staff recommendation to move forward with Scenario 1. He noted concerns with Legislation that could have been passed this year and that there needs to be protection for unrestrained development. He asked of the control of Impervious Cover by small incorporated cities. Mr. Dugan replied that most small communities did not have Impervious Cover Requirements. Councilmember Gallagher stated that this would benefit the entire city to include Military Installations.

Councilmember Viagran spoke in support of Annexation for the South San Antonio Sector noting the need for controlled management at the intersection of Loop 1604 and IH-37. She mentioned the difference between development in the North and South and the need to control development near Government Canyon and areas surrounding Military Bases. She spoke of the importance of communication with the individuals that would be affected by annexation.

Councilmember Krier stated that the city should be able to provide the areas proposed for Annexation with the same level of services provided to current residents. He asked of the amount of funds included in the budget for infrastructure for the neighborhoods they would be voting to annex in December. Mr. Dugan replied that there was no funding in the budget. Councilmember Krier asked how much would be placed in the 2017 Bond Program for the areas proposed for Annexation. Mr. Dugan replied that they did not have that information yet. Councilmember Krier spoke of the City of Dallas allowing itself to become landlocked by other cities and not allowing that to occur in San Antonio.

Councilmember Treviño referenced the fire that occurred at the Wedgewood Apartments in Castle Hills in which they could not provide appropriate Fire Protection Services and asked if there was a timing issue in regard to Annexation. Mr. Dugan stated that it was partially a timing issue if the Legislature curtailed the city's ability to move forward with Annexation. Councilmember Treviño expressed concern with only annexing Commercial Properties due to the issues with predicting Ad Valorem Taxes. He spoke of the challenges with homes that have been built without the oversight of the Development Services Department and noted that DSD should be viewed as a tool that brings value to the city.

Mayor Taylor stated that the discussion on Annexation was critical because there were many factors to consider. She noted that they would continue to review and ask questions during the three year Limited Purpose Annexation Period and was pleased that the Impervious Cover discussion would proceed through the Council Committee.

EXECUTIVE SESSION

Mayor Taylor recessed the meeting into Executive Session at 3:58 pm to discuss the following:

- A. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).

- B. Deliberate the purchase, exchange, lease or value of real property and discuss related legal issues pursuant to Texas Government Code Sections 551.072 (real property) and 551.071 (consultation with attorney).

- C. Discuss legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Mayor Taylor reconvened the meeting at 6:00 pm and announced that no action was taken in Executive Session. She stated that they would continue the Executive Session after the business portion of the City Council Meeting the next day. She addressed Item 2.

PUBLIC HEARING

City Clerk Vacek read the caption for Item 2:

- 2. First public hearing for the proposed Limited Purpose Annexation of the IH-10 West Area, consisting of 14.94 square miles (9,560 acres), generally located north of NW Loop 1604, extending to areas on the east and west side of IH-10 West, and south of Kendall County line in the northern portion of San Antonio's Extraterritorial Jurisdiction and Bexar County. [Peter Zaroni, Deputy City Manager; John M. Dugan, Director, Department of Planning and Community Development]

Mayor Taylor opened the First Public Hearing on the Limited Purpose Annexation of the IH-10 West Area.

Mr. John Dugan addressed the Limited Purpose Annexation of the IH-10 West Area. He stated that the area was a major gateway into the City of San Antonio and that the area expected growth of approximately 23,000 people over the next 20 years. He mentioned that the area included 15 square miles and that new investments were approved for managed lanes in order to address traffic congestion. He reported that annexation would help regulate growth and development control in relation to the lack of zoning. He explained that the annexed areas would not pay taxes for the first three years following annexation and that residents could vote for Mayor and City Council. He highlighted the proposed annexation timeline and added that residents would be allowed to modify their property designation

without a fee for the first 180 days after annexation.

Mayor Taylor called on the citizens registered to speak.

Steve Garcia stated that his neighborhood services provided by Bexar County were outstanding. He expressed concern that San Antonio Public Safety services would not be adequate to service the area.

Steve Grant stated that his neighborhood had evaluated the pros and cons of annexation and found that services rendered by Bexar County had never been delayed. He expressed concern that San Antonio Public Safety would not be able to offer additional value to the neighborhood services. He stated his neighborhood's opposition to annexation.

Chris Blood stated that the services rendered by Bexar County in his neighborhood were adequate and prompt. He expressed opposition to annexation.

Nazirite Ruben Flores Perez noted that economic opportunities would expand to new areas with annexation and that benefits would be long term.

Martin Miller highlighted the conscious decision of many residents to move to rural areas and commented on expanding urban sprawl. He noted that costs would increase to live in San Antonio and expressed concern that services rendered by the City would result in increased response times.

Sandy Fitzpatrick stated his opposition to annexation and noted increasing prices for public safety services. He noted that Bexar County services were adequate for the area.

Mary Ellen McRedmond expressed opposition to annexation and stated concern for annexation and taxation without representation. She stated that the City Council had not been elected by the residents of the areas to be annexed.

Gary Larid stated that Bexar County provided good service to his neighborhood and noted that the residents to be annexed should have a vote on the issue. He expressed opposition to annexation.

Tony McRedmond expressed concern for San Antonio's debt and stated the need to address infrastructure issues within the City Limits before considering annexation.

Tyler Hart expressed opposition to annexation and added that Bexar County had provided great service to his neighborhood. He stated concern that additional taxes would not

increase the quality of Public Safety Services in the area.

Brad Botkin addressed the need for a buffer between the City and the County's rural areas. He stated that residents were happy with the quality of services rendered by Bexar County and expressed opposition to annexation.

Mike Stewart stated opposition to annexation and noted that residents should have a vote on the issue. He expressed concern for the City's need to maintain infrastructure and noted that the areas to be annexed were not represented on the City Council.

Karen Owens noted that many residents had purposely moved to the rural areas of Bexar County and that current public safety services serve the community well. She stated that San Antonio would not offer significant improvements to the services rendered by Bexar County and added that residents should have a vote on the issue of annexation. She submitted 180 signatures and 410 online names in opposition to the proposed annexation.

Thomas Angotti noted that many residents had moved out of the City Limits with the intention of lowering taxes. He expressed concern that higher taxes would not support an increase in the quality of emergency services offered by the City.

Written testimony was received in opposition to the proposed annexation from Anthony Salemi, Nicholas Heath, Sr., Michael A. Glode, Joann Salemi, and Patti Irwin.

Having heard all citizens registered to speak; Mayor Taylor closed the First Public Hearing for the Limited Purpose Annexation of the IH-10 West Area.

CITIZENS TO BE HEARD

Mayor Taylor called upon the citizens registered to speak under Citizens to be Heard.

Terry Burns expressed concern that the results of the 2014 Water Study had not been released. He also expressed concern with the risk associated with the Vista Ridge Project and stated the need for greater water supply management.

Wendell Fuqua expressed concern for the increase in rates to fund the Vista Ridge Pipeline and stated that greater sustainability efforts would secure San Antonio's Water Supply.

Jess Mayes expressed concern for increasing parking spaces in Mahncke Park for the DoSeum and for historic homes in the area. He expressed concern for risk associated with the Vista Ridge Pipeline and mentioned the need for a well-informed public decision.

David Klar petitioned the City Council to postpone a vote on the SAWS Proposed Rate Structure in order to have more time to educate the public on the issue. He stated the need for government transparency by releasing the results of the 2014 Water Study. He expressed concern for the financial impact to low income and middle class families.

Meredith McGuire requested that the City Council postpone the vote on the SAWS Rate Structure in order to allow for greater discussion of the issue. She expressed concern that proposed rates would burden low income and middle class families.

Danny Petri expressed concern for the zoning of the Planned Parenthood Facility located at 2140 Babcock. He petitioned the City Council to review the applicable laws and investigate the issue further.

Mike Knuffke expressed concerns for parking and zoning compliance at the Planned Parenthood Facility located at 2140 Babcock. He spoke to the need of a protective buffer for the neighborhood residents and petitioned the City Council to examine the zoning of the Facility.

Patrick Von Dohlen expressed concern for funding of Teen Pregnancy Prevention Programs. He petitioned the City Council to consider the issue of the zoning laws of the Planned Parenthood Facility located at 2140 Babcock in order to offer the residents of Dreamhill Estates the opportunity to be heard.

Sylvia Villarreal stated her concern for zoning infractions of the Planned Parenthood Facility located at 2140 Babcock. She petitioned the City Council to examine the applicable zoning laws and consider the greater effect on the City.

Courtney Denton petitioned the City Council to postpone a decision on the SAWS Rate in order to support local solutions to issues of water supply. She expressed concern that the Vista Ridge Project would affect low income families and requested that housing in Mahncke Park remain free from encroachment by DoSeum Parking.

Brian Hummel discussed natural water recharge systems and offered alternatives methods of preserving San Antonio's water supply.

Faris Hodge, Jr. submitted written testimony requesting that the Meals on Wheels and Senior Nutrition Program be combined. He wrote that topless bars should be better regulated. He expressed concern that San Antonio Water Systems had too many projects occurring at the same time. He wrote that a policy should be written to prevent a

high-ranking officer from making personal decisions that may damage public trust. He wrote that residents were opposed to higher CPS Energy Bills.

ADJOURNMENT

There being no further discussion, Mayor Taylor adjourned the meeting at 7:44 pm.

APPROVED

IVY R. TAYLOR
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC
CITY CLERK