



City of San Antonio

Agenda Memorandum

File Number:17-6394

Agenda Item Number: 39.

Agenda Date: 12/14/2017

In Control: City Council A Session

DEPARTMENT: Planning

DEPARTMENT HEAD: Bridgett White, ACIP

COUNCIL DISTRICTS IMPACTED: 2

SUBJECT:

Two Municipal Boundary Adjustments to release the Northampton subdivision from the City of San Antonio to the City of Converse.

SUMMARY:

An Ordinance authorizing two municipal boundary adjustments, releasing a total of approximately 293 acres in the Northampton subdivision from the City of San Antonio to the City of Converse. The subject area consists of two independent Municipal Boundary Adjustments, both 236 acres and 57 acres respectively, that are located south of the intersection of Gibbs-Sprawl Road and Crestway Road, west of Salitrillo Creek and north of FM 78 within the City limits of San Antonio in eastern Bexar County, Texas. The resulting action would place the entire neighborhood within the City of Converse by the end of January 2018.

BACKGROUND INFORMATION:

On March 9, 2017, the City Council of San Antonio approved a multi-phase Interlocal Agreement in which San Antonio would release approximately 12 square miles from San Antonio's unincorporated Extraterritorial Jurisdiction (ETJ) area for future annexation by Converse and also transfers approximately 3.6 square miles from the City limits of San Antonio to the City limits of Converse. The purpose of the Agreement was to ensure that underserved areas in the fast growing unincorporated area would receive urban level services, provide growth opportunities to neighboring cities, and increase the revenue opportunities of a partnering city to support the delivery of public services.

The terms and timeline in the City of San Antonio (COSA)-Converse Interlocal Agreement were in accordance

with the existing State annexation procedure at that time. State law allows Texas cities to mutually adjust their municipal boundaries that are less than 1,000 feet in width. In addition State law allows cities to seek the release of another city's ETJ area with the written consent from the releasing city's governing body. Cities with populations ranging from 5,000 to 24,999 are allowed up to a one-mile ETJ area from their city limits. The one-mile ETJ area applies to Converse since their population was estimated to be 21,987 per the 2015 U.S. Census. At that point in time, State law authorized home-rule municipalities such as Converse to annex properties unilaterally or by consent of the property owners.

A new annexation law known as Senate Bill (S.B.) 6 was approved in August 2017. This new law requires cities located in counties with more than 500,000 residents including Bexar County cities to obtain the consent of land owners through a petition process or voter approval through an election process for annexation areas. S.B. 6, which is effective December 1, 2017, affects the annexation terms and timeline of the Interlocal Agreement approved in March 2017.

The existing Interlocal Agreement stipulated that each ETJ phase (except for the first phase which was a voluntary annexation) would occur over a three year period to allow Converse time to initiate and complete the annexation of the area. San Antonio would release subsequent phases provided that Converse had annexed the preceding phases prior to the release. Since S.B. 6 eliminated the three-year municipal annexation plan process, the annexation terms and timeline in the Agreement would have to be amended.

However, prior to passage of S.B. 6, San Antonio completed the release of the first Phase (the proposed Knox Ridge subdivision) consisting of 600 acres, located northwest of the intersection of Loop 1604 and IH 10 East, from COSA's ETJ to Converse on March 9, 2017. Converse also completed the voluntary annexation of the first Phase by June 2017.

At this time, COSA's is acting in good faith by continuing with the boundary adjustments of the Northampton neighborhood in an effort to fulfill the spirit of the interlocal agreement. The initial agreement scheduled that San Antonio would transfer 236 acres, which consists of a portion of the Northampton neighborhood to Converse by December 31, 2017, and the remaining 57 acres in the Northampton neighborhood by December 31, 2018. The subject property is depicted on the map in Exhibit A and more particularly described by metes and bounds in Exhibit B. After the Agreement was approved in March 2017, City representatives mutually agreed that the entire Northampton neighborhood would be transferred to Converse by the January 31, 2018 to minimize potential confusion between the regulatory jurisdictions and delivery of services.

Since the passage of S.B. 6, San Antonio and Converse began discussions to amend the terms and timeline for the future releases of ETJ phases by San Antonio and annexations by Converse. An amended Interlocal Agreement will be brought before City Council at a future date for consideration.

ISSUE:

This Ordinance authorizes two municipal boundary adjustments releasing a total of approximately 293 acres in the Northampton subdivision from the COSA to Converse. The subject property consists of 236 acres and 57 acres located south of the intersection of Gibbs-Sprawl Road and Crestway Road, west of Salitrillo Creek and north of FM 78 within the City limits of San Antonio in eastern Bexar County, Texas.

The Interlocal Agreement was initially evaluated based on the City's annexation goals and state law. The transferring of the Northampton subdivision to Converse will provide clear and logical planning boundaries in the Converse area. The Northampton neighborhood has approximately 2,750 residents. Most of the residents are anticipating the transfer of their neighborhood from the City of San Antonio to Converse. The adjustments

to municipal boundaries are conditional on the City Council of Converse accepting the two transferred properties which is anticipated to occur at their City Council meeting on December 19, 2017.

Converse would immediately assume responsibility for providing full municipal services and extending city codes and regulations to the transferred properties with the exception of garbage and recycling services which would be assumed on or around February 1, 2018. Converse will apply land use controls and zoning recommendations to areas affected by the Randolph Joint Land Use Study (JLUS).

Per the existing Interlocal Agreement, Converse will 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. The Agreement includes that San Antonio and Converse will negotiate the transfer of the City owned Northampton Park and equipment to the City of Converse. In addition, 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.

ALTERNATIVES:

Alternatives would be to approve only one of the municipal boundary adjustments or deny both. 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 within the 17 Year Interlocal Agreement 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:

The Planning Department recommends approval of an ordinance authorizing the City of San Antonio to transfer two areas of land within the Northampton subdivision totaling approximately 293 acres from the City limits of San Antonio to the City of Converse. The City of Converse will take action on this item at their December 19, 2017 City Council meeting.