City of San Antonio

Legislation Details (With Text)

File #:	20-6693
Type:	Staff Briefing - Without Ordinance
In control:	Planning Commission
On agenda:	11/18/2020
Title:	A public hearing and resolution recommending the City of San Antonio's consent to the creation by Bexar County of a Public Improvement District, to later be named the Briggs Ranch Special Improvement District, and approval of a Development Agreement between the City of San Antonio and Convergence Brass, LLC. Staff recommends Approval. [Priscilla Rosales-Piña, Planning Manager, Planning Department, (210)207-7839, priscilla.rosales-pina@sanatonio.gov.]
Sponsors:	Planning Department
Indexes:	
Code sections:	
Attachments:	1. PC Resolution Briggs Ranch PID, 2. Exhibit A Briggs Ranch District Petiton, 3. Exhbiti B Briggs Ranch PID-Project Summary-9-25-20, 4. Exhibit C Briggs Ranch PID-MDP-8-28-19

Date	Ver.	Action By	Action	Result

DEPARTMENT: Planning

DEPARTMENT HEAD: Bridgett White, AICP

COUNCIL DISTRICTS IMPACTED: ETJ near City Council District 4

SUBJECT:

The City of San Antonio's consent to the creation by Bexar County of the proposed Briggs Ranch Public Improvement District and associated Development Agreement.

SUMMARY:

A public hearing and resolution recommending the City Council's consent to the creation by Bexar County of a proposed Public Improvement District to later be named the Briggs Ranch Special Improvement District, generally located north of Highway 90 West and west of Grosenbacher Road in the extraterritorial jurisdiction (ETJ) of the City of San Antonio; and associated Development Agreement between the City of San Antonio and Convergence Brass, LLC.

BACKGROUND INFORMATION:

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Texas Local Government Code Chapter 382 allows for the creation of Public Improvement Districts (PIDs), by a city or a county. PIDs are economic development tools used to pay or finance public improvements and economic development within (and that benefit) a defined geographical area which will ultimately become the district. The general nature of the proposed public work may include, but is not limited to, the improvement and construction of roads, thoroughfares, collectors, arterial roads, utilities, water, waste water, sanitary sewer, drainage, trails, park and recreational facilities; which are located within the district boundaries. These districts may levy an assessment and impose ad valorem tax, sales and use tax or hotel occupancy tax as sources of funding and costs are apportioned and paid by landowners within the district that benefit from public improvements and/or services.

In order to create a PID in a county, more than fifty percent (50%) of owners of taxable real property liable for assessment within the proposed District area, must submit a petition to the governing body of the county. The municipality has the option to object to the formation of the districts within its ETJ pursuant to state law. However, a PID being created with a purpose of supplying fresh water for domestic or commercial use or to furnish sanitary sewer services, roadways, or drainage, may not be created in the ETJ of a municipality unless the municipality gives its written consent by resolution.

Convergence Brass, LLC. (Owner) owns the Briggs Ranch Tracts, totaling approximately 867.977 acres of land, generally located north of Highway 90 West, east of State Highway 211, and west of Grosenbacher Road. On December 3, 2019, the Owner filed a petition and application to Bexar County (County), to create a PID to be named the Briggs Ranch Special Improvement District (the Briggs Ranch PID) pursuant to Chapter 382 of the Texas Local Government Code. Their petition also requested the County to delegate to the PID the powers of a road district or the power to construct water, wastewater and drainage facilities. On January 7, 2020, the Bexar County Commissioners Court approved a resolution stating their intent to create the PID with road district powers as well as power to impose ad valorem, hotel occupancy, sales and use taxes on future property owners located within the District's boundaries.

In accordance with Section 212.172 of the Texas Local Government Code, a municipality and a landowner may enter into a written development agreement. Through the terms and provisions of the development agreement, the municipality will extend its planning authority, establish terms for annexation or non-annexation of land, extend its development regulations including land use and development standards for the infrastructure of the PID property.

The Owner petitioned the City of San Antonio (City) to grant its consent to the creation of the PID with the powers of a road district in the City's ETJ on December 16, 2019. The City agreed to condition its consent through a 30-year Development Agreement (Agreement) with the Owner, setting forth terms and conditions governing development standards and voluntary annexation for the PID property. The Agreement will include the proposed framework of a Strategic Partnership Agreement (SPA), which is a written contract between the City and the PID and will allow the City to annex for limited purposes and collect sales taxes in the commercial property in the PID boundaries.

The proposed PID development will consist of approximately 2,444 single-family residential units at approximately $225,000 per unit, 2,010 multi-family residential units, and 13.3 acres of commercial use. The PID property is located within the water and sewer Certificates of Convenience and Necessity (CCNs) of SAWS. The proposed improvement costs of sewer, water, streets and drainage for the residential subdivision

estimated at $110.7 million. The proposed PID revenue is estimated at $100.6 million.

ISSUE:

This resolution recommends the City's consent to the creation of the Briggs Ranch PID by Bexar County subject to the execution of a 30-year Development Agreement between the City and the Owner. The written consent of the City, by resolution or ordinance, is required by state law for this PID to exercise those powers of a road district and the powers to construct water, wastewater and drainage facilities. However, the City's consent will not include the following:

- The power to exercise eminent domain by the PID; and
- The power to annex, expand, divide or exclude land into the PID's existing boundaries.

The proposed Development Agreement sets forth the conditions of the City's consent, as mentioned above, and includes the following terms and obligations between the City and the Owner with respect to the development of the Briggs Ranch PID property:

- The Owner will pay to the City a Special District Operations Assessment of $175 per residential unit.
- The tax rates of the proposed PID shall not exceed the City's tax rates.
- The City will guarantee the continuation of the extraterritorial status of the Briggs Ranch PID property for a period of 30 years.
- The Owner agrees that the City Agreement constitutes a petition for voluntary annexation at the City's discretion and that the Owner consents to annexation by the City at the end of the Agreement's term.
- The Agreement includes a Written Agreement regarding services between the Owner, subsequent Owners and the City under Chapter 43 of the Local Government Code.
- The Owner agrees to comply with all municipal regulations, ordinances and other laws applicable to all properties located within the City's ETJ during all phases of development and construction of the PID Project and during the term of the Agreement.
- The Owner will reimburse CoSA for the recordings of the development agreement with Bexar County Real Property Records.
- A proposed framework of a SPA between the City and the Briggs Ranch PID, which will include the following provisions:
  - The Briggs Ranch PID will petition for Limited Purpose Annexation of the commercial properties in the PID boundaries by the City for the purpose of assessment and collection of sales and use taxes.
  - The PID will pay for costs related to the SPA and Limited Purpose Annexation and reimburse the City for the recordings of the SPA with Bexar County Real Property Records and future costs related to limited purpose annexation.
  - Commencing after the effective date of the limited purpose annexation of the commercial properties, the City will remit to the PID an amount equal to 25% of the sales tax revenues collected from the annexed commercial properties.

The proposed timeline for the establishment of the proposed PID is as follows:

Dates	**Schedule of Action**
January 7, 2020	Bexar County Commissioners Court consideration of a resolution expressing their intent to create the PID
November 18, 2020	San Antonio Planning Commission public hearing and recommendation
December 3, 2020	City Council's consideration and action
December 15, 2020	Bexar County Commissioners Court consideration to create the proposed District and appoint a Board of Directors
May 2021	PID Election and approval of PID's taxes and bonds

ALTERNATIVES:

A denial of the Resolution would result in the PID not being created by Bexar County. This action would require the Owner to seek a different financing mechanism for the development of the District property. It may result in the development and construction of infrastructure occurring in a traditional method rather in the manner proposed by the developer.

City Council may require staff to re-negotiate the terms of the Agreement which would delay the activation of development in the PID.

RECOMMENDATION:

Staff recommends approval of a Resolution recommending the City's consent to the creation by Bexar County of the proposed Briggs Ranch PID subject to the execution of a Development Agreement between the City and Convergence Brass, LLC.

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