



City of San Antonio

Agenda Memorandum

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Agenda Date: 11/18/2019

In Control: Community Health and Equity Committee

DEPARTMENT: Transportation & Capital Improvements

DEPARTMENT HEAD: Razi Hosseini, P.E., R.P.L.S.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

A briefing and overview on the City's new Municipal Setting Designation (MSD) Program.

SUMMARY:

This item presents an overview of the City's Municipal Setting Designation (MSD) Program for briefing without action required.

BACKGROUND INFORMATION:

In 2003, the Texas legislature authorized the creation of Municipal Setting Designations (MSDs), which designate an area in which the use of shallow contaminated groundwater is prohibited from use as potable water for human consumption. MSDs address groundwater contamination under existing redevelopment properties and encourage redevelopment of properties in blighted areas while protecting human health, the environment, and San Antonio's drinking water. The statute requires the support of the local municipality to participate in the MSD program.

In April 2016, City Council approved the MSD policy and guidelines for this program. As a result of this ordinance, TCI Environmental Management, with coordination and support from San Antonio Water Systems (SAWS) and the Edwards Aquifer Authority (EAA), developed an environmental process and application for supporting or not supporting an MSD application to the state. Several factors or requirements were considered and implemented as part of the MSD process:

- Sites that may apply for an MSD have known groundwater contamination.
- The process requires that an applicant must participate in one of the cleanup programs administered

by Texas Commission on Environmental Quality (TCEQ) or Environmental Protection Agency (EPA).

- The MSD certificate only eliminates the risk for consuming, cooking, or bathing in affected groundwater. Assessment would still be required for other exposure pathways.
- Establishing an MSD does not remove any liability from the property owner, nor does it shift any liability to the City.

MSDs will not be approved if they are located within a half mile of a SAWS Primary Pump Station, and no MSD may be approved unless the site is already served by SAWS or is capable of being served by SAWS water, at the applicant's expense.

ISSUE:

Due to the challenges to clean shallow groundwater to drinking water standards and associated significant costs and time for unnecessary remediation strategies, developers tend to overlook potential redevelopment properties in San Antonio. Since shallow groundwater is not the primary drinking water source for San Antonio and these sites are enrolled in a state regulatory program, MSD is an option to address shallow groundwater contamination and a vital tool for redevelopment. In 2016, City Council approved an ordinance outlining MSD policy and guidelines.

Staff created MSD procedures and an application process for the MSD program. Applicants are required to submit fees for application and technical reviews throughout the MSD process. To ensure MSD applications are in compliance with the MSD procedures, policies, and guidelines, TCI Environmental Management has engaged other City departments and agencies to provide reviews and input regarding MSD applications. The MSD process is listed below.

The first step is for the developer to apply for the MSD and submit an application fee of \$2,000 with their MSD application. Afterwards the Development Team evaluates the MSD application and proposed development plan to ensure it does not conflict with any future City master development plans and suits the needs of the area. The Development Team consists of Center City Development & Operations, Economic Development, Planning, and Development Services.

After the Development Team has reviewed and approved the application, the applicant submits the technical fee of \$6,000 and their application is forwarded to the Technical Team. The Technical Team **determines if existing environmental data results meet health and safety requirements as well as program requirements.** The Technical Team consists of Health, Parks & Recreation, TCI, and the City Attorney's Office.

Once the application is internally reviewed and approved by the City teams, the MSD application is forwarded to our partnering agencies (SAWS and EAA) for evaluation. The partnering agencies ensure their requirements are met.

After the application is approved by City Teams, partnering agencies, and TCI's Director, the MSD application will proceed with the public involvement phase. A public meeting will be held in a City facility in the respective Council District. The purpose of the meeting is to inform the public of the MSD program and MSD application results, as well as to obtain their input regarding the application. Upon completion of the public meeting, the MSD application will be presented to the Community Health & Equity Committee for review and consideration of the MSD application.

A public hearing will be held in the City Council chambers prior to taking this item to the City Council for

review and approval. Once the proposed MSD application has completed the public involvement phase, it will be presented to the City Council for MSD ordinance review and approval.

ALTERNATIVES:

This item is for informational purposes only.

FISCAL IMPACT:

This item is for informational purposes only.

RECOMMENDATION:

At the request of the Community Health & Equity Committee Chairwoman Councilmember Sandoval, staff recommends review and consideration of the item included in this memorandum.