



City of San Antonio

Agenda Memorandum

File Number:20-6676

Agenda Item Number: 27.

Agenda Date: 11/18/2020

In Control: Planning Commission

DEPARTMENT: Planning

DEPARTMENT HEAD: Bridgett White, AICP

COUNCIL DISTRICTS IMPACTED: ETJ near City Council District 4

SUBJECT:

Third Amendment to the Agreement for Services in Lieu of Annexation between the City and the Westside 211 Special Improvement District Owners.

SUMMARY:

A public hearing and consideration of a Resolution recommending approval of a Third Amendment to the Agreement for Services in Lieu of Annexation (Agreement) between the City of San Antonio (City) and the Owners of the Westside Special Improvement District (PID). This Amendment revises the boundaries of the PID by adding an approximately 136.759-acre parcel; applies terms and conditions of the City's consent to the amendment to the Agreement and the inclusion of the additional parcel; adds Lateral I, LLC as a party to the Agreement and approves a release of Lateral I, LLC upon the sale of the Bengal tract to the PID Extension's Owners.

BACKGROUND INFORMATION:

On August 30, 2007, Bexar County (County) created a Public Improvement District (PID), which was named the Westside 211 Special Improvement District. On September 20, 2007, the City Council of San Antonio granted its consent to the creation of the Westside 211 Special Improvement District by the County; and approved an Agreement for Services in Lieu of Annexation with the owners of the PID. A first amendment to the Agreement, approved by the City on December 5, 2013, extended the Agreement term and deferred annexation of the PID until the year 2042. A Second Amendment, approved on March 1, 2018, further extended the Agreement term and deferred annexation of the PID until the year 2052.

The PID's Board is proposing to add an approximately 136.759-acre parcel, referred to as the Bengal Tract, currently owned by Lateral I, LLC, to the existing PID's boundaries. The proposed extension is generally located southwest of the intersection of State Highway 211 and Potranco Road. The Bengal tract is contiguous to existing PID boundaries. Upon the approval of the expansion of the PID, Lateral I, LLC plans to convey the Bengal tract to the PID's Owners. The proposed extension is to add approximately 136.759 acres adjacent to the existing Ladera property (see Westside PID). The Bengal tract will contain 550 single-family residential lots (see Exhibit "D", the Ladera Land Plan for layout) and will be developed over approximately 15 years.

The Owners propose to provide and construct public infrastructure on the added parcel, which are described and depicted on the attached Exhibit "A". The PID expansion will also provide for the extension of approximately 2,100 linear feet of Grosenbacher

Road (a secondary arterial on the Major Thoroughfare Plan). There are approximately \$18.8 million (in 2020 dollars) in public improvements to be constructed within the Bengel Tract. Costs for the collector road; street, water, sewer and drainage infrastructure are projected at \$37.76 million. The PID Extension's revenue is estimated to add \$14.9 million to the existing estimated revenue. The Owners submitted summaries reflecting proposed development and improvements for the original PID and the Expansion areas.

On September 29, 2020, the PID's board of directors (Board) petitioned the County and City to grant their consent to revise the existing PID's boundaries by including the Bengel tract. The addition of the Bengel Tract to the PID will be the third amendment to the Agreement between the City and the District Owners. At the May 2021 election, voters in the PID will confirm the revised boundaries of the PID.

ISSUE:

This Planning Commission Resolution would recommend approval of an Amendment to the Agreement between the City and the PID's Owners. This Amendment adds an additional 136.759 acres (Bengel Tract) to the existing 3,670-acre PID's boundaries, totaling 3,807 acres, adds Lateral I, LLC as a party to the Agreement pending the sale of the Bengel tract to the Owners, and approving a Release of Lateral I, LLC from the Agreement upon the sale of the Bengel tract to the PID's Owners. The amendment applies the existing terms, conditions and obligations of the Agreement to the 136.759- acre Bengel Tract.

Owners will pay to the City a PID application fee of \$7,500 and an operations fee of \$175 per each residential unit to be constructed within the expansion area. In addition, the Owner will reimburse the City for the recordings of the Agreement with Bexar County Real Property Records.

Dates

November 10, 2020 Bexar

Schedule of Action

County Commissioners Court consideration of a resolution expressing their intent to expand the PID boundaries

November 18, 2020

San Antonio Planning Commission public hearing and recommendation

December 3, 2020

City Council's consideration and action

May 2021

PID Extension Election and approve taxes and bonds

ALTERNATIVES:

An alternative is not to recommend that the City Council consent to the Third Amendment. This action may result in the project being delayed because the Owners would seek a different financing mechanism for developing the extension.

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

RECOMMENDATION:

Staff recommends approval of a Resolution recommending approval of the Third Amendment to the Agreement for Services in Lieu of Annexation between the City and the Owners of the PID.