

# GROWTH POLICY STUDY

Community Advisory Group #2  
October 2, 2019



CITY OF SAN ANTONIO  
PLANNING DEPARTMENT



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*The Economics of Land Use*

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# MEETING PURPOSE/AGENDA

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This Meeting:

1. Goals and Challenges
  - Review of last meeting
  - Priority Issues
2. White Paper Overview
3. Potential Strategies Discussion
4. Next Steps

# GOALS AND CHALLENGES (MEETING 1 REVIEW)

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# PARTNERSHIP FRAMEWORK

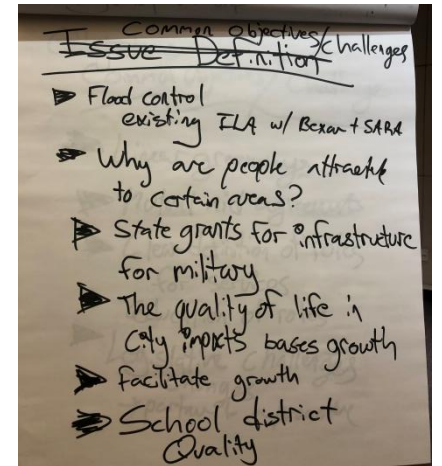
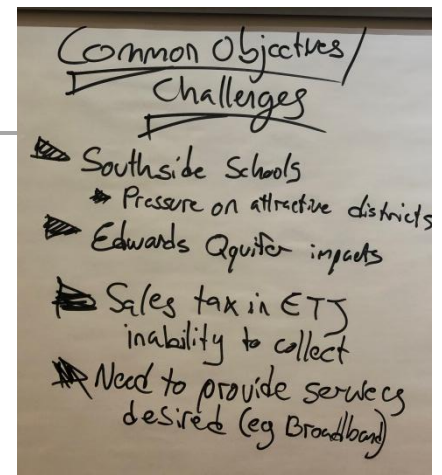
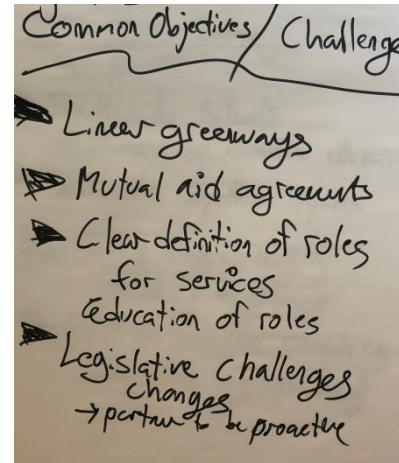
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- Each issue area is influenced by an entity or stakeholder group
- How we work together defines the outcomes
- Focus on policies and procedures for partnerships



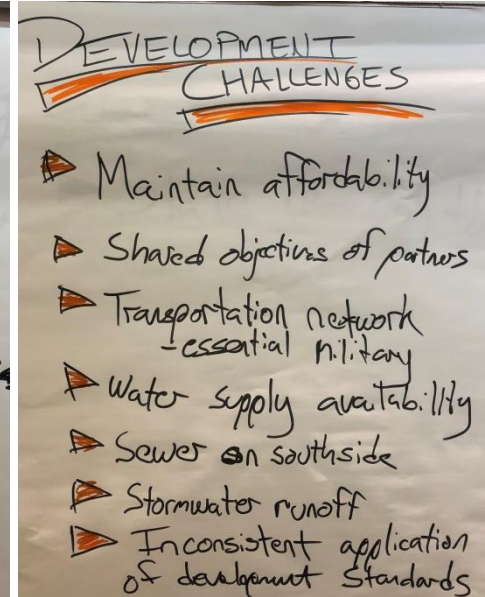
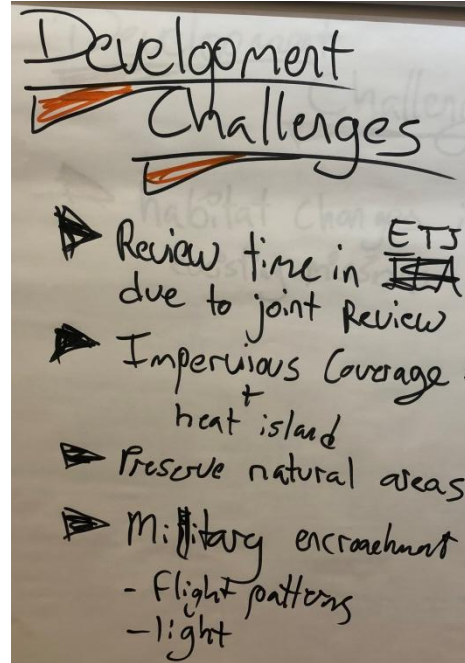
# COMMON GOALS

- Responsible growth
- Maintaining the quality of life
- Allow for continued economic growth of the community
- Desire to have influence on land use for asset protection
  - Military
  - Environmental
  - Economic Health
  - Cultural/Historic



# COMMON CHALLENGES

- Development process in ETJ is not always consistent
  - Application of standards
  - Review time
- Not all areas in the ETJ are equal
  - Different areas have different challenges
- Limited tools for all in ETJ
- Legislative challenges impact all stakeholders
  - How can there be a collective, proactive approach



# PRIORITY ISSUES TO ADDRESS

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- Land Use Controls
  - Center of many issues
  - Need expectations of future land use to coordinate growth and infrastructure
- 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

# WHITE PAPER OVERVIEW

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# WHITE PAPER OUTLINE

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## Meeting 1

1. Introduction
2. Existing Conditions
3. Issues Definition and Analysis

## Meeting 2

1. Tools in ETJ
2. Best Practices
3. Policy Approach Recommendations

# CURRENT ANNEXATION POLICY

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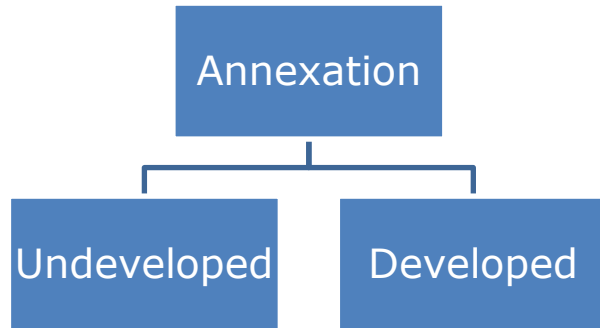
Annexation policy provides considerations/guidance for **when and why** to annex by context to achieve the following objectives:

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

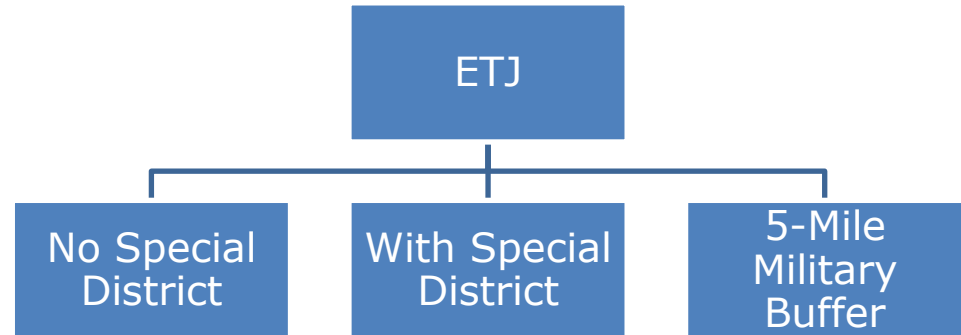
# DEVELOPMENT CONTEXTS

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## Within Existing Policy



## Potential Revisions to Policies and Procedures



# TOOLS IN THE ETJ

Issue	ETJ	Special District	5-Mile Military Buffer
Land Use	<ul style="list-style-type: none"> <li>• Subdivision Regulations</li> <li>• Edward Aquifer Recharge zoning</li> </ul>	<ul style="list-style-type: none"> <li>• City consent for district formation</li> <li>• Can require conformance with desired land use</li> </ul>	<ul style="list-style-type: none"> <li>• Military lighting – dark skies</li> <li>• Noise Attenuation</li> <li>• Opportunity to control use through JLUS</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• City development standards</li> <li>• Roads in project limits</li> <li>• Contribute to Major Thoroughfare Plan</li> <li>• Utilities Service Agreement</li> </ul>	<ul style="list-style-type: none"> <li>• City development standards</li> <li>• Roads in project limits</li> <li>• Development agreement may include:               <ul style="list-style-type: none"> <li>• City inspections</li> <li>• Conformance with City Codes</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• City development standards</li> <li>• Limited residential inspections</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• Platting and MDP fees, Transportation</li> <li>• Water/sewer tap fees</li> </ul>	<ul style="list-style-type: none"> <li>• Water and sewer fees</li> <li>• Potential Revenue sharing through SPA</li> </ul>	<ul style="list-style-type: none"> <li>• Platting and MDP fees, Transportation</li> <li>• Water/sewer tap fees</li> </ul>

# SPECIAL DISTRICTS

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- Limited purpose governmental entities established 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

# SPECIAL DISTRICTS EXAMPLES

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

# PROS AND CONS OF SPECIAL DISTRICTS

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## ■ Positives

- Infrastructure financing tool
- Allows for growth to pay its own way
- Allows for public–private partnerships for addressing growth issues
- Free market combined with neighborhood control
- Annexation: “Positive tool for guiding development”

## ■ Concerns

- Fragmented community and governance
- Privatization of public services/infrastructure
- Equity and level of service
- Transparency on taxation and debt
- Financing tool for urban sprawl
- Growth related issues
- Loss of municipal powers

# CASE STUDIES

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# FORT WORTH

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- 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

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- 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

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- 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

# CASE STUDY FINDINGS

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- Annexation policies are similar to San Antonio
- Each community has some level of policy guidance for use of various districts
  - Tied to most commonly requested tools
- 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
- **Clear and deliberate policies and procedures in Fort Worth and Austin**

# STRATEGIES DISCUSSION

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# POLICY RECOMMENDATIONS

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- Revise annexation policy to address legal changes
- Utilize existing framework from Annexation Policy
- Broaden policy document to address development in ETJ
- Develop policy based on development “context”
- Use annexation when areas meet policy evaluation criteria
- Create standard requests for consent policy for:
  - Annexation requests (largely exists)
  - Development agreements
  - Special districts
  - Special partnership agreements
  - ETJ and City boundary adjustments

# STRATEGY RECOMMENDATIONS

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- Regional land use plan
  - Provide land use guidance for development
  - Aid development of Joint Land Use Studies
    - Land use be enforced through JLUS
  - Supports development standards in military buffer areas
  - Basis for annexation, development agreements, special district consent, etc...
  
- Encourage partnerships for coordinated growth
  - Incentivize desired annexation areas through use of tools
    - Development agreements
    - Special Districts
    - Special Partnership Agreements
  - Use partnerships and tools in ETJ for areas that will not be annexed
    - Participation in infrastructure development and land use conformance from private sector
    - City to consent to use of tools to address issues

# POLICY FOR CONSENT REQUESTS

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- 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
- What major conditions for approval or considerations are needed?



## NEXT STEPS

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# NEXT STEPS

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- White Paper Finalization
- Draft partnership strategies
- Draft policies and procedures
- Community Advisory Group
  - Meeting #1 – July
  - Meeting #2 – Tonight
  - Meeting #3 – November
- Working Group #4 in October/November