



**CITY OF SAN ANTONIO
OFFICE OF MAYOR IVY R. TAYLOR
INTERDEPARTMENTAL CORRESPONDENCE**

15 SEP 17 PM 5:19

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TO: Members of City Council

FROM: Mayor Ivy R. Taylor *[Signature]*

COPIES TO: Sheryl Sculley, City Manager; Leticia Vacek, City Clerk; Martha Sepeda, Interim City Attorney

SUBJECT: Proposed Annexation

DATE: September 17, 2015

In the past, the City of San Antonio (COSA) has supported our municipal growth through annexation. COSA provides services such as police, fire and garbage collection and attempts to minimize the negative effects of growth, such as traffic congestion and environmental impacts, through the imposition of zoning and other regulations. Additionally, annexation ensures that area residents who currently pay COSA sales taxes and are customers of the municipally-owned power and water utilities are able to vote in municipal elections. Our annexation strategy has produced many benefits for our community.

However, during the 2015 Legislative Session several bills were introduced that would have limited municipal authority to unilaterally impose annexation (none ultimately passed). In response, the City is currently considering an accelerated annexation schedule that would add six priority annexation areas totaling 71 square miles for 2016. These areas are in addition to the five areas already proposed in 2015. Together, the 2015 and 2016 annexation areas represent an increase of almost 30% in San Antonio's footprint, taking our community from a current size of 465 to more than 600 square miles.

Most property located within high-growth areas is either developed, master-planned and/or subject to vested rights. Furthermore, protective covenants already restrict land uses in most new residential developments. Annexation will have a limited impact on the form and function of development in these areas, while adding significant new obligations to the COSA annual budget and the 2017 bond project schedule. While the City of San Antonio currently does receive revenue through CPS and sales tax receipts from households in unincorporated areas, many of the residents of 2015 and 2016 Priority Annexation areas are opposed to annexation and are not seeking COSA services because they are already supplied through contract or by the creation of Emergency Service Districts (ESDs).

City staff is still in the process of analyzing the impact of annexing built-out, planned or platted residential areas, and there are potential negative growth management and environmental implications such as reductions in impervious cover limits. We anticipate the completion of the SA Tomorrow process in 2016, resulting in the adoption of San Antonio's first comprehensive growth plan; SA

Tomorrow can serve as a guide for future annexation targets. Until that time, it is entirely appropriate for the City of San Antonio to focus our maintenance, programming and capital improvements on the many needs already identified by today's residents.

For these reasons, I do not support adopting an accelerated 2016 annexation schedule. While I do support the annexation of primarily non-residential commercial corridors included in the 2015 Priority Areas, I believe staff should re-examine the costs and benefits of annexing the residential developments within the 2015 Priority Areas. Staff should also identify alternatives such as the use of non-annexation agreements for master-planned, deed-restricted residential areas. Commercial and industrial corridors have greater potential for development or redevelopment and should be considered separately.

I look forward to working with you to provide guidance to City staff regarding any necessary changes to the public hearing schedule currently in place.

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