



City of San Antonio

Agenda Memorandum

File Number: 16-3885

Agenda Item Number: 4A.

Agenda Date: 9/8/2016

In Control: City Council A Session

DEPARTMENT: Planning and Community Development

DEPARTMENT HEAD: Bridgett White, Interim Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Adopt a Three-Year Municipal Annexation Plan

SUMMARY:

An Ordinance adopting a Three-Year Municipal Annexation Plan for full purpose annexation that includes the IH-10 West area and the US 281 North residential area in accordance with Local Government Code, Chapter 43, Subchapter C Annexation Procedure for Areas Annexed under Municipal Annexation Plan.

BACKGROUND INFORMATION:

On February 14, 2013, City Council adopted the City of San Antonio Annexation Policy that provides guidance and rationale for the consideration of areas within the City of San Antonio's extraterritorial jurisdiction (ETJ) for annexation. The policy recommends the development of an Annexation Program to be proactive in analyzing and identifying areas for potential annexation for a period of ten years.

In December 2014, the City Council approved a policy plan to initiate annexation for five annexation priority areas. The five areas identified were separated into two phases. Phase 1 included three areas: IH-10 West, US Highway 281 North, and IH-10 East. Phase 2 included two areas: US Highway 90/Loop 1604 and US Highway 151. Annexation open house sessions for Phase I areas were held in August 2015 and the public hearing process was initiated. On October 20, 2015, the Annexation 360 Preliminary Fiscal Analysis was presented to the City Council.

In November 2015, the City Manager convened a panel consisting of seven professionals representing a diverse

group of community and business stakeholders to review the City's growth assumptions. The Annexation Technical Work Group analyzed the City's financial and growth assumptions within the City's 20 Year Financial Annexation Impact Study and reviewed two third-party reports that evaluated the City's financial assumptions and annexation policies.

The Work Group unanimously agreed that the financial model with certain adjustments is robust and the development growth assumptions are reasonable. Based on the recommendations made by the Work Group the financial results over a 20 year period are positive for IH-10 West and US 281 while the IH-10 East area continues to be financially negative. In the aggregate, the three areas are positive over the 20 year study period.

The Annexation Policy was a component of the SA Tomorrow Comprehensive Plan and was evaluated during the Comprehensive Plan development process. The SA Tomorrow Technical Working Group Members evaluated the City's existing Annexation Policy and provided recommended changes to ensure the policies were consistent with the Comprehensive Plan policies. The Work Group's revised annexation policies provide a more focused basis for annexation and provide numerous reasons for annexation but make no specific recommendations on the five areas.

On June 15, 2016, in City Council "B" Session, staff presented an alternative annexation scenario that recommended annexation of the US 281 area in two phases, and the IH-10 West area. IH-10 East was not recommended for annexation.

ISSUE:

The adoption of a Municipal Annexation Plan on September 8, 2016 would begin a three year annexation process. Prior to the ninetieth day following the effective date of adoption, the City must notify each property owner in the affected area and each of the public or private entities that provide municipal services.

Interstate Highway 10 West

The Municipal Annexation Plan identifies the IH-10 West area that is approximately 15 square miles for annexation. The City would provide services to the commercial and residential areas on the 37th month from the date City Council approves a three-year Municipal Annexation Plan that would lead to full purpose annexation before October 8, 2019. During the three years prior to the final full purpose annexation vote by City Council, residents will remain in the extraterritorial jurisdiction, will not pay property taxes, will not be zoned, and residents will not vote in municipal elections. Once a municipal annexation plan has been adopted, written notification is provided to the property owners and public entities. Current public services provided to the area are inventoried, and a service plan is developed for a proposed annexation followed by two public hearings. The area must be annexed by the 37th month. If the annexation is not completed, the City may not annex the area for five years.

US Highway 281 North Residential

The Municipal Annexation Plan identifies the US 281 North residential area for annexation. This area does not include the US 281 commercial corridor which is proposed to be annexed under Chapter 43, Subchapter C-1, Annexation Procedure for Areas Exempted from Municipal Annexation Plan. The US 281 North residential area is approximately 11 square miles that contains primarily residential and vacant properties. This action will need to occur in order to negotiate a non-annexation agreement to correspond with the expiration of the Lumbermen's Investment Corporation and Timberwood Park non-annexation agreements. The proposed effective date to consent to voluntary annexation is 2034. Once a municipal annexation plan has been adopted, written notification is provided to the property owners and public entities. Current public services provided to the area are inventoried, and a service plan is developed for a proposed annexation, followed by two public

hearings. A request will be submitted to the Bexar County Commissioners Court to appoint five representatives to negotiate the terms of the non-annexation agreement, called a “Services in Lieu of Annexation” Agreement. The agreement would be considered by the Planning Commission for recommendation and City Council for approval. The anticipated City Council consideration date for a “Services in Lieu of Annexation” Agreement is February 2017.

ALTERNATIVES:

The City Council may elect to approve one or more areas in a Municipal Annexation Plan or defer a decision on annexation to a future date.

FISCAL IMPACT:

The City’s 20 year fiscal analysis of the IH-10 West area shows the area to be positive to the City. When all additional revenues and expenditures are considered for the area, the net ending balance over the 20 year period ranges from \$90 million to \$97 million in today’s dollars. The US 281 North residential area in prior fiscal analysis shows this area to be positive as well.

RECOMMENDATION:

Approve an Ordinance adopting a Three-Year Municipal Annexation Plan for full purpose annexation that includes the IH-10 West area and the US 281 North residential area in accordance with Local Government Code, Chapter 43, Subchapter C Annexation Procedure for Areas Annexed under Municipal Annexation Plan.