



City of San Antonio

Agenda Memorandum

File Number:20-6589

Agenda Item Number: 25.

Agenda Date: 11/18/2020

In Control: Planning Commission

DEPARTMENT: Planning

DEPARTMENT HEAD: Bridgett White, ACIP

COUNCIL DISTRICTS IMPACTED: ETJ near Council District 10

SUBJECT:

Extraterritorial Jurisdiction Release and Associated Agreement with the City of Schertz.

SUMMARY:

A public hearing and resolution recommending the release 141.5 acres of the City of San Antonio's Extraterritorial Jurisdiction (ETJ) to the City of Schertz and associated agreement. Staff recommends approval.

BACKGROUND INFORMATION:

The City of Schertz (Schertz) requested the City of San Antonio (CoSA) to release approximately 141.5 acres (Subject Property) from its Extraterritorial Jurisdiction (ETJ). The Subject Property is generally located north of Lookout Road, east of Evans Road, south of Nacogdoches Rd-FM 2252, and west of Doerr Lane, on the northeastern edge of the CoSA ETJ in Comal County.

State law allows adjacent cities to seek the release of territory from another city's existing ETJ with written consent from the releasing city's governing body. Upon release, the requesting municipality may extend its ETJ to the property. According to state law, the City of Schertz's ETJ can extend for a maximum of 3.5 miles outside their city limits based on its population, which falls under 100,000. State law also permits the requesting city to annex the Subject ETJ Property into their city limits by petition from the property owners.

Schertz 312, LLC (Owner) owns approximately 312 acres consisting of several tracts of undeveloped land which includes the Subject Property. Titan Development (Developer) plans to develop the approximately 312 acres as industrial uses. Currently, the Subject Property is bounded by Union Pacific Railroad lines to the north and south. There is no direct access to it except by crossing through adjacent properties and through a cattle

railroad crossing.

The Owner petitioned Schertz for annexation of all the tracts of land including the Subject Property. To facilitate the development of all the properties, Schertz approved an economic development package with the Owner and Developer in 2018. Schertz also agreed to work with CoSA to release the Subject Property into their jurisdiction for the purpose of annexation and to provide services, traffic improvements and access to it.

Currently, CoSA does not provide municipal services to the Subject Property since it is located within an unincorporated area of San Antonio's ETJ. The CoSA-Comal County Interlocal Platting Agreement and Comal County Subdivision Regulations are in effect on the property. If the Subject Property would be released and added to Schertz's ETJ, there would be no changes in the current level of services except for development regulations. Current service providers include the City of Selma Water Utility, Cibolo Creek Municipal Authority (wastewater services), CPS Energy and public services by Comal County.

Upon the release of the Subject Property, Schertz proposes to annex the subject property and will provide full municipal services, including police, fire protection, emergency medical services, and capital improvements, including street and road improvements. Schertz also will extend their city codes and regulations to the released area.

The ETJ Agreement provides that Schertz will share 50 percent of revenue from their ad valorem, sales and uses taxes and franchise fees from the Subject Property for a 30-year period after annexation of the subject property. In preliminary discussions between the two cities, Schertz staff requested a process for the remittal of payment of taxes to CoSA. As a result, CoSA's Finance Department staff developed payment remittal instructions for use by Schertz and other cities. Both city staffs concurred that the development project generally will be completed in phases, and depending on its size, can extend many years. The proposed terms will offset any unforeseen negative future impact and provide an appropriate amount of benefit to San Antonio. The proposed 30-year agreement period would allow both cities to fully realize the proposed revenue-sharing stipulation of the agreement.

ISSUE:

This resolution would recommend the approval of release 141.5 acres from the CoSA ETJ and an associated agreement with the City of Schertz. This request was evaluated based on existing CoSA's annexation goals and policies with input incorporated from other City Departments and agencies. The CoSA'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 CoSA's budget; protect environmental resources; and consider San Antonio's future strategic growth.

The Annexation Policies recommend logical boundaries in order to prevent confusion between jurisdictions and provide efficient service delivery. The Subject Property is not contiguous to the city limits of San Antonio but is contiguous to Schertz's existing municipal boundaries. 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. There is limited potential for growth based on the current layout and road network surrounding the Subject Property. San Antonio recognizes the need for its regional partner cities to remain economically viable in support of the overall economic health of the region.

The Annexation Policies recommend an equal exchange of land or equivalent value. Schertz will remit to the City of San Antonio 50% of sales, use and ad valorem taxes, and franchise fees collected by the Schertz for the Subject ETJ Property, beginning upon the first effective date of annexation by the City of Schertz, for a period

of 30 years. Upon the transfer of the Subject Property by San Antonio, Schertz has agreed to the following provisions:

- Extend a land use plan to the Subject Property compatible with the adjacent land in the City of Schertz, as per the City of Schertz Future Land Use Plan;
- Extend Schertz's subdivision, billboards, tree and landscape regulations in accordance with the Schertz Unified Development Code (UDC);
- Initiate annexation proceedings as to the Subject Property within three months of the effective date of the ETJ agreement; and
- Provide services and regulations to the Subject Property as required by Chapter 43 of the Texas Local Government Code.

ALTERNATIVES:

Alternatives would be to deny the release or to seek an alternative exchange of ETJ or municipal territory. An alternative course of action may delay the proposed development of the Subject Property.

RECOMMENDATION:

Planning Department Staff recommends the approval of the Resolution recommending the release of 141.5 acres of the CoSA ETJ and an associated agreement with the City of Schertz.

The City of Schertz took appropriate action on this item at their October 27, 2020 City Council meeting.