



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 42

Agenda Date: October 20, 2022

In Control: City Council A Session

DEPARTMENT: Planning Department

DEPARTMENT HEAD: Bridgett White

COUNCIL DISTRICTS IMPACTED: ETJ, District 4

SUBJECT:

Amendment to the Development Agreement between the City of San Antonio and the Owners, Convergence Brass, LLC and Pulte Homes of Texas, LP, of property within the Briggs Ranch Special Improvement District, located in the City's Extraterritorial Jurisdiction (ETJ).

SUMMARY:

Ordinance authorizing an amendment to Development Agreement between the City of San Antonio and Owners Convergence Brass, LLC and Pulte Homes of Texas, LP, of approximately 923.627 acres of land, generally located northeast of the intersection of State Highway 211 and US Highway 90 in the ETJ of the City of San Antonio, in Bexar County. This Ordinance requires and enables the Owners to pay a Special District Operations Assessment estimated at \$44,450 (for a total of 254 residential units, in the Expansion area, at \$175 per residential unit) and \$1,000 in costs related to limited purpose annexation and reimburse the legal recordings of the amended development agreement with Bexar County Real Property Records to the City of San Antonio's General Fund.

BACKGROUND INFORMATION:

On November 19, 2020, the Bexar County Commissioners Court approved a resolution stating their intent to create the Briggs Ranch PID, with road district powers and authority to impose taxes

on future landowners located within the PID's boundaries. On December 3, 2020, the City Council of San Antonio granted its consent to the creation of the Briggs Ranch Special Improvement District by Bexar County (County); and approved a Development Agreement (Agreement) with Convergence Brass, LLC, Owners of the PID. The District was officially created by the County on January 13, 2021. The original approved Briggs Ranch Special Improvement District consists of 866.977 acres, generally located north of Highway 90 West, east of State Highway 211, and west of Grosenbacher Road in the ETJ of the City of San Antonio.

After the PID was created, the owner, Convergence Brass, LLC sold a portion of the property to C-W Briggs and Obichi IV, Ltd. Following the sale of the property, the owners purchased an additional 56.65 acres of land located outside of the PID which they later sold to Pulte Homes of Texas, LLC. The entire property inside the PID is owned now by Convergence Brass and Pulte Homes of Texas.

The proposed PID Expansion Property consists of one tract, consisting of 56.65 acres of land, adjacent to the original PID boundaries, generally located northeast of State Highway 211 and US Highway 90. With the addition of the 56.65 acres, the acreage of the PID will increase to approximately 923.627 acres. The PID Expansion Property is located within the water and sewer Certificates of Convenience and Necessity (CCNs) of SAWS. Furthermore, the PID expansion will be a residential development with 254 single-family residential units. This development has proposed no commercial use. The proposed individual lot improvements (onsite), collector roadway, drainage improvements, sanitary sewer collection system, and water distribution system are estimated to cost \$6.5 million. The proposed PID Expansion's revenue is estimated at \$8.7 million.

Pulte Homes and the District's board of directors have filed a petition with the County to grant its consent to annex the 56.65 acres, which would expand the current PID to approximately 923.627 acres, and that the County confer onto the additional 56.65 acres the same powers originally granted to the PID. On July 11, 2022, owners filed a petition with the City requesting the city's consent to the annexation of the 56.65 acres. As a condition of the City's consent, the Owner and the City will amend the original development agreement to ensure that the 56.65 acres will be included in the terms of the development agreement, which provide for development and land use regulations, voluntary annexation of the PID and the framework of a Strategic Partnership Agreement which will be approved by the board of the PID. The PID board has adopted a resolution acknowledging that the SPA will apply to the 56.65 acres if the district is expanded to include the land. to add the 56.65 acres. If the city consents to the annexation and expansion of the PID, voters within the PID must confirm the expansion at the May, 2023 election.

ISSUE:

If approved, this Ordinance will authorize the amendment of the 30-year Development Agreement (Agreement) between the City and the Owners to include the 56.65 acres of land being annexed by the PID. The written consent of the City by resolution, which includes the delegation of the road district powers along with the powers to construct water, wastewater, and drainage facilities, is required by state law for this PID to exercise those powers. The terms of the City's consent are

provided in the original Development Agreement. The City's consent will not include the following:

- The power to exercise eminent domain by the PID; and
- The power to annex, expand or exclude land into the PID's existing boundaries.

The Agreement sets the conditions of the City's consent, as mentioned above, and includes the following terms and obligations between the City and the Owners with respect to the development of the PID property:

- The PID Board will approve the annexation of the 56.65 acres and will provide a copy of the board's resolution.
- The Owners will pay to the City a \$7,500 Special District application fee.
- The Owners will pay to the City an operations fee of \$175 per each built residential unit, totaling \$44,450.
- The property taxes assessed within the annexed area shall not exceed the City's tax rates.
- The City will guarantee the continuation of the extraterritorial status of the PID property for a period of 30 years.
- The Owners agree that the Agreement constitutes a petition consenting to annexation at the City's discretion at the end of the Agreement's term.
- The Agreement includes a Written Agreement Regarding Services with subsequent owners of the property within the PID.
- The Owners agree to comply with all municipal regulations, ordinances, and other laws applicable to all properties located within the City's ETJ during all phases of development and construction of the property within the PID, including the annexed property.
- The Owners will reimburse the City for the recordings of the development agreement with Bexar County Real Property Records.
- The Strategic Partnership Agreement (SPA) executed on March 17, 2022 for the original Briggs Ranch PID Board will also apply to the added 56.65 acres. The SPA is between the City and the PID and contains following provisions:
 - The Board's Resolution acknowledging that the SPA applies to the entire PID property, including the 56.65 acres.
 - The PID will pay for costs related to the SPA and limited purpose annexation and will reimburse the City for legal recordings of the SPA with Bexar County Real Property Records.
 - Commencing after the effective date of the limited purpose annexation of the commercial property, the City will remit to the PID an amount equal to 25% of the Sales Tax Revenues collected within the annexed commercial property.

The proposed timeline for the establishment of the proposed PID Expansion is as follows:

Dates	Schedule of Action
September 14, 2022	San Antonio Planning Commission public hearing and recommendation
October 20, 2022	City Council's consideration and action
November 2022	Commissioners Court consideration and action
May 2023	PID Election (Revised Boundaries) and approval of PID's taxes and bonds

ALTERNATIVES:

A denial of the Ordinance would result in the original development agreement not applying to the 56.65 acres of land being annexed by the PID.

City Council may require staff to re-negotiate the terms of the amended Agreement, which would delay the annexation of the 56.65 acres.

FISCAL IMPACT:

This item is to consider an Ordinance amending the Development Agreement between the City of San Antonio and Convergence Brass, LLC and Pulte Homes of Texas, LP, Owners of the property within the PID. This Ordinance enables the Owners to pay a Special District Operations Assessment estimated at \$44,450 (for a total of 254 residential units, in the annexed area, at \$175 per residential unit) and \$1,000 in costs related to limited purpose annexation and reimburse the legal recordings of the amended development agreement with Bexar County Real Property Records to the City of San Antonio's General Fund.

RECOMMENDATION:

Staff recommends approval of an Ordinance authorizing the execution of an amended 30-year Development Agreement between the City of San Antonio and Owners, Convergence Brass, LLC and Pulte Homes of Texas, LP.

On September 14, 2022, the Planning Commission recommended to City Council to grant its consent to the annexation of 56.65 acres of land by the Briggs Ranch Special Improvement District, subject to the execution of an amended Development Agreement with the Owners and subsequent execution of an SPA with the District.