



# City of San Antonio

## Agenda Memorandum

**File Number:**18-6928

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**Agenda Item Number:** 49A.

**Agenda Date:** 12/13/2018

**In Control:** City Council A Session

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**DEPARTMENT:** Planning

**DEPARTMENT HEAD:** Bridgett White, AICP

**COUNCIL DISTRICTS IMPACTED:** City Council Districts 4 and 6

### SUBJECT:

City of San Antonio's conditional consent to the creation of the Westpointe Public Improvement District (PID) and the execution of a Development Agreement between the City of San Antonio and the Westpointe PID and Westlakes property owners.

### SUMMARY:

Approval of the following items related to the creation of the Westpointe Public Improvement District by Bexar County and the execution of a Development Agreement between the City and the Westpointe PID and Westlakes property owners:

- A) A Resolution granting the City's consent, with certain conditions, to the creation of the Westpointe Public Improvement District (PID) by Bexar County generally located west of West Loop 1604 and north of Highway 90 West within the Extraterritorial Jurisdiction (ETJ) of the City of San Antonio, Bexar County, Texas, and
- B) An Ordinance authorizing the execution of a thirty-year development agreement between the City of San Antonio, the Westpointe PID property owners consisting of SPH Culebra, Ltd., Vise Oaks I, Ltd., Campbelton Road, Ltd., and Becker Ranch, Ltd., and the Westlakes property owners, consisting of Peoples Verdes Ranch, Holding Co LTD and Vise SPH Ltd.

### BACKGROUND INFORMATION:

Texas Local Government Code Chapter 382 allows for the creation of Public Improvement Districts (PIDs) and special purpose districts, by a city or county. PIDs are considered to be economic development tools used to pay or finance public improvements and economic development within (and that benefit) a defined

geographical area which will ultimately become the district. The general nature of the proposed work may include, but is not limited to, the improvement and construction of certain road thoroughfares and collector and arterial roads, acquisition of right-of-way for those road improvements, improvements to all utilities, water, wastewater, and sanitary sewer improvements, associated drainage and trails, and park and recreational improvements, located within the district boundaries. These districts may levy a special assessment as a source of funding and costs are apportioned and paid by land owners within the district that benefit from public improvements and/or services.

In order to create a PID in a county, more than 50 percent of owners of taxable real property liable for assessment within the proposed District area, must submit a petition to the governing body of the county. If the proposed district is located within a municipality's ETJ, the municipality has the option to object to the formation of the PID, pursuant to state law.

In accordance with Section 212.172 of the Texas Local Government Code, a municipality and a land owner may enter into a written agreement by which the municipality will extend the municipality's planning authority, establish development regulations including land use and development standards and provide for the infrastructure of the land.

The proposed Westpointe PID properties are generally located west of West Loop 1604 and are outside of the five-mile boundary of the Lackland Air Force Base (AFB) and the Medina Training Annex as described in Exhibit "A" and depicted in Exhibit "B". The Westpointe properties are owned by SPH Culebra, Ltd., Vise Oaks I, Ltd., Campbelton Road, Ltd., and Becker Ranch, Ltd. The Westpointe properties consist of two tracts, referred to as Westpointe East, and Westpointe West, as well as certain right-of-way of Talley Road and Old FM 471 West used to connect the Westpointe Properties totaling approximately 2,382.9 acres.

The Westpointe properties have Master Development Plans (MDPs) which were approved by the City and Bexar County between 2010 and 2011. The MDPs (Exhibit "E") include single family and multi-family residential as well as commercial land uses. The property owners planned to construct public improvements and infrastructure within and outside of the MDP boundaries by requesting a PID to be created by Bexar County.

The Westlakes properties are located within the five-mile boundary of the Lackland AFB and the Medina Training Annex and are located south of US Highway 90 West and bisected by West Loop 1604. The Westlakes properties consist of approximately 326.012 acres, comprise of three tracts "Westlakes East of Loop 1604 - Northeastern Tract," the "Westlakes East of Loop 1604 - Southeastern Tract," and the "Westlakes West of Loop 1604 Tract," as described in Exhibit "C" and Exhibit "D."

The Westlakes property owners consisting of Peoples Verdes Ranch, Holding Co LTD and Vise SPH Ltd., have agreed to impose land use controls on the Westlakes properties to increase its land use compatibility with the Lackland AFB Joint Land Use Study's (JLUS) recommendations, which include restrictions on land use, lighting, and sound attenuation standards. In consideration for these land use controls on the Westlakes Properties, the City agreed to approve a thirty-year development agreement for the Westlakes and Westpointe properties as well as consent to the creation of the Bexar County PID on Westpointe properties.

In October 2017, the Westpointe property owners (SPH Culebra, Ltd., Vise Oaks I, Ltd., Campbelton Road, Ltd., and Becker Ranch, Ltd) submitted a preliminary request for the creation of a County PID to Bexar County and the City. On December 14, 2017, the City Council of San Antonio stated their intent to consent to the creation of the Westpointe PID by Bexar County. The Westpointe owners submitted a petition to the County on December 15, 2017, and an application to the County on January 17, 2018, to create a PID to be named the Westpointe Special Improvement District. On October 23, 2018, Bexar County approved a resolution stating their intent to create the PID.

## ISSUE:

If approved, this Resolution would grant consent, with certain conditions, to the creation of the PID by Bexar County on the Westpointe properties; and the Ordinance would authorize the execution of a thirty-year development agreement (non-annexation agreement) between the City and Owner of the Westpointe PID and Westlakes properties. [The Agreement has been attached as “Attachment A.”]

The consent of the City includes the County’s delegation of road district powers and the power to provide water, wastewater and drainage facilities, which is required by state law, in order for the PID to exercise those powers. However, the City’s consent contains the following conditions related to PID:

- No exercise of eminent domain powers by the PID;
- No power to annex, expand or exclude land into the PID’s existing boundaries;
- No power to retail or sell water, waste water and drainage services; and
- The PID’s assessment to property owner annually not greater than City’s ad valorem tax rate.

The City and the property owners will enter into a proposed Agreement, after the May 2019 PID election. The proposed Agreement will include the following terms and obligations between the City and the property owners with respect to the development of the properties:

- On the Westlakes properties, the owners agree to impose land use regulations including restrictions on type and density of land use, lighting, and sound attenuation standards and amend the existing Westlakes MDP to as depicted in Exhibit “D.” Development in the Northeastern Tract and the front 1,000 feet of West Loop 1604 of the Southeastern Tract would consist of commercial and/or industrial uses. The remainder of the Southeastern Tract will be limited to two single-family residential structures and two manufactured homes. The Western Tract will be limited to no more than 300 multi-family, units, attached dwelling units, and/or detached dwelling units. The City’s “MLOD-2” Military Lighting Overlay District and the “MSAO-2” Military Sound Attenuation Overlay District will be applied to all of the Westlakes properties, except the two manufactured homes which will be exempt from MSAO-2.
- The property owner agree to comply with all municipal rules, regulations, orders, ordinances and other laws applicable to all properties within the City’s ETJ during all phases of development and construction of the PID Project and during the term of the Agreement.
- The property owners agree to consent to annexation by the City upon the termination of the Agreement.
- In the event the properties are annexed by the City in the future, the City and the property owners mutually have agreed to the services the City would provide to the subject property as required by the Texas Local Government Code.
- The City will guarantee the continuation of the extraterritorial status of the PID property.
- The City will not annex property within the PID boundaries for thirty (30) years, after the effective date of the development agreement.
- The City would have the option to annex the property upon the expiration or termination of the Agreement or a violation of the Agreement by the owner of the property.
- There is no financial participation between the PID and the City.

The proposed timeline for the formation of the PID by the County and approval of the Development Agreement is as follows:

### Dates

December 14, 2017

### Schedule of Action

City Council expressing its intent to consent to Westpointe PID creation by Bexar County

October 23, 2018	Bexar County Commissioners Court Order stating their intent to create the PID
November 28, 2018	San Antonio Planning Commission
December 4, 2018	Bexar County Consider PID creation
December 13, 2018	City Council Public Hearing and Consideration
February, 2019	PID's Board of Directors will call an election
May 4, 2019	PID will hold an election to confirm the PID and approve the PID tax rates.

**ALTERNATIVES:**

A denial of the Ordinance may result in the Westlakes MDP not being amended to increase its land uses compatibility with the adjoining Medina Training Annex as recommended in the Lackland AFB JLUS and associated noise study. In addition, this action may require the property owners to seek a different financing mechanism for the development of the property.

City Council can require staff to re-negotiate the terms of the Agreement which would delay the activation of development.

**FISCAL IMPACT:**

The Westpointe PID and Westlakes properties are located within unincorporated areas of San Antonio's ETJ in Bexar County where the City of San Antonio does not provide services or assess any type of taxes. Therefore, there is no fiscal impact associated with the passage of the Resolution and Ordinance.

**RECOMMENDATION:**

Staff recommends approval of A) A Resolution granting the City's consent with certain conditions to the creation of the Westpointe PID by Bexar County; and B) An Ordinance authorizing the execution of a thirty-year Development Agreement between the City and the Westpointe PID and Westlakes property owners.

On November 28, 2018, Planning Commission recommended approval to City Council.