City of San Antonio

Agenda Memorandum

File Number:21-1047

Agenda Item Number: 27A.

Agenda Date: 1/14/2021

In Control: City Council A Session

DEPARTMENT: Planning

DEPARTMENT HEAD: Bridgett White, AICP

COUNCIL DISTRICTS IMPACTED: ETJ near City Council District 4

SUBJECT:

Approving the following item related to the Westside 211 Special Improvement District located in the extraterritorial jurisdiction of the City of San Antonio

SUMMARY:

A public hearing and consideration of the following item related to the existing Westside 211 Special Improvement District: A) An Ordinance authorizing the Third Amendment to the Agreement for Services in Lieu of Annexation between the City of San Antonio and the Owners of the Westside 211 Special Improvement District (PID).

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.

On September 29, 2020, the PID's Board petitioned the County and City to grant their consent to revise the existing PID's boundaries by adding an approximately 136.759-acre parcel, referred to as the Bengal Tract. The addition of the Bengel Tract to the PID will be the Third Amendment to the Agreement between the City

and the Owners.

The Bengel Tract is currently owned by Laderal I, LLC and is generally located southwest of the intersection of State Highway 211 and Potranco Road and is contiguous to the existing PID boundaries. Upon the approval of the expansion of the Westside 211 PID, Laderal I, LLC plans to convey the Bengal Tract to the PID's Owners. 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 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.

ISSUE:

If approved, this Resolution would amend the Agreement between the City and the PID's Owners for a third time. This Third Amendment adds an additional 136.759 acres (Bengel Tract) to the existing 3,670-acre PID's boundaries, totaling 3,807 acres; adds Laderal I, LLC as a party to the Agreement pending the sale of the Bengal tract to the Owners; and approves a Release of Laderal I, LLC from the Agreement upon the sale of the Bengal tract to the PID's Owners. The Third Amendment applies the existing terms, conditions and obligations of the Agreement to the 136.759- acre Bengel Tract.

Owners will pay the City an Application Fee of $7,500 and a Special District Operations Assessment of $175 per 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	**Schedule of Action**
November 10, 2020	Bexar 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	San Antonio City Council consideration and action
May 2021	PID Extension Election and approval of taxes and bonds

ALTERNATIVES:

An alternative is that City Council does not 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.

FISCAL IMPACT:

This item is to consider the resolution granting the City's consent to the creation by Bexar County of a PID located within an unincorporated area of the ETJ of the City San Antonio, and an ordinance authorizing the execution of a Development Agreement between the City of San Antonio and Laderal I, LLC, owner of PID property. This ordinance enables the developer to pay an application fee of $7,500 and a Special District Operations Assessment estimated at $96,250 (for a total of 550 residential units at $175 per residential unit) to the City of San Antonio's General Fund. The City will pay to the PID an amount equal to 25% of the sales and use tax revenues collected within the Limited Purpose Annexation Property, commencing on the effective date of the Limited Purpose Annexation of the commercial land.

RECOMMENDATION:

Staff recommends approval of A) An Ordinance authorizing the Third Amendment to the Agreement for Services in Lieu of Annexation between the City of San Antonio and the Owners of the Westside 211 Special Improvement District.

On November 18, 2020, the Planning Commission recommended that City Council approve the Third Amendment to this Agreement.