

GROWTH POLICY STUDY

Working Group Meeting #3
July 23, 2019



CITY OF SAN ANTONIO
PLANNING DEPARTMENT



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MEETING PURPOSE/AGENDA

This Meeting:

1. Review of Last Meeting
2. Identification of Priority Issues
3. Potential Strategies Discussion
4. Next Steps

ISSUES AND CONSTRAINTS (MEETING 2 REVIEW)

MEETING PURPOSE/AGENDA

1. Meeting Theme: What areas can we influence?
2. Review priority issues to address
3. Review areas of mutual benefit or common interest
4. Develop procedures and criteria for managing growth in ETJ
5. Identify toolbox (Special districts, ILAs, regulations, revenue sharing, developer agreements, etc.)
6. Implementation realities and considerations



PRIORITY ISSUES

SHARED INTERESTS AND CHALLENGES

	CoSA	Bexar County
Objective	<ul style="list-style-type: none"> • Promote responsible growth • Support continued regional growth • Economic development 	<ul style="list-style-type: none"> • Support continued regional growth • Allow for urban development • Economic development
Issues / Constraints	<ul style="list-style-type: none"> • Reliance on City's infrastructure and services • Inability to ensure compatible development on City's edges and near assets • Limited land use controls • Some ETJ regulations (Subdivision Regulations, Tree Ordinance, EARZ, etc.) • Military bases • Some special district review 	<ul style="list-style-type: none"> • Infrastructure may not support growth • Potential for substandard development • Increased need to provide urban services • Lack zoning authority • Does not inspect residential development • Lack of revenue tools needed to provide services
Mutual Benefits	<ul style="list-style-type: none"> • Economic growth • Efficient service provision • Protection of assets • Limiting fiscal impacts 	<ul style="list-style-type: none"> • Economic growth • Efficient service provision • Protection of assets • Limiting fiscal impacts

PRIORITY ISSUES

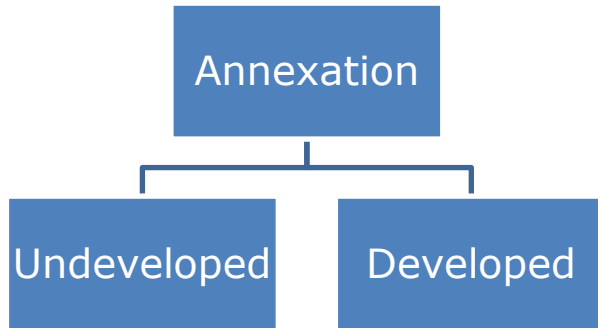
- Controlling or influencing land use
 - No zoning powers in County or ETJ: protect assets, adjacency issues
 - Long-term quality, and health and safety
 - Review in ETJ limited to subdivision/engineering standards
- Infrastructure and services
 - Transportation is most impacted
 - Thoroughfare plan built in segments (County honors Thoroughfare Plan)
 - Rough proportionality doesn't address regional needs
 - Reliance on and impacts to arterials and highways
 - Varying levels of service (police, fire/EMS, parks and recreation)
- Financial
 - Funding regional infrastructure
 - Edge growth projects compete for transportation funding
 - In County, existing residents pay for growth through bond projects

BASIS FOR ANNEXATION

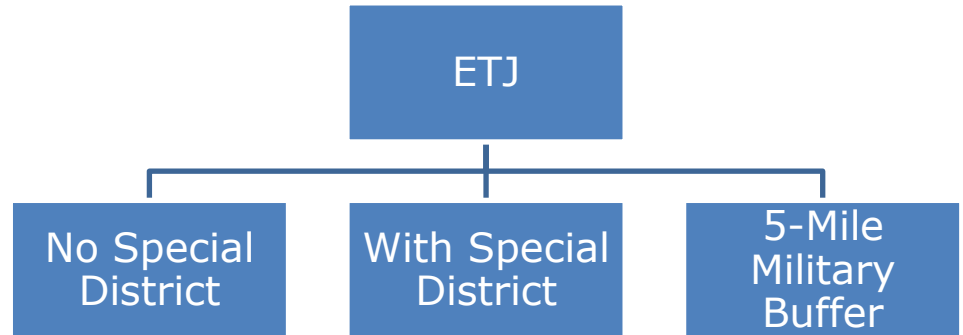
- The City annexes territory to:
 - Ensure orderly development through zoning and development standards.
 - Create efficiency in service delivery and provides services not available in rural areas.
 - Maximize San Antonio's economic opportunities and return on the City's investments.
 - Protect and preserve natural, cultural, historic, military and economic assets.

DEVELOPMENT CONTEXTS

Within Existing Policy



Potential Revisions to Policies and Procedures



CURRENT ANNEXATION POLICY

Annexation policy provides considerations/guidance for **when and why** to annex by context to achieve the following objectives:

1. Protect natural, cultural, historic, military and economic assets
2. Provide efficient municipal services
3. Protect public health, safety, and welfare
4. Support intergovernmental coordination and relations
5. Maintain economic and fiscal health of City

ANNEXATION POLICY REVIEW

- Existing policy is a good guide and can be used as a framework for addressing broader policy (e.g. special districts)
- Revisions are needed to reflect new legal realities
- Addition of policies and procedures application of tools and partnerships is needed
 - Currently only policy for annexation and non-annexation agreements
- 2016 Annexation Technical Report Recommendations
 - Increase regional coordination
 - Create regional strategies for growth
 - Use annexation to achieve multiple objectives
 - Broaden use of tools (beyond annexation) to achieve objectives

TOOLS IN THE ETJ

Issue	ETJ	Special District	5-Mile Military Buffer
Land Use	<ul style="list-style-type: none"> • Subdivision Regulations • Edward Aquifer Recharge zoning • No other control of land use (zoning) 	<ul style="list-style-type: none"> • City consent for district formation • Development agreements to require conformance with Land Use 	<ul style="list-style-type: none"> • Military lighting – dark skies • Noise controls • Opportunity to control use through JLUS
Infrastructure	<ul style="list-style-type: none"> • City development standards • No single family inspections • Roads in project limits • Major Thoroughfare Plan • Utilities Service Agreement 	<ul style="list-style-type: none"> • City development standards • Roads in project limits • Development agreement may include: <ul style="list-style-type: none"> • City inspections • Conformance with City Codes 	<ul style="list-style-type: none"> • City development standards • Limited residential inspections
Financial	<ul style="list-style-type: none"> • Platting and MDP fees, Transportation • Water/sewer tap fees • No capital impact fees • Limited increase in on-going revenues 	<ul style="list-style-type: none"> • Water and sewer fees • No capital impact fees • Potential Revenue sharing through SPA 	<ul style="list-style-type: none"> • Water and sewer fees • No capital impact fees • Limited increase in on-going revenues

SPECIAL DISTRICTS

- Limited purpose governmental entities established to for a specific purpose
 - Firefighting (ESDs)
 - Independent School Districts (ISDs)
 - Provide and finance infrastructure: water, sewer, roads, parks, recreation
 - Many varieties and legal nuances
- Governance
 - Board of Directors appointed by City, County, or TCEQ
 - Board elected at large
 - A city council can act as the Board for some
- Powers
 - Taxation
 - Issue debt (bonds)
 - Spend, hire, sue, be sued, some have eminent domain

CASE STUDIES

FORT WORTH

- Four Counties: Tarrant, Denton, Wise, Johnson, Parker
- Annexation: “Positive tool for guiding development”
 - Identify growing areas, anticipate transportation needs
 - Try to annex 3 years prior to development
 - “Protect future development from inadequate standards”
- Development review
 - ILA with 4 counties
 - Fort Worth houses central office for plat review
 - More rural counties have delegated all review to City
- Leverage City’s consent powers in district creation and water/sewer system
 - Extend land use authority: approval of development plan
 - Comply with all City codes and standards
 - Public land dedication
 - Adequate district scale: 200–500 acres for financial feasibility

CASE STUDY: HOUSTON

- Primarily Harris County (plus Fort Bend and Montgomery Counties)
- Grew by annexation until about 1996
 - Kingwood annexation was highly controversial
 - 14,000-acre upscale master planned community
- Current strategy is district or utility initiated
- Full purpose annexation
 - Property-owner initiated
 - Contiguous to City
- Limited purpose annexation of commercial property through SPA
 - Initiated by utility districts
 - Levy 1.0 percent sales tax
 - Half to district to retire debt sooner
 - Annex in full when district debt is retired
- Industrial districts that meet City standards

CASE STUDY: AUSTIN

- Three Counties: Travis, Hays, Williamson
- Annexation
 - Enables City to improve economic base and manage growth
 - Basis/policy statements mirror San Antonio's
- Development review
 - Jointly regulated by Austin and Travis
 - Exclusive regulation by Austin in Hays and Williamson
- Specific Policy Documents
 - MUDs and PIDS
 - Extraordinary public benefit(s) required
 - Requires increased land use controls
 - ETJ Adjustments
 - Encourage orderly development, protect tax base, and result in level playing field/continuation of existing regulations

PRELIMINARY FINDINGS

- Annexation policies are similar to San Antonio
- Each community has some level of policy guidance for use of various districts
 - Seems to be in relation to tools most commonly requested
- Control of land use is important in Austin and Fort Worth
- Funding of infrastructure outside project boundaries is also a common use
- Greater use of SPA's in Houston

STRATEGIES DISCUSSION

PRIORITY ISSUES TO ADDRESS

- Land Use Controls
 - Center of many issues
- Infrastructure and Service Provision
 - Keeping up with growth (infrastructure)
 - Maintaining or improving level of service
- Funding, Financing, Fiscal Impacts
 - Funding and financing tools
 - Conditions for use and approval
 - Debt Obligation, impact to existing residents
- Approach
 - Work within existing legal framework initially
 - Legislative strategy later
 - Identify points of leverage to benefit common interests

POINTS OF LEVERAGE

- Special District Consent
 - City's consent needed for conservation and reclamation districts
 - Otherwise lengthy process for TCEQ approval
 - TCEQ can create districts if City can't (or refuses) to serve; not a rubber stamp process
- Water and Sewer (SAWS)
 - SAWS has the water and sewer treatment infrastructure
 - Developers want SAWS water and sewer
 - Districts are evolving primarily to infrastructure financing districts (PIDs)
 - Costly to operate a water and wastewater system (MUDs)
- Developer Agreements with Special Districts
 - Standardize practices

SPECIAL DISTRICTS EXAMPLES

Tool	Who Forms?	Who Governs ?	Revenue Tool	City Influence
ESD Emergency Service District	<ul style="list-style-type: none"> County on petition from property owner 	<ul style="list-style-type: none"> County appointed Board (resident/landowner) 	<ul style="list-style-type: none"> Property and/or sales tax 	<ul style="list-style-type: none"> Consent in City or ETJ
PID Public Improvement District	<ul style="list-style-type: none"> City or County on petition from property owner 	<ul style="list-style-type: none"> City (or County) Advisory Board (resident/landowner) 	<ul style="list-style-type: none"> Special assessments 	<ul style="list-style-type: none"> Approval in City; Consent in ETJ
SUPER PID Public Improvement District in Bexar County *Art. XVI, § 59	<ul style="list-style-type: none"> County on petition from property owner 	<ul style="list-style-type: none"> County appointed Board (resident/landowner) 	<ul style="list-style-type: none"> Special assessments, property tax, sales tax, hotel tax 	<ul style="list-style-type: none"> Consent in City or ETJ SPA is an incentive
MUD Municipal Utility District *Art. XVI, § 59	<ul style="list-style-type: none"> TCEQ on petition from property owner Legislature 	<ul style="list-style-type: none"> Elected Board TCEQ 	<ul style="list-style-type: none"> Property tax, utility rates 	<ul style="list-style-type: none"> Consent in City or ETJ (subject to TCEQ review) SPA is an incentive
Water Districts (Water Control Improvement District, Fresh Water Supply District) *Art. XVI, § 59	<ul style="list-style-type: none"> TCEQ or County on petition from property owner Legislature 	<ul style="list-style-type: none"> Elected board Initial appointment by County or TCEQ 	<ul style="list-style-type: none"> Property tax, utility rates 	<ul style="list-style-type: none"> Consent in City or ETJ (subject to TCEQ review) SPA is an incentive

CONSISTENT DISTRICT POLICY NEEDED

- Current practice
 - Non-annexation for term of debt (~30 years)
 - Can't expand district boundary
 - Can't wholesale water or sewer
 - No eminent domain
 - City building permits and inspections
 - Full purpose annexation at termination of agreement (debt retired)

- However, not always followed consistently

INITIAL RECOMMENDATIONS

- Policy
 - Continue to strategically annex if annexation areas meets policy evaluation criteria
 - Revision of annexation policy to address legal changes but no major revisions needed
 - Utilize existing framework from Annexation Policy
 - Broaden policy document to address development in ETJ
 - Develop policy based on development “context”

- Strategies
 - Explore creation of regional land use guidance
 - Explore use of JLUS as a way to increase land use controls
 - Encourage “partnerships” and use of tools for development in the ETJ to address issues

POLICY FOR SPECIAL DISTRICTS

- Should approval by City be contingent on addressing some or all of the priority issues?
- What is most important issue to address?
 - Land use
 - Infrastructure
 - Financial
- Are there thresholds for applicability?
 - Project size
 - Location
 - Type of district
 - Impact on addressing regional growth objectives
- What major conditions for approval or considerations are needed?

NEXT STEPS

NEXT STEPS

- Draft of White Paper
 - Summary of issues
 - Best practices
 - Land use and financial tools
- Draft partnership strategies
- Draft policies and procedures
- Community Advisory Group
 - Meeting #1 – Tonight
 - Meeting #2 – Late August
 - Meeting #3 – October
- Working Group #4 in October