



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 30

Agenda Date: August 3, 2023

In Control: City Council A Session

DEPARTMENT: Planning Department

DEPARTMENT HEAD: Rudy Niño

COUNCIL DISTRICTS IMPACTED: ETJ, District 4

SUBJECT:

Ordinance approving a Strategic Partnership Agreement between the City of San Antonio and Medina Stonehill Special Improvement District and the second public hearing.

SUMMARY:

Ordinance approving a Strategic Partnership Agreement between the City of San Antonio and the Medina Stonehill Special Improvement District, generally located northwest of the intersection of State Highway 211 and US Highway 90 in the City of San Antonio's extraterritorial jurisdiction in Bexar County and the second public hearing.

BACKGROUND INFORMATION:

The City of San Antonio (City) provided its consent to the creation by Bexar County of a Public Improvement District (PID) known as the Medina Stonehill Special Improvement District and approved the execution of the Development Agreement with the owners of the PID property on July 23, 2021. Then, the Bexar County Commissioner's Court created the PID on September 7, 2021. The Medina Stonehill PID consists of 568.359 acres of land generally located northwest of the intersection of State Highway 211 and US Highway 90, in the extraterritorial jurisdiction (ETJ) of the City of San Antonio and in Bexar County. City Council District 4 is the closest council district.

As a condition of the City's consent, the Owners of the PIDs' property and the City entered into a Development Agreement, which include the Owners agreeing to comply with the City's development and land use regulations, voluntary annexation terms for the PID land and other provisions. In addition, the Development Agreement included the framework of a Strategic Partnership Agreement (SPA) between the City and the Medina Stonehill PID's board of directors. After the establishment of the PID, City Staff negotiated the SPA with the Medina Stonehill PID. The SPA binds each owner and future owner of land included in the territory of the District on the date the SPA becomes effective.

ISSUE:

This is the second public hearing and consideration of an Ordinance approving the execution of a SPA between the City and the Medina Stonehill PID. State law requires two public hearings by the City's governing body for the SPA. The first public hearing will be held on August 2, 2023, and the second public hearing as well as consideration of the SPA will be held on August 3, 2023. State law requires the publication of the City's public hearings notices in a newspaper of general circulation in the area, 20 days in advance of each public hearing. The notice was published in the San Antonio Express Newspaper on July 13, 2023.

In addition, State law requires the PID to hold two public hearings as well as the PID's public hearing notifications, prior to the City's public hearings. The Medina Stonehill PID's board of directors held its public hearings on May 17, 2023, and May 18, 2023.

The proposed SPA includes the following provisions:

- The PID provide their consent to limited purpose annexation by the City of the commercial properties in the District for the purpose of imposing and collecting sales and use taxes in commercial properties effective upon the second plat application in the District. [The City cannot levy property taxes on these properties.]
- Future annexation terms and other provisions, which would bind each owner and future owner of land included within the territory of the District on the date the SPA becomes effective.
- The PID will pay for costs related to the SPA and future limited purpose annexation and will reimburse the City for legal recordings of the SPA with Bexar County Real Property Records.
- After the effective date of the limited purpose annexation of the commercial property, the City will begin sales tax collections in the annexed properties in the PID. In the annexed properties, up to a two percent sales tax will be levied.
- The City will remit to the PID an amount equal to 25% of the sales tax revenues collected within the annexed commercial property.

The City is not required to provide any services in the proposed limited purpose annexation areas. Currently, the PID property is undeveloped and there are no residents in the commercial areas in the PID.

ALTERNATIVES:

The denial of the Ordinance would result in the City not entering into a revenue sharing agreement with the PID and thus unable to limited purpose annex the commercial properties when development occurs and collect sales tax revenues.

FISCAL IMPACT:

This ordinance does not have any fiscal impact to the City. The City will prepare a financial impact study when the City annexes, for limited purposes, the commercial properties in the PID.

RECOMMENDATION:

Staff recommends approval of the Ordinance authorizing the execution of the SPA with the Medina Stonehill PID.