

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
PLANNING DEPARTMENT**

TO: Mayor and City Council

FROM: Emil R. Moncivais, AICP, AIA, Director, Planning Department

THROUGH: Terry M. Brechtel, City Manager

COPIES: Jelynnne LeBlanc Burley, Assistant City Manager; Christopher J. Brady, Assistant City Manager; Lou Lendman, Director, Office of Management & Budget; Nikki Ramos, Executive Assistant, Management & Budget; Jesus Garza, Planning Manager; Roy Ramos, Senior Planner Planning Department; File

SUBJECT: Second and Final Reading of the ordinances on annexing: The Galm Rd./Loop 1604 Area, Government Canyon Area/City Properties, Sheldon Tract, Stanton Run Subdivision, Kyle Seale/Loop 1604 Area, Helotes Park Terrace & The Park at French Creek Area, Thrift Tract/City Property, Cielo Vista Area, Stage Run Area, and Lumbermen Tracts, and for Limited Purpose, Annexation of the Southside Initiative Areas 1 – 6, referred to as: (1) Southside Study Area 1, (2) Southside Study Area 2, (3) Southside Study Area 3, (4) Southside Study Area 4, (5) Southside Study Area 5, and Southside Study Area.

DATE: November 21, 2002

SUMMARY AND RECOMMENDATIONS

This is the second and final reading of the annexation ordinances concerning ten (10) areas proposed for full purpose annexation and six (6) areas proposed for limited purpose annexation. The areas proposed for full purposes have an effective date of December 31, 2002. Pursuant to Council action on October 10, 2002, the areas for limited purposes shall be effective on January 5, 2003. The first reading of the ordinances for all areas was approved by the City Council on October 10, 2002. The service plans, field notes and exhibits were provided during the first reading of the ordinances.

Staff recommends that the Lumbermen tracts not be annexed pursuant to the Council adoption of an agreement in lieu of annexation on October 24, 2002. Staff recommends approval of the balance of the annexation areas.

BACKGROUND INFORMATION

The City Council at its meeting of August 22, 2002 adopted the 2002 Annexation Plan which includes the full purpose and limited purpose annexation areas and an annexation schedule. The City of San Antonio complied with state statutes regarding annexations. This included

advertising in a newspaper of general circulation and on the Internet, notifying school districts, railroad companies, and affected property owners, developing a service plan, holding two public hearings before City Council, and reading of the annexation ordinances. The City Charter also requires the Planning Commission to consider the annexation and also requires a 30-day period before the final reading of the annexation ordinance.

The service plans for the full purpose annexation areas include provisions for basic city services, from trash collection to fire and police protection. There are no services offered at a higher level than are currently provided to the portion of the tracts currently inside the city's corporate limits. A regulatory plan for the limited purpose Southside Initiative areas 1-6 provides for the extension of planning, zoning, and health and safety ordinances, and states that the areas will be fully annexed within three years as required by the limited purpose state statutes.

Staff is proposing to bring forth to the Council an amendment to the Three Year Annexation Plan on December 12, 2002. The amendment will comply with statutory requirements by adding Southside Initiative areas 1 – 6 and ensure that the effective date of annexation for full purposes can be accomplished on December 31, 2005.

The schedule for the annexations of these areas is as follows:

First Public Hearing	6:00 p.m.	September 05, 2002
Second Public Hearing	6:00 p.m.	September 12, 2002
Planning Commission Public Hearing & Action		September 25, 2002
First Reading of Ordinances		October 10, 2002
Second Reading of Ordinances		November 21, 2002
Amendment of Three-Year Full Purpose Annexation Plan to add the limited purpose Southside Initiative areas		December 12, 2002
Effective Date of Annexation for Full Purposes Annexation Areas		December 31, 2002
for Limited Purposes Annexation Areas		January 5, 2003

The Planning Commission held a public hearing on September 25, 2002, to consider a resolution adopting the proposed 2002 Annexation Areas and recommended against the annexation of all proposed areas.

POLICY ANALYSIS

The City's goals for annexation are to preserve its range of annexation options, promote orderly growth, provide municipal services, enhance the City's fiscal position, preserve the integrity of the City and its extraterritorial jurisdiction, and to maintain a systematic annexation process. Staff foresees this proposed annexation as an opportunity for the City to encourage development inside the City limits and plan for development in the limited purpose areas.

Previous annexations have contributed significantly to the City's growth and economic base. New areas continue to grow with supporting businesses and expanding employment opportunities. The opportunity to plan land uses in those annexed areas is also greatly improved with the provisions of the City's Unified Development Code.

FINANCIAL IMPACT

Staff conducts an incremental operating cost/revenue analysis to determine financial impacts of a full purpose annexation over a ten-year period. The ten-year operating cost/revenue analysis estimates an additional \$17.5 million in General Fund new operating revenues, and \$9.2 million in additional General Fund operating costs. The full purpose annexation of Galm Rd/Loop 1604, Government Canyon/City Properties, Sheldon Tract, Stanton Run Subdivision, Kyle Seale/Loop 1604, Helotes Park Terrace & The Park at French Creek Area, Thrift Tract/City Property, Cielo Vista area, Stage Run Area, and the Lumbermen's property will net a positive \$8.3 million in additional General Fund operating revenue over the ten year analysis period.

The Southside Initiative area, proposed as a limited purpose annexation area, was evaluated over a three-year period. Over the three-year period, the cost/revenue analysis estimates a net cost to the General Fund of \$668,489 for implementation of the limited purpose annexation and preparation for a full purpose annexation in year four.

In order to provide equitable City services to the annexation areas, the City has included service improvement costs and revenues in the FY 2003 Proposed Budget. Additional resources will be added to the Police Department, Fire Department (Fire & EMS), City Clerk's Office, Development Services Department, Code Compliance Department, Finance Department, Health Department and Public Works Department.

The Debt Service cost/revenue analysis estimates an additional \$10.9 million in new revenues, with additional capital expenditures totaling \$934,963. The capital expenditures projected in the plan include one new fire station. Over the ten-year analysis, the City will gain net revenue of \$10 million for debt service.

If the Lumbermen's track is removed from the proposed annexation package, the ten-year operating cost/revenue analysis would yield an estimated additional \$9.03 million in General Fund new operating revenues, and \$8.98 million in additional General Fund operating costs. The full purpose annexation package without the Lumbermen's track would only net a positive \$49,241 in General Fund operating revenue over the ten-year period as opposed to the net added \$8.3 million in General Fund operating revenue if the Lumbermen's track remains in the annexation package.

Please note that the adoption of the FY 2003 Budget anticipated the possibility that the City Council would modify the 2003 Annexation Plan. Should the City Council elect to remove the four areas listed below from Annexation Plan currently under consideration, additional savings in the FY 2003 General Fund operating budget amounting to \$702,117 would become available for reprogramming.

- ◆ Galm Road/1604
- ◆ Cielo Vista
- ◆ Stage Run
- ◆ Lumberman's

With the removal of these areas from the Annexation Plan, Council may wish to apply the \$702,117 in resources to the programs listed below as described to the Council at the time of FY

2003 Budget adoption. The implementation of these changes would require action by separate ordinance to amend the FY 2003 Budget:

- ⇒ Reduction of approved increases to the Advanced Life Support (ALS) 1 fee (from \$350 back to \$300 per transport) and to the Ambulance Service Mileage Fee (from \$9 down to \$6 per mile) that would save \$502,117.
- ⇒ Addition of \$135,000 to Brooks City-Base to fully fund 24-hour security operations at the facility
- ⇒ Addition of one Economic Development Manager to the Brooks City-Base Office (at an added cost of \$65,000) that would permit the restoration of one Economic Development Manager eliminated in the Economic Development Department by the Adopted FY 2003 Budget.

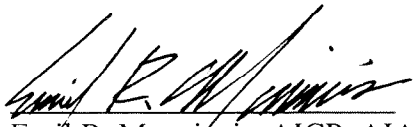
COORDINATION

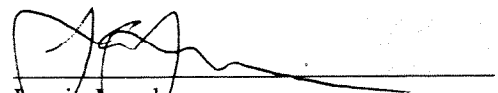
This item was coordinated with the City Attorney's Office, and was submitted to the following departments and agencies for their review and comments: Office of Management & Budget, Police, Fire, Public Works, Code Compliance, Health, Library, Parks and Recreation, Development Services, Economic Development, External Relations, Finance, City Clerk's Office, SAWS and CPS. All recommendations by the aforementioned departments and agencies were favorable.

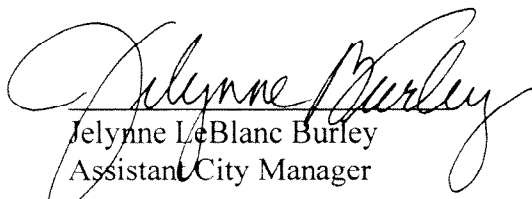
SUPPLEMENTARY COMMENTS

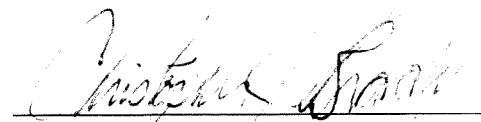
This is the Final Reading of the Annexation Ordinances. Upon approval, the effective date of the full-purpose annexation areas will be December 31, 2002, and the effective date for the Southside Initiative limited-purpose annexation areas will be January 5, 2003.

SIGNATURES

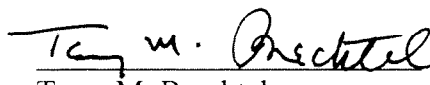

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APPROVED:


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