



Growth Management Policy Study

Working Group Meeting #4 Summary

November 13, 2019, 9:00 – 10:30 AM

EDD Innovation Room, 100 W Houston St, 19th Floor San Antonio, TX 78205

ATTENDEES:

Bridgett White, Planning
Clint Eliason, Planning
Michael Sindon, Economic Development
Department
David McDaniel, Solid Waste Management
Eric Friedland, Office of the City Attorney
Jameene Williams, Office of the City Attorney
James Gegenheimer, San Antonio Water
Systems (SAWS)

Margarita Hernandez, Transportation and
Capital Improvements Department
Melissa Shannon, Bexar County
Michael Mullins, San Antonio Fire Department
Priscilla Rosales-Piña, Planning
Rudy Nino, Planning
Susan Guinn, Office of the City Attorney
Thomas Filopoulos, Office of the City Attorney
Tony Felts, Development Services Department

CONSULTANTS:

Matt Prosser, Economic & Planning Systems

Gretchen Roufs, Auxiliary Marketing Service

MEETING PURPOSE

The purpose of the Working Group meeting #4 was to review the findings of the White Paper.

PRESENTATION

Matt Prosser noted that the White Paper summarized the priority Extraterritorial Jurisdiction (ETJ) issues, identified by partnering group members and stakeholders, in previous meetings. He identified the following three priority issues: land use controls, infrastructure and services, and approach to financing for infrastructure. One of the primary issues identified was the need for land use controls in the ETJ, which are crucial for the protection of environmentally sensitive, cultural, historical or military resources. Another issue is the provision of services and infrastructure to rapidly growing areas in the ETJ. In turn, the fiscal impact of providing new infrastructure and regional projects is another major issue. 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 said that the existing annexation policy can still serve as the umbrella for the growth policy update. He proposed that in ETJ policy context, consideration of special districts is added as a tool to address some of the ETJ issues mentioned above. In addition, there should be an extra-ordinary benefit to the district and region. However, there are issues with the use of special districts such as the lack of transparency within a district's board of directors, their unlimited taxing authority, their perpetual status and their powers of eminent domain and annexation. It was pointed out that residents who may have voted or been against annexation may now pay higher taxes if they live within a special district.

Matt presented their case study on municipal policies and practices regarding special districts based in Fort Worth, Austin and Houston. Most of these other cities' policies mirror San Antonio's. All three cities have interlocal agreements regarding platting and development within multiple counties.

The three cities leverage their consent to the district creation for additional land use controls and enhanced development standards. Fort Worth and Austin have adopted policies which require an extraordinary public benefit within the district boundaries. Houston, instead of an adopted policy, has a set of best practices for addressing special districts requests. Each city had developed specific policies according to the most frequently requested district. For instance, Houston has more water districts requests, which allow them to use strategic partnership agreements (SPAs) for limited purpose annexation and revenue sharing purposes.

Matt recommended developing a Regional Land Use Plan for the ETJ. The sector plans need to be updated or develop a new approach to cover the entire ETJ. The land use palate should be consistent within the city boundaries and ETJ. Anytime the City adopts a plan, it has discretionary oversight at some level. Where the City is providing consent, it should require regulatory compliance as part of the request. Group members mentioned that the City's tools in the ETJ include subdivision regulations consisting of development standards and the tree ordinance. City Attorney's Office staff mentioned state law requires all the areas in ETJ have the same regulations except for the impervious cover regulations over the Edwards Aquifer, which is why they cannot be replicated in other areas. State law allows exceptions related to environmentally sensitive areas, water sheds, natural or military resources.

Another recommendation is creating Urban Growth Areas in the ETJ. Group discussion encouraged to seek input from the Economic Development Foundation regarding priorities for business locations and apply them to growth areas. The group mentioned housing projects are priority in growth areas. The City recently adopted a tax credit for low income housing and has developed internal criteria to score projects and provide incentives that can applied to guide development.

Matt also recommended encompassing a partnership framework into the policy. Since the County creates the PIDS, it determines which powers are granted to the district. By the time a PID is created, the City's leverage is limited or gone. Yet through the development agreement, the City can determine the extraordinary benefits, development, and infrastructure. City and County staff pointed out that development standards are already applied in the ETJ. SAWS also provides water and sewer services and infrastructure through Utility Service Agreements (USAs) to developments in its service area. A group member recommended that an enhanced development standard could be mitigation of off-site storm water. The runoff from development in the ETJ often impacts the City' storm water system. The project could show self-containment or pay a storm water utility fee. It was suggested to consider adding a growth fee into the negotiation of the development agreement.

A member asked about the policy timeline. Matt mentioned that a policy would be drafted in December. The policy would be adopted by in the spring of 2020.

The group mentioned that there are more special district requests being made. 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. Group discussion indicated the district should have some debt and financial limitations. The PIDs currently are allowed higher tax rates in the County. The projects need to be well planned development and provide a higher level of public services, including mandated waste collection services and public street lighting. There is also a need to educate the average home buyer who sees the initial lower home value, but are

not aware of the PID's future assessments or taxes. The policy may serve as tool for neighboring cities that may not have the same resources.

There was also discussion regarding the use of development agreements between the City and special districts. Most of the development agreements include terms containing the landowners' consent to annexation at the end of the agreement. Earlier Development Agreements had more leverage, such as complying with land use regulation and agreeing and paying for City's development and building permits and inspections. As mentioned, the provision for the Storm Water Utility Fee can be added into Development Agreements.

NEXT STEPS:

The next Working Team Meeting (#4) is scheduled for January 2020
Meeting summaries and presentations will be available on the following website:
<https://www.sanantonio.gov/Planning/PlanningUrbanDesign/Annexation>