



# City of San Antonio

## Agenda Memorandum

**File Number:**14-405

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**Agenda Item Number:** 26.

**Agenda Date:** 4/10/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Planning and Community Development

**DEPARTMENT HEAD:** John Dugan, AICP

**COUNCIL DISTRICTS IMPACTED:** District 3

### **SUBJECT:**

An Extraterritorial Jurisdiction (ETJ) Agreement with the City of Elmendorf.

### **SUMMARY:**

An Ordinance authorizing the City Manager to execute an extraterritorial jurisdiction (ETJ) agreement with the City of Elmendorf for the release of approximately 7.93 acres from the City of San Antonio's ETJ to Elmendorf's ETJ with certain conditions.

### **BACKGROUND INFORMATION:**

The City of Elmendorf has requested that San Antonio release approximately 7.93 acres of Extraterritorial Jurisdiction (ETJ) area. The subject area is generally located in southeast Bexar County, along State Highway 181, near Kilowatt Road and Adkins-Elmendorf Road. (See Attachment I).

In August 11, 2011 the City of Elmendorf Council, by resolution (Attachment III), requested that the City of San Antonio release a 1.9 acre tract of land, addressed at 14863 Adkins Elmendorf Road. Upon release from the San Antonio ETJ, Elmendorf is proposing to add the subject area to its ETJ and provide voluntary annexation opportunities to the affected property owner. The property owner of the 1.9 acre tract, recently opened a Dollar General Store on it, and requested annexation by Elmendorf upon its release from San Antonio's ETJ. Since all of the 7.93 acres, including the 1.9 acre tract and abutting tracts, are contiguous to the existing Elmendorf municipal boundaries, the release of all of the tracts will provide logical planning and service delivery boundaries.

*Statutory Requirements* - State law allows cities with population less than 5,000, such as Elmendorf, to have up to a half-mile ETJ area around their city limits. (Elmendorf's 2010 census population was 1,488.) 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. Upon release, the requesting municipality may extend its ETJ to the property. Additionally general law cities, such as Elmendorf, may incorporate properties into their city limits by request from the property owners.

*Previous ETJ Agreements* - As allowed by state law, San Antonio and Elmendorf have agreed to several ETJ exchanges in 1987, 2000, 2004, and 2005. As a result, Elmendorf gained approximately 2.6 square miles (1,663 acres) of land. Their existing city limits consist of approximately 3.7 square miles (2,407 acres) and their ETJ consists of approximately 3.02 square miles (1,933 acres). The released 7.93 acres would increase their ETJ to approximately 3.03 square miles (1,940.9 acres).

*Municipal Services* - The City of San Antonio does not provide municipal services to the subject area since it located within an unincorporated area of San Antonio's ETJ. If the subject area would to be transferred to Elmendorf's ETJ, there would be no changes in services. Service providers include:

- Elmendorf Water Company
- CPS Energy
- Bexar County Sheriff's Office
- Harmony Volunteer Fire Department
- Acadian Ambulance Services, a Bexar County contractor

If the area was subsequently annexed by Elmendorf, their City would be responsible for full municipal services including police and fire protection, emergency medical services, code enforcement, and could extend city codes and regulations to the area.

## **ISSUE:**

The requested release was evaluated based on the City's annexation goals and policies. The City's annexation goals are to facilitate long range planning; promote economic development; foster intergovernmental cooperation; protect future development; provide clear and logical planning boundaries; minimize potential negative impact on the City's budget; protect environmental resources; and consider San Antonio's future strategic growth.

Annexation is not a viable option for San Antonio in the near future based on the location of the subject property and the difficulty of providing municipal services. The subject area is not contiguous to the San Antonio municipal boundary. It is located approximately six miles from San Antonio's main body of city limits near the intersection of SE Loop 410 and IH-37.

*ETJ Agreement* - Of importance to both the City of San Antonio and the City of Elmendorf is to ensure the health, safety, and welfare of future residents of the subject area. Elmendorf, upon release of the subject area by San Antonio, has agreed to the following:

- Prohibit new billboards based on the City of Elmendorf's Off Premise Signs Ordinance
- Extend Elmendorf's subdivision regulations to the Transferred Property
- Provide voluntary annexation opportunity to the Subject Property
- Provide services and regulations to the Transferred Property as required by Chapter 43 of the Texas Local Government Code
- Contribute 25% of property and sales tax revenue collected in the subject area to San Antonio for five

years upon annexation by Elmendorf of the 1.9 acre tract addressed at 14863 Adkins Elmendorf Road or any commercial property with the subject property. The analysis of this proposed 25% percent revenue sharing agreement from Elmendorf's property and sales taxes is projected to be approximately \$4,178 annually or \$20,890 for a five-year period.

The Subject Area shall revert back to San Antonio's ETJ automatically, if the City of Elmendorf fails to take action to annex the 1.9 acre tract of land addressed 14863 Adkins Elmendorf Road, into its city limits within one year of the effective date of this Agreement (Attachment II).

## **ALTERNATIVES:**

An alternative explored was an exchange of ETJ or municipal territory with the City of Elmendorf. However, Elmendorf's city limits and ETJ area are not contiguous to the current City of San Antonio limits. (Presently, there is not an area within Elmendorf's jurisdictional boundaries recommended by staff to be sought for an equivalent exchange.)

## **FISCAL IMPACT:**

This request is fiscally neutral. There is no general fund revenue loss for the City of San Antonio associated with this release. The subject area is currently located within the San Antonio ETJ where neither City property nor sales taxes are collected. CPS Energy fees will continue to apply on the subject property. Currently, San Antonio's Development Services Department collects fees for plats, MDPs and rights determinations processed for properties in the ETJ.

If the City of Elmendorf annexes any property located within the subject area, they committed to contributing 25% of the ad valorem and sales tax generated in the subject area to San Antonio for a period of five years following annexation. The analysis of this proposed 25% percent revenue sharing agreement from Elmendorf's property and sales taxes is projected to be approximately \$4,178 annually or \$20,890 for a five-year period.

## **RECOMMENDATION:**

The Department of Planning & Community Development recommends approval of the release of 7.93 acres of ETJ, as described in Exhibit A in Attachment II (field notes) and depicted on Exhibits (Attachments I and II), and the associated ETJ agreement (Attachment II) with the City of Elmendorf.

Planning Commission recommended approval of the ETJ release and associated agreement on February 26, 2014. (Attachment IV).

The Infrastructure and Growth Committee recommended approval of the ETJ release on March 19, 2014.