



City of San Antonio

Agenda Memorandum

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In Control: City Council B Session

DEPARTMENT: Planning and Community Development

DEPARTMENT HEAD: John Dugan, AICP

COUNCIL DISTRICTS IMPACTED: 3 & 4

SUBJECT:

B Session Briefing on Limited Purpose Annexation of South San Antonio Areas 1 - 4, Nov. 20, 2013

SUMMARY:

This is a briefing regarding the Limited Purpose Annexation of South San Antonio Areas 1 - 4, consisting of 36 square miles generally located south of Loop 410, between Old Pearsall Road and State Highway 181, in the southern portion of San Antonio's Extraterritorial Jurisdiction and Bexar County. No action is required of the Council at this briefing.

BACKGROUND INFORMATION:

On September 1, 2011, Senate Bill 1493 became effective and required a study of the effectiveness of the City South Management Authority (CSMA). Accordingly, the City, on behalf of CSMA, contracted with a third-party contractor, TXP Inc., to conduct a thorough assessment of the authority's effectiveness in accomplishing its mission. TXP was further asked to draft an economic development strategy for the City South area. In December 2012, the City accepted the findings of the Effectiveness Study & Economic Strategic Plan for the City South Management Authority and submitted it to the Texas Legislature.

The Effective Study recommended one of three options that should be considered in order to address challenges in accomplishing the mission of CSMA. The San Antonio City Council directed the implementation of "Option 2," which consists of the dissolution of CSMA in coordination with the adoption and implementation of the City's revised annexation and land use control policies, in this instance, the consideration of Limited Purpose Annexation for key development areas.

Limited purpose annexation allows the City to extend regulatory authority for the limited purposes of applying its planning, zoning, health, and safety ordinances without the provisions of full services. The City may not assess property taxes in the area until the property is annexed for full purposes, usually within three years. Limited purpose annexation will help ensure quality development in the area and will protect property values by ensuring that all development meets consistently high standards, resulting in an increase in the City's tax base. The three-year period between limited purpose annexation and full purpose annexation will give the City additional time to plan for the orderly extension of full municipal services to the area. It will provide a framework for capital improvements project planning for the area.

ISSUE:

Limited Purpose Annexation enables the City to transition the CSMA land use regulations and zoning in the former CSMA areas to the City and extend its regulatory authority to adjacent, non-CSMA areas in order to capitalize on economic development opportunities occurring in the South San Antonio.

The four annexation study areas are generally situated south of Loop 410, between Old Pearsall Road and State Highway 181 in the southern portion of the San Antonio's Extraterritorial Jurisdiction and Bexar County. In total, the areas are comprised of approximately 35 square miles or 24,021 acres. The 2010 Census population for the four study areas is estimated to be 3,304 residents. The four study areas consist of 1,240 residential units, 142 commercial parcels, 14 industrial parcels and 460 vacant properties. While the four study areas are proposed for Limited Purpose Annexation, each could be considered independently.

The four study areas are predicated on key geographic nodes that have seen significant development of specialized industry sectors. The Effectiveness Study recommended these nodes as having the most potential for growth; where development would most likely have the greatest potential for success; and potential contributions to the economic development of the City and should be considered for annexation in concert with the dissolution of the management authority. The descriptions of the proposed annexation areas are as follows:

- *Area 1* encompasses the "Warehousing, Logistics, and Distribution Node" and related adjacent development, which is centered on the Union Pacific Intermodal Facility and other surrounding activities. This study area is bisected by IH-35. The balance of the node includes property that has a range of development potential, to include residential, commercial and industrial development. The Southwest Independent School District is proposing a multi-school campus near the center of this segment of the node, where neighboring residential development could be anticipated.
- *Area 2* was identified as the "Natural Node," which encompasses the Land Heritage Institute; property adjacent to the Medina River; and properties with frontage on Applewhite Road which is a major arterial that is a gateway to the Toyota Manufacturing Plant (situated within the City of San Antonio municipal limits).
- *Area 3*, which contains a major solar farm and various industrial uses, to include a major Baker/Hughes, Inc. facility, is identified as an emerging "Energy Node." This node is located along Loop 410 and IH-37, which is a gateway to the Eagle/Ford Shale formation to the south.
- *Area 4*, which includes a number of major Eagle/Ford Shale-related companies and their suppliers, is a southward extension of Area 3 ("Energy Node"). Though a significant portion of this study area is not located within the jurisdiction of CSMA, much of it was addressed in the Effectiveness Study; the inclusion of this area meets the intent of the "Energy Node" description in the study. Just outside the CSMA jurisdiction, but included within the study area, are the facilities belonging to Halliburton and Weatherford International. This area is the southern-most study area and also includes a critical

commercial/industrial node at IH-37 South and South Loop 1604.

The South San Antonio Planning Study and Regulatory Plan for Limited Purpose Annexation -As a requirement of Texas Local Government Code Sec. 43-123, the City is publishing the availability of a planning study and regulatory plan regarding the proposed annexation areas. The planning study contains projected levels of development in the next ten (10) years with and without annexation, issues and the public benefits of annexation, economic and environmental impact of annexation and proposed zoning for the area. The regulatory plan outlines development regulations and states that the areas will be fully annexed within three years as required by the limited purpose state statutes.

The South San Antonio Planning Study and Regulatory Plan are available for public viewing at several locations and will be posted on the City Planning Library's web page. The South San Antonio Planning Study and Regulatory Plan for Limited Purpose Annexation are attached hereto.

State law requires that a municipality follow certain provisions, which includes public hearings notification in the newspaper; two public hearings held by the governing body; and adoption of the annexation ordinance and regulatory plan. Below is the schedule for the proposed limited purpose annexation, as well as, the dissolution of CSMA:

Oct. 2013:

30th & 31st - Publish mandated notices for limited purpose annexation and CSMA dissolution

Nov. 2013: 1st - Joint Zoning Commission/Planning Commission briefing

4th - Release Planning Study and Regulatory Plan to the public

5th - Community Meeting at Southside High School

13th - Planning Commission's consideration of land use classification changes (*for properties outside CSMA jurisdiction*)

20th-City Council B Session Briefing

Dec. 2013: 3rd - Zoning Commission consideration of zoning changes (*for properties outside CSMA jurisdiction*)

4th - First City Council Public Hearing on both annexation and CSMA Dissolution ("B" -*Session; during Citizens-to-be-Heard*)

5th - Second City Council Public hearing on both Limited Purpose Annexation and CSMA Dissolution

10th - Publish annexation ordinance in the newspaper

Jan. 2014: 9th - City Council consideration of:

- Planning Studies and Regulatory Plan
- Limited Purpose Annexation
- Land Use Plan amendments
- Zoning Changes
- CSMA Dissolution

19th - The effective date of Limited Purpose Annexation and CSMA Dissolution.

ALTERNATIVES:

There is no alternative associated with this briefing.

FISCAL IMPACT:

A briefing does not require a fiscal analysis. A long-range financial forecast of the annexation area will be provided upon completion of the second year of Limited Purpose Annexation, as required by State law.

RECOMMENDATION:

This briefing does not necessitate a staff recommendation and is an informational briefing. There is no action required of Council at Briefing. Action will be required at the consideration of the annexation ordinances.