



Growth Management Policy Study

Working Group Meeting #3 Summary

July 23, 2019, 10:00 – 11:30 AM

Central Library, 600 Soledad, San Antonio, TX 78205

ATTENDEES:

Adrian Perez, Economic Development
Department
Ana Villarreal, Planning
Bridgett White, Planning
Carl Wedige, San Antonio Fire Department
Chris Ryerson, Planning
Clint Eliason, Planning
David Garcia, San Antonio Water Systems
David McDaniel, Solid Waste Management
Eric Friedland, Office of the City Attorney
Jameene Williams, Office of the City Attorney

Kayla Leal, Planning
Jennifer Sheppard, Planning
Lynda Rodriguez, CPS Energy
Eduardo Carrasco, Government and Public
Affairs
Michael Mullins, San Antonio Fire Department
Patrick Middleton, San Antonio Water Systems
Priscilla Rosales-Piña, Planning
Robert Brach, Bexar County
Rudy Nino, Planning
Thomas Filopoulos, Office of the City Attorney
Tony Felts, Development Services Department

CONSULTANTS:

Matt Prosser, Economic & Planning Systems
Brian Duffany, Economic & Planning Systems

Gretchen Roufs, Auxiliary Marketing Service

MEETING PURPOSE

The purpose of the Annexation and Growth Policy – Working Group meeting # 3 was to discuss priority growth related issues and constraints encountered by municipalities and counties and potential strategies to address those issues related to growth.

PRESENTATION

The meeting format included a presentation and discussion led by Matt Prosser and Brian Duffany. Matt Prosser reviewed the priority interests and challenges faced by partnering public entities and stakeholders as discussed in the June 9th Working Group meeting. Most of the group had indicated that the lack of land use controls by public entities often led to incompatible land uses. The group also indicated that the lack of a transportation network in the outer edges of the city was a major concern. Hence, there is greater reliance on arterials and highways to connect suburban neighborhoods to the city. Generally, suburban development does not pay for roads, drainage and improvement beyond the scope of their project. County bond projects pay for some of these capital improvements as the needs of the areas grow. However, there is insufficient funding to pay for all the regional infrastructure projects. One of the biggest impacts to public funding was that State Legislature approved a property tax cap which makes up the majority of public entities' revenues.

Matt Prosser proposed that the existing annexation policy can serve as the umbrella for the growth policy. The existing policy framework, specifically the evaluation criteria, provide the context to address the new type of requests, the latest legal requirements and the need for increased regional coordination. Matt broached the topic of special districts as new revision for the policy. If approached in the context of the

existing policy, cities may use special districts to leverage land use and growth patterns, protect certain assets including military bases, provide services to residents and provide potential revenue sharing opportunities. However, there are other underlying issues with special districts such as the lack of transparency within a district's board of directors, their unlimited taxing authority, their perpetual status and powers for eminent domain and annexation. It was pointed out that residents whom may have voted against annexation now may be paying more taxes if living within a special district.

Brian Duffany mentioned that the changes in annexation law will prompt even more requests for special districts. EPS presented their case study on municipal policies and practices regarding special districts of the cities of Fort Worth, Austin and Houston. EPS found that the other city policies and practices mirror San Antonio's policies. All of the three cities have interlocal agreements regarding platting and development with multiple counties in the ETJ. All three cities leverage their consent to the district creation for additional land use controls and development standards. Houston has a set of best practices for addressing special districts requests instead of an adopted policy. Houston also tends to use strategic partnership agreements which provide revenue sharing opportunities. The Fort Worth and Austin policies tended to focus on increased land use controls and required an extraordinary public benefit within the district boundaries. Each city had developed specific policies according to the type of requests including municipal utility districts, public improvement districts or extraterritorial jurisdiction adjustments being submitted.

Brian Duffany identified the following four priority issues for utilizing special districts: land use controls, infrastructure and services; funding; and financing fiscal impacts and approach. He asked the group which priority issues were applicable to San Antonio. In some instances, San Antonio has used more stringent land use and development controls according to the type of requests and proximity to natural or military assets. Group discussion indicated the district should have some debt and financial limitations, be a well planned development and provide a higher level of public services including mandated waste collection services and public street lights. There is also a need to educate the average resident or home buyer about the assessments/taxes levied by the districts. The group discussed improving the coordination between Bexar County and the City in the special district application process, as well as establishing a department canvassing or reviewing process of special district requests.

There was also discussion regarding the use of development agreements and service agreements by the City and special districts. Generally the land owners of the special district property request development agreements, also referred to as non-annexation agreements, to help secure the financing for their districts. Most of the development agreements include terms containing the land owner's consent to annexation at the end of the agreement. Recent State law changes now require service agreements between the City and land owner for 'voluntary' annexations. The City should incorporate terms of a service agreement into a development agreement with a voluntary annexation request.

NEXT STEPS:

The next Working Team Meeting (#4) is scheduled for in late August.

Meeting summaries and presentations will be available on the following website:

<https://www.sanantonio.gov/Planning/PlanningUrbanDesign/Annexation>