



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 1.

Agenda Date: 2/1/2017

In Control: City Council B Session

DEPARTMENT: Planning and Community Development

DEPARTMENT HEAD: Bridgett White, AICP

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing on the status of the City's Annexation program areas of IH-10 West and US 281 North, and the draft Interlocal Agreement with the City of Converse addressing the IH-10 East area.

SUMMARY:

Briefing on the status of the City's Annexation program areas of IH-10 West and US 281 North, and the draft Interlocal Agreement with the City of Converse addressing the IH-10 East area.

BACKGROUND INFORMATION:

In December 2014, the City Council approved an annexation program and plan for five 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 and the public hearing process was initiated in August 2015. From November 2015 until May 2016, the City's annexation program, policy and fiscal growth assumptions were reviewed and updated.

On June 15, 2016, in City Council "B" Session, staff presented an alternative annexation scenario that recommended annexation of the IH-10 West area and the US 281 North area in two phases. The IH-10 East area was not recommended for annexation. The Highway 151 and US Highway 90/Loop 1604 areas would continue to be analyzed for possible annexation.

On September 8, 2016 the City adopted a three-year Municipal Annexation Plan which included the IH 10 West and the US 281 Residential areas. The adoption of the Municipal Annexation Plan generally leads to full purpose annexation by the 37th month. For the 15 square mile IH 10 West area, written notification was provided to public entities on September 9, 2016 and to property owners on November 17, 2016. Existing public services provided to the area will be inventoried in April 2017. The inventory of services and a service plan for the area will be available by September 2017. The service plan will be presented at two public hearings that are scheduled in the fall of 2017. After completing those

hearings, the City will negotiate for services with five representatives appointed by Bexar County Commissioner's Court. The final service plan must be completed prior to the first day of the tenth month following completion of the inventory of services. The annexation process for the IH 10 West area is expected to be completed before October 8, 2019.

For the US 281 Residential Area, the adoption of the Municipal Annexation Plan will allow the City to negotiate a "Services in Lieu of Annexation Agreement (non-annexation agreement) which postpones annexation until 2034. The 11 square mile US 281 Residential Area excludes the US 281 North commercial corridor which was annexed on December 1, 2016. The agreement will include consent to voluntary annexation at the expiration of the contract. The expiration date would correspond with the Lumbermen's Investment Corporation and Timberwood Park non-annexation agreements in 2034.

For the US 281 Residential Area, written notification was provided to public entities on September 9, 2016. Written notices were mailed to property owners on October 26, 2016. Existing public services provided to the area were inventoried and service provider responses were made available in December 2016. A service plan for a proposed annexation was developed and completed by January 6, 2017. Bexar County Commissioners Court appointed five representatives to negotiate the terms of the non-annexation agreement on January 10, 2017. The service plan was made available on the Department's website and locations in the annexation area. The two public hearings are scheduled on January 11 and February 1, 2017. The agreement is to be considered by the Planning Commission for recommendation on February 22, 2017. The anticipated City Council consideration date for the non-annexation agreement is March 2, 2017.

A series of annexation actions by City Council occurred in 2016. In June 2016, City Council approved the voluntary annexation of Southfork II Development located at 11625 Old Corpus Christi Road, consisting of 0.3 square miles. In November 2016, the City converted several annexation areas from limited purpose to full purpose status including the South San Antonio areas 1 through 4, consisting of approximately 19 square miles, and the FMC Technologies Tract located at 3890 South Loop 1604. The City annexed ten voluntary annexation tracts in South San Antonio consisting of 0.6 square miles. These annexations were effective on December 31, 2016. On December 1, 2016, San Antonio extended its City limits by annexing approximately 1.5 square miles along the US 281 North Commercial Corridor with an effective date of December 31, 2016. All of these recent annexation actions expanded the City of San Antonio's corporate area to approximately 500 square miles.

After the IH 10 East area was removed from the annexation program, San Antonio and other cities in the IH 10 East area have engaged in regional planning discussions to address servicing the area. On October 6, 2016 San Antonio ceded approximately 0.145 square miles from its corporate area to the City of Kirby through a municipal boundary agreement with revenue sharing opportunities and other provisions. In 2017, San Antonio and Converse initiated dialogue regarding potential annexation of unincorporated ETJ areas and ceding municipal boundaries along Loop 1604/Graytown Road area and Gibb Sprawl Road.

The City of San Antonio proposes to release approximately 3.5 square miles (2,212 acres) from the unincorporated area of San Antonio's ETJ and approximately 2.3 square miles (1,480 acres) from the City limits of San Antonio to Converse. (The boundaries of the areas are depicted in Exhibits 1 and II.) The two cities are entering into a multi-phase agreement to ensure that underserved areas in unincorporated Bexar County receive an urban level of services. This regional planning effort will bring growth opportunities and provide sufficient revenue to support public service delivery to partnering cities.

In three phases, San Antonio will grant ETJ area to Converse for the purpose of annexation. In Phase 1A, San Antonio will relinquish approximately 403 acres of ETJ area (Phase 1A) located to the east of FM 1516 and west of NE Loop 1604, by June 30, 2017. This area includes a proposed residential development that would be immediately annexed into Converse. In Phase 1B and 2, the 2.8 square miles of ETJ area will be released by San Antonio and Converse annex two areas over the course of approximately three years for each of the two phases. These two areas are generally located in northeast Bexar County to the west of the City of Converse, north of Gibbs Sprawl Road, south of Crestway Road and east of Walzem Road. The Gibbs Sprawl Road area consists primarily of developed neighborhoods consisting of approximately 14,200 residents. The Loop 1604/Graytown Road area is mostly rural. A new residential development will be built within the 403 acres. Approximately 250 residents live within the Loop 1604/Graytown Road area.

Texas cities are permitted to seek the release of another city's existing ETJ area with the written consent from the

releasing city's governing body. State law allows cities with a population of 5,000 to 24,999 a one mile ETJ area around their city limits (Converse's 2015 US Census population was 21,987). Converse, a home rule municipality, may annex properties unilaterally or by consent of the property owners.

San Antonio and Converse have agreed to previous ETJ exchanges and municipal boundary adjustments in 1979 and 2006. As a result of those agreements, Converse gained approximately 261 acres of land. In 2006, the two cities agreed that Converse would be the first responder to fire and emergencies calls within the City limits of San Antonio, along the Loop 1604/IH 10 East area and the North Hampton Subdivision. This ten year agreement expired on November 2016. Since then the two cities agreed to a three months extension with three term extensions until the approval of an interlocal agreement which will include mutual fire aid terms.

Upon future annexation of the ETJ transferred properties, Converse would provide full municipal services including police and fire protection, emergency medical services, garbage collection and code enforcement, and extend city codes and regulations to these areas.

The ETJ releases would be accompanied by a series of municipal boundary adjustments of 1000 feet in width that would cede the North Hampton neighborhood and Gibbs Sprawl Road to Converse. The North Hampton Neighborhood consisting of approximately of 2,620 residents is currently situated within City Council District 2. The entire neighborhood would be transferred to Converse by the end of 2019 and Gibbs Sprawl Road by 2023. Another series of adjustments in the NE Loop 1604 and Graytown Road area would transpire from 2017 until 2022.

State law authorizes adjacent Texas cities to make mutually agreeable changes in municipal boundaries as long as the areas are less than 1,000 feet in width [Sec.43.031 of the Texas Local Government Code]. Converse would immediately incorporate the properties affected by municipal boundary adjustments and assume responsibility for providing full municipal services and extending city codes and regulations to the area. Converse has been experiencing growth and is prepared to absorb the new areas. Converse is building a second new fire station, a new city hall and a new animal control facility.

ISSUE:

After initial discussion, Converse has requested additional ETJ territory along the commercial corridors of FM 78-Seguin Road and FM 1516, and seeks release of additional corporate areas and/or revenue sharing opportunities along the IH 10 East corridor with San Antonio. The interlocal agreement will detail the schedule, terms and multi-phase annexation plan for ETJ and municipal boundary adjustments. The proposed agreement will provide land use controls, clear and logical planning boundaries, and facilitate future development in the region. For the ETJ transferred properties, Converse would:

- Extend subdivision regulations to the ETJ released property;
- Establish the same amount of right-of-way required by San Antonio's Major Thoroughfare Plan (MTP) for FM 1516, and the east-west connector, designated Secondary Arterial Type A (86 feet right-of-way 4-lane divided);
- Prohibit new billboards in the ETJ Transferred Property in accordance with the City of Converse's Unified Development Code (the "UDC"); and
- Apply land use and zoning recommendations in the Randolph Joint Land Use Study to the ETJ Transferred Property.

Other provisions of the interlocal agreement include that San Antonio will deed park land and equipment near North Hampton subdivision to Converse. Converse will assume maintenance and operation (M & O) of the park and related expenses. This agreement is contingent on the City of Converse City Council approving the agreement at their scheduled meeting on March 7, 2017.

ALTERNATIVES:

This is a briefing for informational purposes.

FISCAL IMPACT:

Fiscal information will be presented at the briefing.

RECOMMENDATION:

This is a briefing for informational purposes.