



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 30.

Agenda Date: 12/5/2019

In Control: City Council A Session

DEPARTMENT: Planning

DEPARTMENT HEAD: Bridgett White, AICP

COUNCIL DISTRICTS IMPACTED: 2

SUBJECT:

First Amendment to the City of San Antonio and Converse Interlocal Agreement

SUMMARY:

Ordinance authorizing the first amendment to an Interlocal Agreement (ILA) between the City of San Antonio and City of Converse which establishes a series of municipal boundary adjustments (MBA) and extraterritorial jurisdiction (ETJ) releases from San Antonio to Converse in eastern Bexar County, Texas. The resulting action would place the ILA properties within the City of Converse's jurisdiction by the end of December 2034.

BACKGROUND INFORMATION:

On March 9, 2017, the City Council of San Antonio approved a multi-phase Interlocal Agreement (ILA) 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 ILA was to ensure that underserved areas in the fast growing unincorporated areas of the county 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.

Pursuant to the ILA San Antonio completed the release of the first Phase (including 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. In addition, the two cities mutually agreed to change their boundaries in the Northampton subdivision. The first municipal boundary adjustment (MBA) consisted of approximately 293 acres and the second MBA consisted of 67 acres.

At the time of the initiation of the current ILA, State law authorized home-rule municipalities such as Converse to annex properties unilaterally or by consent of the property owners. Subsequently, the Texas Legislature adopted Senate Bill 6 (effective in December 2017) required 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. The 2017 annexation law eliminated the three-year municipal annexation plan process and affected the annexation terms and timeline of the ILA approved in March 2017.

Since the passage of the 2017 annexation law, staff from the cities of San Antonio and Converse renegotiated the terms and timeline for the future releases of ETJ areas by San Antonio and subsequent annexations by Converse. The amended ILA provides for five remaining ETJ releases totaling approximately 11 square miles, as described below:

- A. By January 31, 2020, CoSA would release the Phase 2 Area containing approximately 882.68 acres (1.38 square miles) of its ETJ area consisting of three tracts of land,: Tract 1 is generally bounded on the north by FM 78 and the city limit line of Converse, on the east and south by FM 1516 and on the south and west by Walzem Road; Tract 2 is generally bounded on the north by Weichold Road, bounded on the east and south by the San Antonio city limit line near IH 10 East and bounded on the west by FM 1516; and Tract 3 is generally bounded on the north by the city limit line of Converse near Weichold Road and on the east by the San Antonio city limit line near Loop 1604 East and south by the San Antonio city limit line near IH 10 East to Converse.
- B. By January 31, 2023, CoSA would release the Phase 3 Area containing approximately 1,607.95 acres (2.51 square miles) of its ETJ area consisting of two tracts: Tract 1 is generally bounded on the north by Crestway Road, Kitty Hawk Road, on the east by the city limit line of Converse, on the south by Gibbs-Sprawl Road and Walzem Road and on the west by the drainage easement to west of Glen Bluff, Glen Shadow Drive, Glen Mont Drive, Tarrasa, and Lago Frio; and Tract 2 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 78 and on the west by Walzem Road to Converse; and
- C. By January 31, 2026, CoSA would release the Phase 4 Area containing approximately 1,732.98 acres (2.71 square miles) of its ETJ area generally bounded on the north and east by Walzem Road, on the south by Binz-Engleman Road, and on the west by Woodlake Parkway to Converse.
- D. By January 31, 2029, CoSA would release the Phase 5 Area containing approximately 777.77 acres (1.22 square miles) of its ETJ area generally bounded on the north by Crestway Road, on the east by the drainage easement to the east of Lago Frio, Tarrasa, Glen Mont Drive, Shadow Drive, and Glen Bluff, on the south by Walzem Road and on the west by the San Antonio city limit line Walzem Road and the city limit line of Windcrest to Converse.

- E. By January 31, 2032, CoSA would release the Phase 6 Area containing approximately 2,068.03 acres (3.23 square miles) of its ETJ area generally bounded on the north by FM 78, on the east by Woodlake Parkway and FM 1516, on the south by the San Antonio city limit line near IH 10 East and on the west by North Foster Road to Converse.

Annexations of the aforementioned ETJ areas are conditioned on the City Council of Converse calling for an annexation election in the ETJ Areas and obtaining approval by voters in those areas. Converse will have to call an annexation election for each ETJ Area by February of the year the area is released; and then hold the annexation election in May. If voters approve annexation, Converse will confirm the election and take action to annex the annexation area by December of the year the area is released.

If the annexation election passes and is confirmed, MBA actions will continue. If the initial annexation election fails, Converse will have two additional attempts to hold an annexation election in accordance with State Law and would result in San Antonio ceasing any further action. If all three annexation attempts fail, then all ILA actions will cease and this ILA will be terminated. All areas released via ETJ Releases would remain in the ETJ of the City of Converse.

The Municipal Boundary Adjustment (MBA) schedule is as follows (as detailed in the exhibit):

- A. MBAs 3A, 3B & 3C - By October 31, 2020, the Parties will make mutually agreeable changes in their boundaries in the following areas: the Gibbs Sprawl Road area (MBA 3A); in the Graytown Road/Loop 1604 area (MBA 3B) and in the Loop 1604 area (MBA 3C).
- B. MBAs 4A & 4B - By October 31, 2020, the Parties will make mutually agreeable changes in their boundaries in the following areas: the Graytown Road/Loop 1604 area (MBA 4A); and the North Hampton/Gibbs Sprawl Road area (MBA 4B).
- C. MBAs 5A & 5B - By December 31, 2021, the Parties will make mutually agreeable changes in their boundaries in the following areas: the Graytown Road/Loop 1604 area (MBA 5A) and the North Hampton/Gibbs Sprawl Road area (MBA 5B).
- D. MBAs 6A & 6B - By January 31, 2022, the Parties will make mutually agreeable changes in their boundaries in the following areas: the Graytown Road/Loop 1604 area (MBA 6A) and the Gibbs Sprawl Road area (MBA 6B).
- E. MBAs 7A & 7B - By February 28, 2022, the Parties will make mutually agreeable changes in their boundaries in the following areas: the Graytown Road/Loop 1604 area (MBA 7A) and the Gibbs Sprawl Road area (MBA 7B).
- F. MBAs 8A & 8B - By December 31, 2023, the Parties will make mutually agreeable changes in their boundaries in the following areas: the Graytown Road/Loop 1604 area (MBA 8A); and the Gibbs Sprawl Road area (MBA 8B).
- G. MBAs 9A & 9B - By December 31, 2024, the Parties will make mutually agreeable changes in their

boundaries in the following areas: in the Graytown Road/Loop 1604 area (MBA 9A); and the Gibbs Sprawl Road area (MBA 9B).

- H. MBA 10 - By December 31, 2025, the Parties will make mutually agreeable changes in their boundaries in the Loop 1604/IH 10 East Area.
- I. MBA 11 - By December 31, 2026, the Parties will make mutually agreeable changes in their boundaries in the Loop 1604/IH 10 East Area.
- J. MBA 12 - By December 31, 2027, the Parties will make mutually agreeable changes in their boundaries in the Loop 1604/IH 10 East Area.
- K. MBA 13 - By December 31, 2028, the Parties will make mutually agreeable changes in their boundaries in the Loop 1604/IH 10 East Area.
- L. MBA 14 - By December 31, 2029, the Parties will make mutually agreeable changes in their boundaries in the Loop 1604/IH 10 East Area.
- M. MBA 15 - By December 31, 2030, the Parties will make mutually agreeable changes in their boundaries in the Loop 1604/IH 10 East Area.
- N. MBA 16 - By December 31, 2031, the Parties will make mutually agreeable changes in their boundaries in the FM 1516/IH 10 East Area.
- O. MBA 17 - By December 31, 2032, the Parties will make mutually agreeable changes in their boundaries in the Binz-Engleman Road/IH 10 East Area.
- P. MBAs 18A & 18B - By December 31, 2033, the Parties will make mutually agreeable changes in their boundaries in the following areas in the North Foster Road/IH 10 East Area (MBA 18A) and the FM 78 Area(MBA 18B).
- Q. MBA 19 - By December 31, 2034, the Parties will make mutually agreeable change in their boundaries in the FM 78/North Foster Road Area.

ISSUE:

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 2010 U.S. Census.

This Ordinance authorizes the First Amendment to an Interlocal Agreement (ILA) between the City of San Antonio (CoSA) and Converse. The ILA was initially evaluated based on the City's Annexation Policy and

state law. The transferring of the described properties to Converse will provide clear and logical planning boundaries in the Converse area and facilitate much needed public services in underserved areas of Bexar County.

Following annexation of the ETJ Areas and/or acceptance of transferred MBA areas, 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 within 24 months of the date of annexation as prescribed in Chapter 43 of the TX Local Government Code. Converse will apply land use regulation and zoning recommendations to areas affected by the Randolph Joint Land Use Study (JLUS). Per the ILA, Converse will pay for 75% of the cost for all engineering work related to producing a boundary description (metes and bounds) of the territory to be released.

ALTERNATIVES:

Alternatives would be to approve only some of the municipal boundary adjustments or extraterritorial jurisdiction releases or deny all. Lack of total approval of the proposed schedule will cause a delay in re-negotiations. A new schedule will have to be proposed that complies with state law. The City of San Antonio may also negotiate modified terms in the proposed agreement.

FISCAL IMPACT:

Consistent with analysis performed in FY 2017, 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 first amendment to the Interlocal Agreement (ILA) between the City of San Antonio and the City of Converse.

The San Antonio Planning Commission unanimously recommended approval at their public hearing on November 13, 2019. The City of Converse will hold a public hearing on November 19, 2019 and take action on this item at their December 3, 2019 City Council meetings.