



# City of San Antonio

## Legislation Details (With Text)

**File #:** 16-3579  
**Type:** Miscellaneous Item  
**In control:** City Council A Session  
**On agenda:** 6/16/2016  
**Title:** An Ordinance authorizing the negotiation and execution of a Developer Participation Agreement with XJ 1869 Development, LLC for the expansion of Hardy Oak Boulevard and Huebner Road.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. Draft Agreement Steubing Conservation Easement Agreement for 6-16-16, 2. Draft Agreement Option Steubing Ranch for 6-16-16, 3. Certificate of Interested Parties Form - XJ 1869 Development, LLC - Claussen-Steubing Ranch Acquisition, 4. Contracts Disclosure Form - Robert C Kleimann - XJ 1869 Development, LLC, 5. Contracts Disclosure Form - Sandra K Schlortt - XJ 1869 Development, LLC, 6. Contracts Disclosure Form - Kara L Kleimann - XJ 1869 Development, LLC, 7. Contracts Disclosure Form - Robert E Schlortt - XJ 1869 Development, LLC, 8. Contracts Disclosure Form - Elizabeth A Schlortt - XJ 1869 Development, LLC, 9. Developer Participation Agreement -, 10. Ordinance 2016-06-16-0458

Date	Ver.	Action By	Action	Result
6/16/2016	1	City Council A Session	Motion to Approve	Pass

**DEPARTMENT:** Parks and Recreation

**DEPARTMENT HEAD:** Janet Martin, Interim Director

**COUNCIL DISTRICTS IMPACTED:** Council District 9

### SUBJECT:

Classen-Steubing Ranch Park Acquisition and Developer Participation Agreement

### SUMMARY:

A. This ordinance authorizes the acquisition of approximately 165 acres of land in northern San Antonio known as the Classen-Steubing Ranch located in Council District 9, for \$6,345,122.69 plus closing costs, payable to Alamo Title Company as escrow agent, for title on the property, as well as an option for the purchase of an additional 39 acres for open space and recreational park purposes. This ordinance authorizes \$5,345,122.69 from the 2010 Proposition 1 Edwards Aquifer Protection Venue, the redirection of \$1,000,000.00 from certificates of obligation allocated to Hardy Oak Extension Project to land acquisition, and appropriates funds. Funding to acquire the additional 39 acres may be considered for inclusion in the proposed 2017-2022 General Obligation Bond Program or other City funding mechanisms. This action also authorizes the execution

of necessary documents to effectuate the acquisition.

B. This ordinance authorizes the execution of a Conservation Easement with the Edwards Aquifer Authority for the portion of land acquired under the Proposition 1 Edwards Aquifer Protection Venue Project.

C. This ordinance authorizes the negotiation and execution of a Developer Participation Agreement (DPA) with XJ 1869 Development, LLC (Developer) for the extension of Hardy Oak Boulevard and Huebner Road. The ordinance also authorizes the City's contribution not to exceed \$1,546,800.00 (12.27%) participation of the total road construction contract price and the not-to-exceed sum of \$4,701,400.00 for oversizing of the roadways (the construction of two four-lane roads instead of two two-lane roads), for the City's total participation not-to-exceed amount of \$6,248,200.00. Funding for this developer agreement may be considered for inclusion in the proposed 2017-2022 General Obligation Bond Program or other City funding mechanisms.

## **BACKGROUND INFORMATION:**

The total of 204 acres proposed to be acquired is part of the Steubing Ranch Master Development Plan (MDP) which outlines residential and commercial uses for the property. In response to the opportunity to preserve the 204 contiguous acres of open space as public land, the City formulated an acquisition strategy. This strategy allows conserving a portion of the property as undeveloped open green space directly over the Edwards Aquifer Recharge Zone in a dense urban environment as well as an option to purchase additional land for future active park development. Concurrent to the proposed acquisition, the Steubing family (Developer) is entering into a Developer Participation Agreement with the City for an extension of both Hardy Oak Boulevard and Huebner Road.

A. The proposed purchase will acquire 165 acres of green space, which includes land designated for Edwards Aquifer protection and a portion for future park development. The family has agreed to provide an option to purchase 39 additional acres for \$3,790,000.00 plus closing costs for future active park development consistent with the adopted park system plan which supports the addition of recreational parkland and open green spaces. The option must be exercised by March 30, 2018. The acquisition was endorsed by the Conservation Advisory Board in April 2016 and the Parks and Recreation Advisory Board in May 2016. Funding to acquire the additional 39 acres may be considered for inclusion in the proposed 2017-2022 General Obligation Bond Program or other City funding mechanisms.

B. A majority of the acquisition is funded through the Proposition 1 Edwards Aquifer Protection Venue Project. As such, the Edwards Aquifer Authority has agreed to hold a Conservation Easement to ensure the continued protection of the quality and quantity of water recharging into the aquifer.

C. Consistent with the 2015 Major Thoroughfare Plan, the proposed Developer Participation Agreement will require the family, as the Developer, to cover its share of the construction for the completion of Hardy Oak Boulevard north and south and Huebner Road east and west. The total estimated cost of the Huebner Road and Hardy Oak Boulevard extensions is \$12,600,000.00. The Authorizing Statutes of the Texas Local Government Code limit participation of a municipality to a level not to exceed 30% of the total contract price and up to 100% of the cost for oversizing of the improvements required by the municipality. Terms of the DPA require the Developer to complete the design of both extensions on or before May 1, 2017 and complete the construction of both extensions on or before December 31, 2019. These are critical roadways in a heavily

populated area of San Antonio and completion of both extensions will help alleviate traffic congestion while providing increased connectivity in this dense urban area. The City's portion of this developer agreement may be considered for inclusion in the proposed 2017 General Obligation Bond Program or other City funding mechanisms.

This acquisition was presented to and endorsed by the Planning Commission on May 25, 2016.

## **ISSUE:**

The proposed acquisition along with the option to acquire additional property in the future will add parkland in an area of urban development and limited open green space. Also, the property exists directly over the Edwards Aquifer Recharge Zone and this purchase protects water quality and quantity. Through the Developer Participation Agreement the family, as Developer, has committed to participate in the construction of extensions of both Hardy Oak Boulevard (north and south) and Huebner Road (east and west). Collectively, these combined actions will benefit the community through the preservation of green space and increased recreational opportunity in a heavy urban environment while improving the traffic flow and connectivity in the immediate area.

## **ALTERNATIVES:**

In lieu of purchasing a portion of the Classen-Steubing Ranch for parkland purposes, the City could evaluate other potential property acquisitions which provide recreational opportunity in this heavy urbanized area of San Antonio. However, this would forego the large contiguous property located over the sensitive Edwards Aquifer Recharge Zone. City Council could elect to not enter into the Developer Participation Agreement for the build out of roadways; though, this would be inconsistent with the 2015 Major Thoroughfare Plan and would require other funding mechanisms be identified for construction.

## **FISCAL IMPACT:**

A. This ordinance authorizes the purchase of 165 acres in the amount of \$6,345,122.69 plus closing costs estimated at \$135,000.00 payable to Alamo Title Company as escrow agent. This action authorizes \$5,345,122.69 from the 2010 Proposition 1 Edwards Aquifer Protection Venue Project, authorizes the - redirection of \$1 million in budgeted certificates of obligation allocated to the Hardy Oak Road Extension project to land acquisition. Funds in the amount of \$135,000 are available from the 2010 Proposition 1 Edwards Aquifer Protection Venue Project. Funding to acquire the additional 39 acres at \$3,790,000.00 plus closing costs may be considered for inclusion in the proposed 2017-2022 General Obligation Bond Program or other City funding mechanisms.

B. There is no fiscal impact associated with the execution of the Conservation Easement with the Edwards Aquifer Authority.

C. Funds for City's \$6,248,200.00 participation in the Developer Participation Agreement may be considered for inclusion in the proposed 2017 General Obligation Bond Program or other City funding mechanisms.

**RECOMMENDATION:**

Staff recommends approval of the acquisition of approximately 165 acres of land known as the Classen-Steubing Ranch located in northern San Antonio, and the option to purchase an additional 39 acres by March 30, 2018; and the associated Conservation Easement and the negotiation and execution of the related Developer Participation Agreement.

The Contracts Disclosure Form required by the Ethics ordinance is attached.