

9

CITY OF SAN ANTONIO
PLANNING DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM

TO: Mayor and City Council

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

SUBJECT: Second Reading of the Ordinances Concerning the Full Purpose Annexation of the Kyle Seale/Loop 1604 Area, Helotes Park Terrace/Park at French Creek Area, and Southside Study Areas 2 and 3

DATE: December 15, 2005

SUMMARY AND RECOMMENDATIONS

This is the second and final reading of the ordinances concerning the full purpose annexation of the northwest annexation areas Kyle Seale/Loop 1604 and the Helotes Park Terrace/Park at French Creek and the Southside Study Areas 2 and 3. During the first reading of the ordinances on November 3, 2005, City Council approved these annexation ordinances. Council action is required at both the first and second reading of the annexation ordinances. The northwest areas are proposed for full purpose annexation effective December 31, 2005 and the southside areas are proposed for full purpose annexation effective January 5, 2006. The service plans, field notes and exhibits for the proposed annexation areas are attached.

Staff recommends approval.

BACKGROUND INFORMATION

On December 12, 2002, the City Council amended the Three-Year Annexation Plan to include the aforementioned northwest and Southside Study Areas. Property owners in the annexation areas were notified of their area's inclusion in the Three-Year Annexation Plan on February 20, 2003 and public hearings were held on October 30 and November 13, 2003.

In May and August of this year, City staff was informed that five (5) individuals representing Kyle Seale/Loop 1604 and five (5) individuals representing the Helotes Park Terrace/Park at French Creek annexation areas were appointed by the County Commissioners Court to negotiate city services. City staff has been involved in discussions with the teams and has provided requested detailed information on the level of services provided in the service plans. The annexation service plans require the City to provide full municipal services at a level that is comparable to the level of services available in other parts of the municipality. A community meeting was held for the northwest annexation area residents on November 16, 2005 at O'Connor High School. The purpose of the meeting was to inform the residents of the services to be provided upon the effective date of annexation and address any questions and/or concerns regarding the provision of municipal services. Approximately 140 residents attended the community meeting.

A 98-acre site in Southside Study Area 2, Hunter's Pond, was annexed by separate ordinance on December 1, 2005 and will subsequently be considered for Tax Increment Reinvestment Zone (TIRZ) designation on December 15, 2005.

Holly Hills Development, owners of a portion in Area 3, known as Southport consists of approximately 523 acres and is located directly across from the Toyota manufacturing plant. The Southport owners are in the process of seeking consent from the City for the creation of a Municipal Utility District (MUD). If consent is provided, they will file a petition to the Texas Commission on Environmental Quality (TCEQ) to request designation as a non-service providing MUD. To ensure that land uses and MI-1 zoning designations continue, a request for a continuation of limited purpose annexation or a request for a nonannexation agreement will be provided to the City, or the City Council may consider full purpose annexation of the site.

City staff is proceeding with the following schedule for the annexations of these areas:

First Reading of Ordinances	November 3, 2005
Second Reading of Ordinances	December 15, 2005
Effective Annexation Date for Northwest Areas	December 31, 2005
Effective Annexation Date for Southside Areas 2 and 3	January 5, 2006

On October 26, 2005, the Planning Commission considered a resolution annexing the areas and recommended approval. City Council approved the annexation during the first reading of the ordinances on November 3, 2005. The ordinances were published in The Daily Commercial Recorder on Monday, November 14, 2005.

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.

The full purpose annexation of the northwest and south side areas will provide the City the ability to effectively manage the quality of the growth and development through the extension of the City's zoning regulations and other City codes. The level of existing and future mandated City services can support the existing and foreseeable future development in the annexation areas.

In addition, the full purpose annexation of the Southside Study Areas 2 and 3 will satisfy the overall purpose of the City South Initiative to create the opportunity for balanced growth by encouraging and planning for development toward the south side of the City.

FISCAL 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 \$39.2 million in General Fund new operating revenues, and \$27.2 million in additional General Fund operating costs. The full purpose annexation of Kyle Seale/Loop1604, Helotes Park Terrace/Park at French Creek Area and the Southside Study Areas 2 and 3 will net a positive \$11.9 million in additional General Fund operating revenue over the ten year analysis period.

In order to provide equitable City services to the annexation areas, the City has included service improvement costs and revenues in the FY 2006 Adopted 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, Metropolitan Health District, Environmental Services Department and Public Works Department. The Adopted Budget included a reserve for the implementation of the Northside Annexation Plan as service plans are currently being negotiated. Upon final approval of the annexation plan by City Council, a separate ordinance will be brought forward to create any necessary positions and to appropriate the funds in the individual department budgets providing the services.

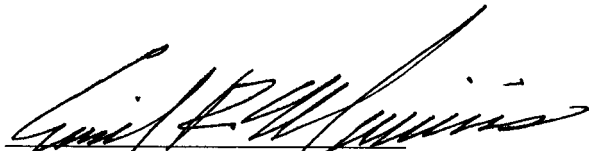
The Debt Service cost/revenue analysis estimates an additional \$19.2 million in new revenues, with additional debt service payments for capital expenditures totaling \$3.2 million. The capital expenditures projected in the plan include one new fire station. Over the ten-year analysis, the City will gain a net revenue of \$16.0 million for debt service.

COORDINATION

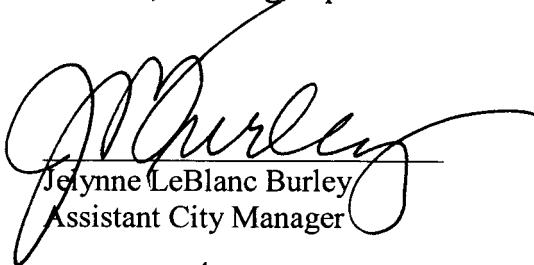
This item was coordinated with the following Departments: Police, Fire, Environmental Services, Public Works, Code Compliance, Development Services, Metropolitan Health District, Animal Care Services, San Antonio Water System, Library, Office of Management & Budget, Parks and Recreation and the City Attorney's Office.

SUPPLEMENTARY COMMENTS

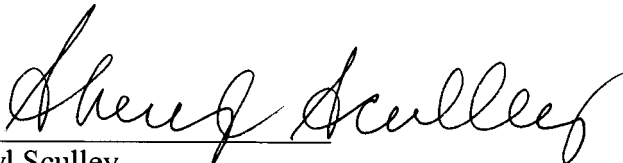
Action will be required at the first and second readings of the annexation ordinances.



Emil R. Moncivais, AICP, AIA, CNU
Director, Planning Department



Jelynn LeBlanc Burley
Assistant City Manager



Sheryl Sculley
City Manager

Item #9

**CITY OF SAN ANTONIO
OFFICE OF MANAGEMENT & BUDGET
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Peter Zaroni, Management & Budget Director

DATE: December 15, 2005

SUBJECT: INVOLUNTARY ANNEXATION SERVICE DELIVERY BUDGET ADJUSTMENT AND PERSONNEL COMPLEMENT AUTHORIZATION

SUMMARY AND RECOMMENDATION

This Ordinance authorizes adjustments to the FY 2006 Operating Budget to appropriately reflect the service delivery plan costs associated within the Helotes Park Terrace/Park at French Creek and Kyle Seale/Loop 1604 areas and authorizes the necessary personnel complement to provide service delivery plans within the Helotes Park Terrace/Park at French Creek, Kyle Seale/Loop 1604, and Southside Study 3 areas. This Ordinance does not increase the FY 2006 Adopted Budget and adds seven additional uniform positions and one civilian position to the General Fund's Personnel Complement approved within the FY 2006 Budget. Staff recommends approval.

BACKGROUND INFORMATION

The FY 2006 Proposed Budget presented to City Council on August 11, 2005 included revenue projections and service delivery expenditures to appropriately reflect the 2005-2006 annexation areas included the Three Year Annexation Plan. For service delivery plans addressing areas in south service areas, General Fund revenues and expenditures were budgeted in distinct revenue and expenditure categories and added personnel counts were budgeted in the appropriate departmental budgets. However, due to pending litigation involving the annexation of the northside annexation areas, General Fund revenues and expenditures were budgeted in reserve accounts rather than in discrete revenue categories and separate departments. In addition, no General Fund personnel complement adjustments were included within the Proposed Budget for the north area service plans.

On September 15, 2005, City Council considered the FY 2006 Proposed Budget for adoption. One Council Amendment to the FY 2006 Proposed Budget was to redirect funds set aside in a reserve account for Northside Annexation Areas 3 through 7 totaling \$3.235 million. With this approved redirection, \$503,741 remained in a reserve account to fund appropriate city service delivery plans for Northside Annexation Areas 1 and 2, or Helotes Park Terrace/Park at French Creek and Kyle Seale/Loop 1604 areas.

Since September 15, 2005, the Police Department has re-evaluated the service delivery plan for Southside Areas 2 and 3. Included within the FY 2006 Proposed and Adopted Budget is one Police Patrol Officer position for these areas. It is now the recommendation of the Police Department that two additional Police Patrol Officers be added to support primarily Southside Area 3. Included within this Ordinance is the recommendation to add two additional Police Patrol Officers within the Police Department to provide service primarily to Southside Area 3.

POLICY ANALYSIS

The FY 2006 Adopted Budget approved by City Council on September 15, 2005 set appropriation limits and authorized position counts for the City's operating funds including the General Fund. City Council action is required to amend departmental appropriations as detailed within this Memorandum and to amend personnel counts included within the FY 2006 Adopted Budget.

FINANCIAL IMPACT

This action does not increase the FY 2006 Adopted Budget. It budget-adjusts \$503,741 within the FY 2006 General Fund Non-Departmental/Non-Operating budget to several departmental budgets and activities so that funding limits are appropriately set within departmental budgets to provide service delivery plans. Specifically, the following FY 2006 General Fund appropriation within the "Reserve for Northside Annexation Service Plans" will be adjusted by the stated amounts:

Department	Increase Budget	Department	Decrease Budget
Development Services	706	Non-Departmental/Non-Operating	394,368
Code Compliance	8,603		
Health	2,016		
Police	344,965		
Public Works	3,174		
Transfer to Animal Care Fund	2,104		
Transfer to EMS Fund	23,858		
Transfer to Streets Fund	8,942		
Total	394,368	Total	394,368

Department	Redirect Budget within ND/DO
ND/NO- Future Development Cost	104,535
ND/DO - Street Lighting Charges	4,838
Total	109,373

Total Adjustment	503,741
-------------------------	----------------

Additionally, with the increased General Fund transfers to the Animal Care Fund, the Emergency Medical Service (EMS) Fund, and the Streets Maintenance & Improvement Fund, the FY 2006 Adopted appropriations within these three funds will be amended and increased by the amount of the increased transfer from the General Fund.

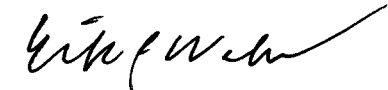
This ordinance also authorizes an increase of one Police Sergeant, one Police Detective Investigator and five Police Patrol Officer positions within the FY 2006 Police Department Budget. Two of the Police Patrol Officer positions will provide service primarily to Southside Area 3. The remaining uniform positions (five) as well as one additional authorized Office Assistant position in the Police Department will provide service to Helotes Park Terrace/Park at French Creek and Kyle Seale/Loop 1604 areas.

COORDINATION


This action has been coordinated between the Office of Management & Budget, the Finance Department, the Police Department, the Planning Department and the City Attorney's Office.



Peter Zanoni
Management & Budget Director



Erik Walsh
Assistant to the City Manager



Sheryl Sculley
City Manager

2005–2006 Annexation Areas

- A. Helotes Park Terrace/Park at French Creek
- B. Kyle Seale/Loop 1604
- C. Southside Study Area 2
- D. Southside Study Area 3

City Council

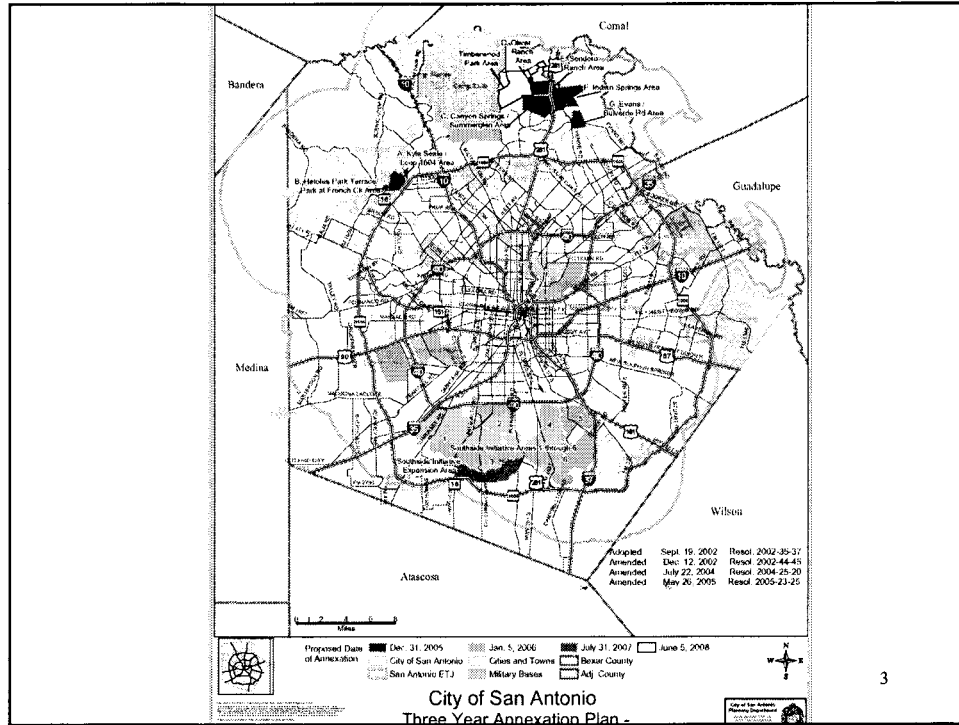
December 15, 2005

Agenda Item # ~~11~~ 9

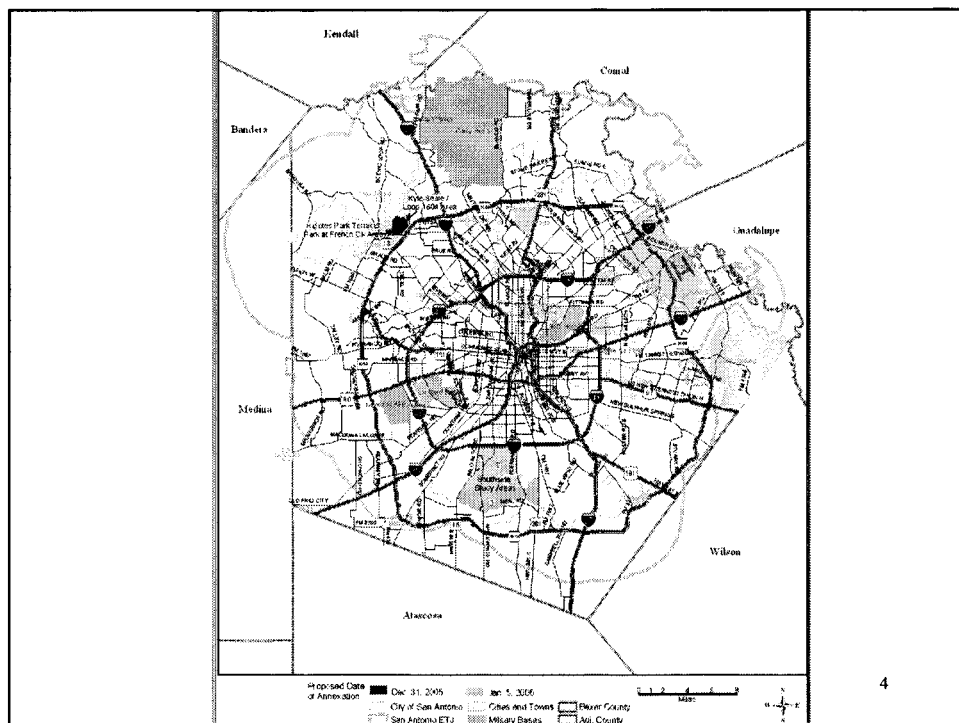
2005–2006 Annexation Areas

On December 12, 2002, the City Council amended the Three-Year Annexation Plan to include four areas in the northwest and south side of San Antonio.

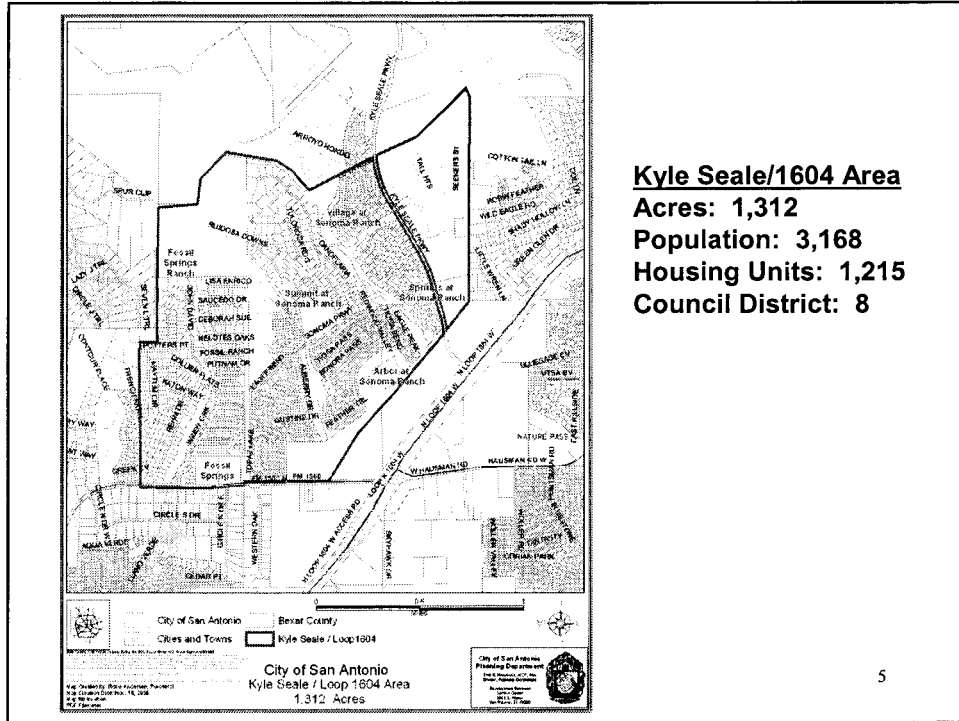
- Kyle Seale/Loop 1604
- Helotes Park Terrace/Park at French Creek
- Southside Study Area 2
- Southside Study Area 3



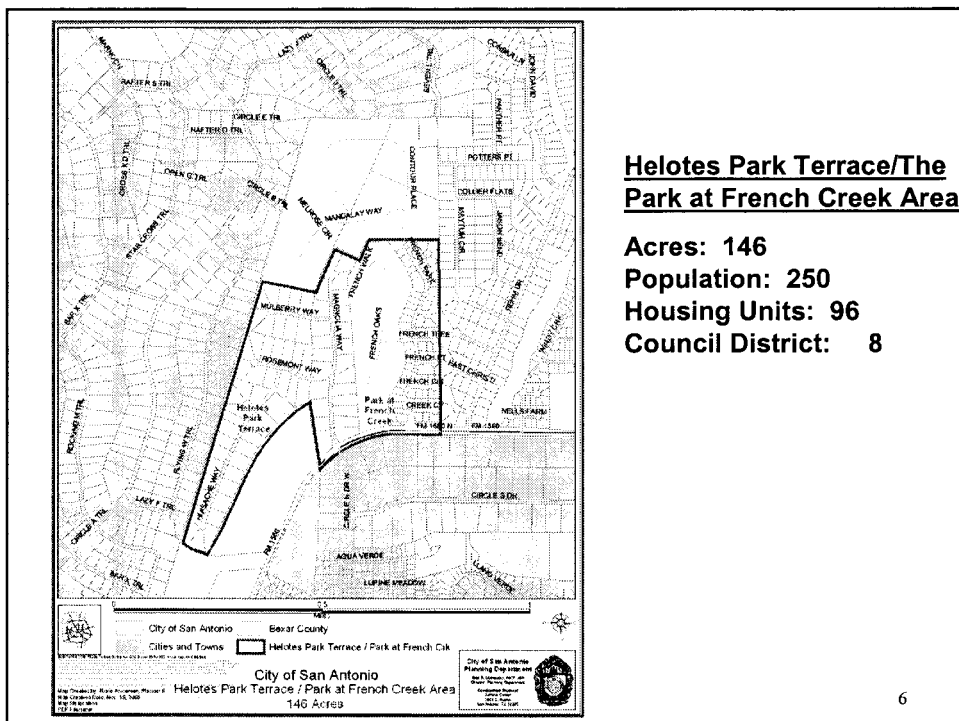
3



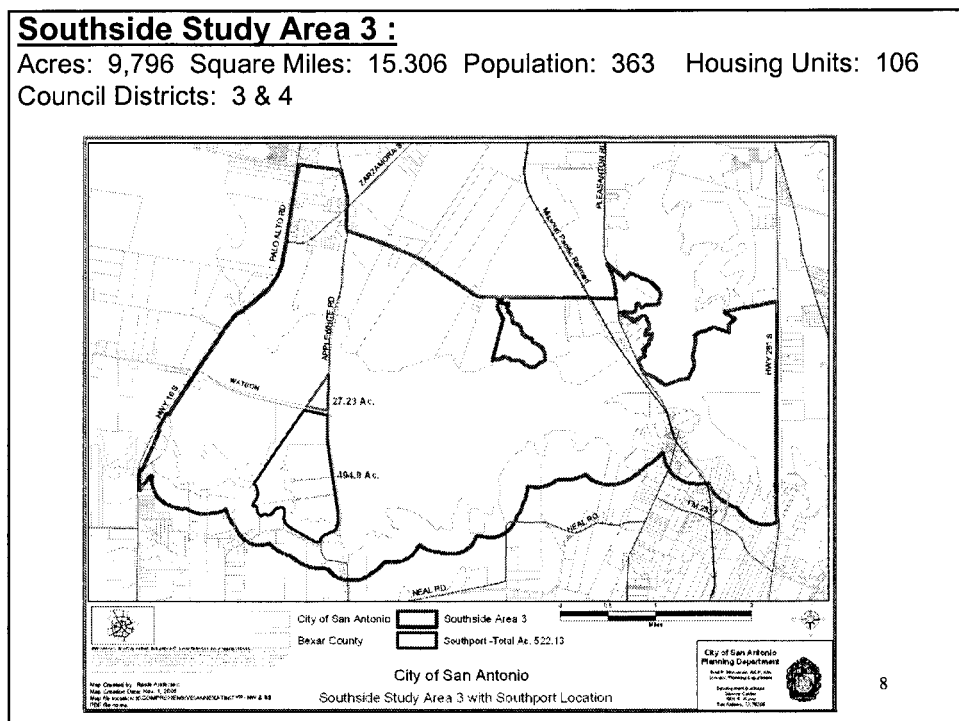
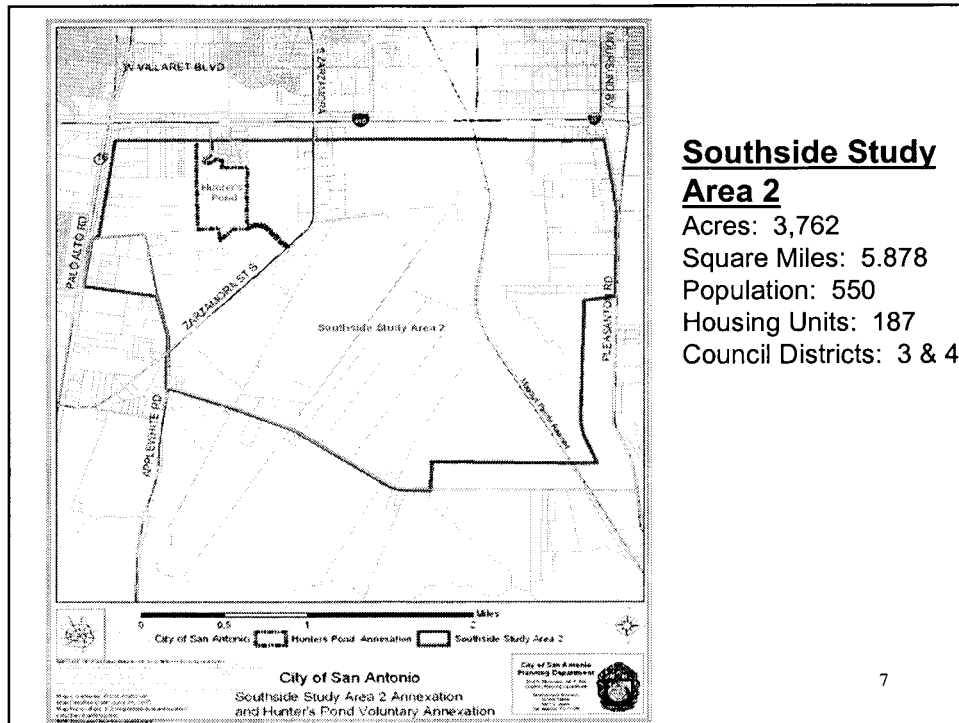
4



5



6



Annexation Data

Areas	Population	Acres	Sq. Mi.	Housing Units	Council District
1. Kyle Seale/1604 Area	3,168	1,312	2.05	1,215	8
2. Helotes Park Terrace/ The Park @ French Creek Area	250	146	0.23	96	8
3. Southside Study Area # 2	550	3,762	5.878	187	3 & 4
4. Southside Study Area # 3	363	9,796	15.306	106	3 & 4
Total	4,331	15,016	23.464	1,604	

9

Negotiations

- In May and August of this year, City staff was informed that five (5) individuals representing Kyle Seale/Loop 1604 and five (5) individuals representing the Helotes Park Terrace/Park at French Creek annexation areas were appointed by the County Commissioners Court to negotiate city services.
- City staff met with the each area team and provided requested detailed information on the level of services provided in the service plans.
- The annexation service plans require the City to provide full municipal services at a level that is comparable to the level of services available in other parts of the municipality.

10

Community Meeting

- On November 16, 2005, the City hosted a community meeting at O'Connor High School for the northwest annexation area residents.
- The purpose of the meeting was to inform the area residents of the services to be provided upon the effective date of annexation and address any questions and/or concerns regarding the provision of municipal services.
- Approximately 140 residents were in attendance.

11

2005 Full Purpose Annexation Services

12

Revenue Impact Analysis

Revenue Gains

Property Tax	Sales Tax
Telecom Franchise	Future Development
Cable Franchise	EMS
Telecom Sales Tax	Health - Food
Cable Sales Tax	Health - Environ.
Alarm Permit	Health - Animal Lic.
Development Services	

Revenue Losses

<u>County Contracts</u>		
Animal Service	Health Service	Environ. Service
Library Service	Food Service	
<u>Other</u>		
San Antonio Water Systems		

13

Service Delivery Plans

Police	Environmental Svcs.
Fire	City Clerk's Office
Public Works	Code Compliance
Development Services	Health District
San Antonio Water System	Library
Finance	Animal Care

14

FY 2006 Budget

- **Service Budgets**

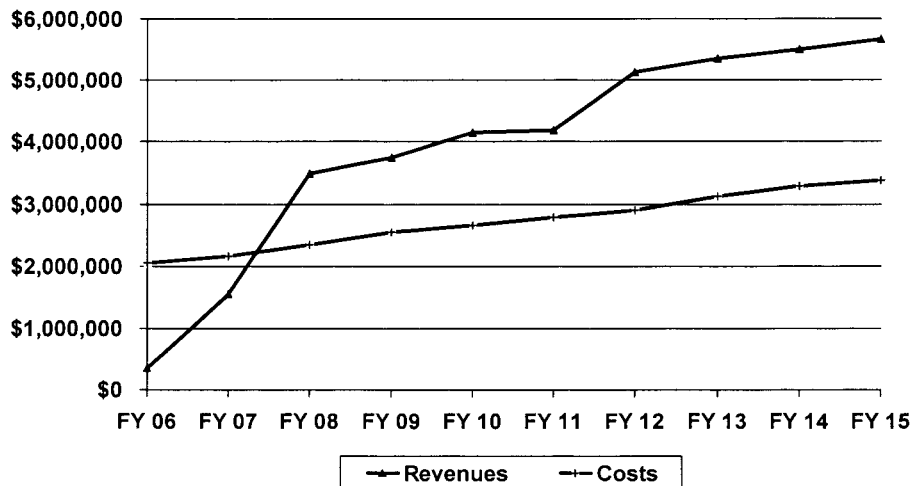
- \$2.4 M Service Delivery Costs Budgeted
- \$351 K Operating Revenue Scheduled

- **Personnel Complement**

- Adds 7 Police Uniform Positions
- Adds 1 Police Civilian Support Position

15

General Fund Recurring Operating Revenues & Costs



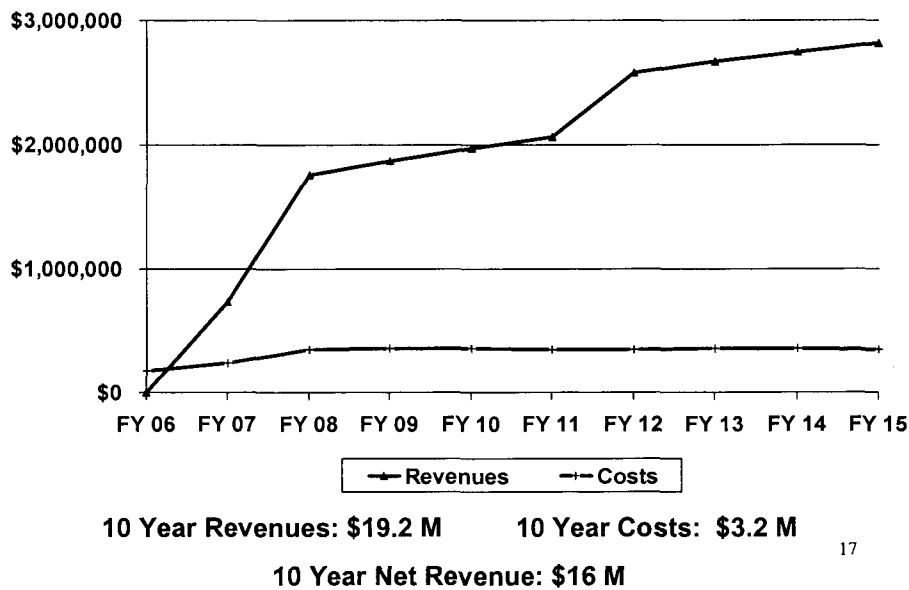
10 Year Revenues: \$39.1 M

10 Year Costs: \$27.2 M

10 Year Net Revenue: \$11.9 M

16

Debt Service Revenues and Costs



17

Annexation Goals and Policies

The City's goals for annexation are to preserve the 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.

18

Annexation Goals and Policies Cont'd

- The full purpose annexation of these areas will provide the City the ability to:
 - effectively manage the quality of growth and development
 - extend of the City's zoning regulations and other City codes.
- The full purpose annexation of the Southside Study Areas will:
 - satisfy the overall purpose of the original Southside Initiative Community Plan
 - create the opportunity for balanced growth
 - encourage and plan for development toward the south side of the City.

19

Annexation Schedule

- ✓ January-March 2003: Notice sent to property owners that they are included in a three-year annexation plan.
- ✓ October 30 & November 13, 2003: Annexation Public Hearings with the City Council.
- ✓ October 26, 2005: Planning Commission Resolution
- ✓ November 3, 2005: 1st Reading of the Ordinances
- ➔ December 15, 2005: 2nd Reading of the Ordinances
 - December 31, 2005: Effective date of annexation of the northwest areas
 - January 5, 2006: Effective date of annexation of south side areas.

20

Recommendation

- On October 26, 2005, the Planning Commission considered a resolution annexing the areas and recommended approval.
- City council approved the annexation during the first reading of the ordinances on November 3, 2005.
- Staff recommends approval of the full purpose annexation of the northwest areas Kyle Seale/Loop 1604 and Helotes Park Terrace/Park at French Creek and Southside Study Areas 2 and 3.

21