



# City of San Antonio

## Agenda Memorandum

**File Number:**16-3694

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**Agenda Item Number:** 1.

**Agenda Date:** 6/15/2016

**In Control:** City Council B Session

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**DEPARTMENT:** Planning and Community Development

**DEPARTMENT HEAD:** Bridgette White, Interim Director of Planning and Community Development

**COUNCIL DISTRICTS IMPACTED:** City-wide

### **SUBJECT:**

A Briefing and possible action regarding three annexation study areas to include IH 10 West, US 281 North, and IH 10 East.

### **SUMMARY:**

This is a briefing regarding three annexation study areas to include IH 10 West, US 281 North, and IH 10 East.

### **BACKGROUND INFORMATION:**

In 2012, the San Antonio City Council requested an update of the City's Annexation Policy. The City Council approved the updated annexation policies in 2013. Subsequently in 2013, the City Council directed staff to undertake a county-wide analysis of potential annexation areas. In April 2014, City Council was presented the Annexation 360 Report that identified 30 areas for potential annexation consistent with the updated Policy. In mid-June 2014, City Council prioritized the top five areas.

In December 2014, the City Council approved a policy plan to initiate limited purpose annexation for five annexation priority areas. The five areas identified were separated into two phases. Phase 1 included three areas: Interstate 10 West, US Highway 281 North, and Interstate 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 work group consisting of seven outside professionals to

review the City's growth assumptions within the City's 20 Year Financial Annexation Impact Study. The Annexation Technical Work Group's charge was to analyze the City's financial and growth assumptions and to review two third-party reports that evaluated the City's financial assumptions and annexation policies.

The conclusion of the City Manager's annexation technical work group is in unanimous agreement 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 I-10 West and US 281 while the I-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 at the direction of City Council. 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 annexation study areas.

## **ISSUE:**

This item will consist of a briefing and possible City Council action regarding the three annexation study areas of IH 10 West, US 281 North, and IH 10 East. These three areas are included in the Phase I of the two-year, two-phase annexation plan approved by City Council in December 2014.

The presentation will provide an update on the annexation program and staff recommendations.

Information will be provided related to the City Manager's Annexation Technical Work Group that was convened to study growth and other assumptions within the City's 20 Year Financial Annexation Impact Study.

Included also will be an overview of the recommendations made by the SA Tomorrow Comprehensive Plan Work Groups.

There are four reports attached to this briefing memo: the Annexation Technical Work Group Report, the HR&A Report, the PFM Report, and the SA Tomorrow Work Group Report by EPS. The City Council received copies of each of these reports in the past under separate cover with the exception of the Annexation Technical Work Group Report.

## **ALTERNATIVES:**

Various alternatives exist within the City Council's approved two-year, two phased annexation program. This "B" Session briefing will provide details on some of these alternatives.

## **FISCAL IMPACT:**

There are financial impacts, both positive and negative, to the City's General Fund as a result of the three annexation study areas depending on what ultimately is approved for annexation by City Council.

**RECOMMENDATION:**

Staff recommends that City Council receive a briefing and staff recommendation on the three annexation study areas to include IH 10 West, US 281 North, and IH 10 East and that City staff receive policy direction from the City Council on the staff's annexation recommendation.