



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-1735

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**Agenda Item Number:** 5A.

**Agenda Date:** 3/9/2017

**In Control:** City Council A Session

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**DEPARTMENT:** Planning and Community Development

**DEPARTMENT HEAD:** Bridgett White, AICP

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Interlocal Agreement between San Antonio and Converse

**SUMMARY:**

An Ordinance authorizing an Interlocal Agreement between the City of San Antonio and the City of Converse for phased Extraterritorial Jurisdiction releases, phased municipal boundary adjustments, and phased Converse Annexations in which San Antonio will release approximately 12 square miles from its Extraterritorial Jurisdiction and approximately 3.6 square miles from its corporate area to the City of Converse and Converse will annex approximately 12 square miles within an area bounded by IH-35 on the north, the San Antonio city limit line east of East Loop 1604 North on the east, IH-10 East on the south, and North Foster Road on the West in Bexar County, Texas and amending the Mutual Aid Fire Agreement between the City of San Antonio and the City of Converse.

**BACKGROUND INFORMATION:**

In June 2016, San Antonio removed the IH 10 East/Loop 1604 area from its annexation program. Since that time San Antonio and Converse staff have had ongoing discussions about developing a regional solution for the IH 10 East area, a fast growing unincorporated area requiring urban level services. San Antonio and Converse initiated dialogue related to developing a multi-phase strategy in which San Antonio would release unincorporated ETJ areas to Converse for annexation and cede corporate areas along Loop 1604/Graytown Road area and Gibb Sprawl Road to Converse.

Preliminary strategies were shared at the City Council B-Sessions on September 14, 2016. Proposed terms of the multi-phase agreement were presented at the City Council B-Session on February 1, 2017. The proposed

agreement was discussed at the Converse City Council meeting on February 21, 2017. On February 22, 2017, the San Antonio Planning Commission recommended approval of the proposed Interlocal Agreement with Converse.

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.

The City of San Antonio does not provide municipal services to unincorporated areas within its ETJ. For the ETJ transferred properties, there would be no changes in service providers for the following utilities:

- SAWS -water purveyor
- San Antonio River Authority - sewer provider
- CPS Energy
- Bexar County Sheriff's Office
- Emergency Services District (ESD) No. 1 delivered by City of Converse Fire Department
- ESD No. 10 and No. 11
- Kirby Fire Department,
- Acadian Ambulance Services, a Bexar County contractor, for emergency medical transport.

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.

## **ISSUE:**

The City of San Antonio proposes to release 12 square miles from the unincorporated area of San Antonio's ETJ and approximately 3.6 square miles from the City limits of San Antonio to Converse. (The boundaries of the areas are depicted in Exhibit "A"). The two cities are entering into a multi-phase agreement to ensure that underserved areas in unincorporated Bexar County receive urban level of services. This regional planning effort will provide growth opportunities and revenue to Converse for the delivery of public service to fast growing unincorporated area upon annexation.

An Interlocal Agreement with Converse, which is attached as Attachment I, will detail the schedule, terms and multi-phase annexation plans for San Antonio ETJ release phases and municipal boundary adjustments. The Interlocal Agreement will allow Converse to provide zoning, land use controls, clear and logical planning boundaries, uniform regulations and service delivery in the subject area. 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 the San Antonio Major Thoroughfare Plan and San Antonio's Uniform Development Code (UDC Section 35-500 for designated arterials in the subject area
- Prohibit new billboards in the ETJ Transferred Property in accordance with the City of Converse's Unified Development Code (the "UDC") Section 35-506(c)(2)(d) and Table 506-3; and
- Apply land use and zoning recommendations in the Randolph Joint Land Use Study to the ETJ Transferred Property; and
- Pay for 50% of the cost for all engineering work related to producing a boundary description (metes and

bounds) of the territory to be released.

San Antonio and Converse will negotiate the transfer of the City owned Northampton Park and equipment to the City of Converse.

San Antonio and Converse will amend the current Mutual Aid Fire Agreement to extend the term until San Antonio's territory within the ILA is assumed by Converse.

The Interlocal Agreement is contingent on the City Council of Converse approving the agreement at their scheduled meeting on March 21, 2017.

*Municipal Boundary Adjustments* - The City of San Antonio would execute a series of municipal boundary adjustments of 1,000 feet in width that would cede several commercial corridors including IH 10 East, FM 78-Seguin Road, Loop 1604, Graytown Road and Gibbs Sprawl Road by 2033. San Antonio will relinquish approximately 3.6 square miles (2,287 acres) of its incorporated area which currently is within City Council District 2. Most of these areas are generally commercial and low density residential area. The Northampton neighborhood in the Gibb-Sprawl Road area is the most populated area with approximately 2,750 residents. The entire neighborhood would be transferred to Converse by the end of 2019.

*ETJ Release/ Converse Annexation* - In six phases, San Antonio will grant 12 square miles of ETJ area to Converse for the purpose of annexation by 2029. San Antonio will release ETJ area according to State law. 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. Except for the first phase, each phase will occur over a three year period to allow Converse time to initiate and complete the annexation of the area. San Antonio will release subsequent phases provided that Converse has annexed the preceding phases prior to the release.

In Phase 1, San Antonio will transfer approximately 600 acres (0.9 square miles) of ETJ area generally located west of NE Loop 1604, south of the city limits of Converse, east of FM 1516 and north of the IH 10 East by June 30, 2017. There is a proposed 185 acres residential development which has to be annexed by Converse. Currently the area is mostly rural with approximately 70 residents. The entire Phase 1 area would be immediately annexed into Converse because there are less than a hundred residences in the area.

In Phase 2, San Antonio will release approximately 1,225 (1.9 square miles) by November 30, 2017. Phase 2 consists of three areas, the Crestway Road and Gibbs Sprawl Road, Seguin Road-FM 78 and Weichold Road areas. The Crestway Road and Gibbs Sprawl Road area is generally bounded on the north by Crestway Road, on the east by the city limit line of Converse and on the south by Gibbs Sprawl Road. This area includes portions of the Glen, Camelot II, and Crownwood neighborhoods and an Army Retirement Center.

The Seguin Road-FM 78 area is located along the corridor and bounded on the east by the city limit line of Converse and on the west by Walzem Road. The area is an emerging commercial corridor and includes the residences adjacent to the corridor. The Weichold Road area extends north and south of Weichold Road to the north, is bounded on the east by NE Loop 1604, is bounded on the south by the San Antonio city limit line near IH 10 East and bounded on the west by FM 1516. The Weichold Road area includes a low density residential area and the Parc at Escondido subdivision. Overall the Phase 2 area has over 7,500 residents.

In Phase 3, San Antonio will release approximately 925 acres (1.5 square miles) of its ETJ by November 30, 2020. The area is generally bounded on the north by Crestway Road, on the east by the city limit line of

Converse, on the south by Gibbs Sprawl Road and on the southwest and west by Eisenhower Road and Eagle Crest Boulevard along the City limit line of Windcrest. The remainders of Camelot II and Glen neighborhoods are located within this area. The Phase 3 area has approximately 8,900 residents.

In Phase 4, San Antonio will release approximately 1,106 acres (1.7 square miles) of its ETJ by November 30, 2023. The area is generally bounded on the north by Gibbs Sprawl Road, on the east by the city limit line of Converse on the south by FM 1518, and on the west by Walzem Road. This area contains Ventura, Spring Meadow, Brentfield, Meadow Brook, Dover and Field of Dover neighborhoods. The Phase 4 area has over 11,300 residents.

In Phase 5, San Antonio will release approximately 2,045 acres (3.2 square miles) of its ETJ by November 30, 2026. The area is generally bounded on the north by the city limits line of San Antonio south of Gibbs Sprawl Road, on the east by Walzem Road, on the south by the city limits line of San Antonio near IH 10 East, and on the west by Martinez Creek, Woodlake Parkway, Golf Vista Blvd, Woodlake Trail, Redstone Manor and Sterling Manor. Metzger Middle School is located in this area. This area contains the Estates, Mustang Valley, Escondido North, Escondido Creek, Key Largo subdivisions. Approximately 6,900 people live in the Phase 5 area.

In Phase 6, San Antonio will release 1,774 acres (2.8 sq. miles) of its ETJ by November 30, 2029. The area is generally bounded on the north by the city limits line of San Antonio along Seguin Road (FM 78), on the east by Martinez Creek, Woodlake Parkway, Golf Vista Blvd, Woodlake Trail, Redstone Manor and Sterling Manor, on the south by the city limits line of San Antonio near IH 10 East, and on the west by North Foster Road. The Phase 6 area contains several large neighborhoods including Woodlake and Woodlake Park. The area includes Wagner High School and several commercial centers including Woodlake Crossings Shopping Center, Target and Wal-Mart stores. More than 7,900 residents live in the Phase 6 area.

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.

## **ALTERNATIVES:**

Alternatives would be to approve the release for a portion of the area, or deny the release. The City of San Antonio may also negotiate modified terms in the proposed agreement.

## **FISCAL IMPACT:**

In coordination with the City of Converse, the City of San Antonio's Office of Management & Budget performed an analysis of potential financial impact to the City of Converse over a 20-year period (starting in 2018). The municipal boundary line adjustment and annexation analysis resulted in a net positive impact for the City of Converse within the 20-year period when comparing annual revenues to annual operating expenses in the cumulative amount of \$8.7 million.

It is estimated that when fully implemented (or in FY 2035), the City of San Antonio's General Fund would forego approximately \$1.7 million in Property Tax revenue, \$1.1 million in Sales Tax revenue and \$66,000 in Business & Franchise Tax revenue on an annual basis. Additionally the City would forego \$1.1 million in Debt

Service Property Tax revenue and \$70,000 in Advanced Transportation District Tax revenue.

**RECOMMENDATION:**

Staff recommends Approval of an Ordinance authorizing an Interlocal Agreement between the City of San Antonio and the City of Converse for phased Extraterritorial Jurisdiction releases, phased municipal boundary adjustments, and phased Converse Annexations in which San Antonio will release approximately 12 square miles from its Extraterritorial Jurisdiction and approximately 3.6 square miles from its corporate area to the City of Converse and Converse will annex approximately 12 square miles within an area bounded by IH-35 on the north, the San Antonio city limit line east of East Loop 1604 North on the east, IH-10 East on the south, and North Foster Road on the West in Bexar County, Texas and amending the Mutual Aid Fire Agreement between the City of San Antonio and the City of Converse.