



# City of San Antonio

## Agenda Memorandum

### File Number:

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**Agenda Item Number:** 12

**Agenda Date:** February 2, 2023

**In Control:** City Council A Session

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**DEPARTMENT:** Planning Department

**DEPARTMENT HEAD:** Bridgett White

**COUNCIL DISTRICTS IMPACTED:** District 6, ETJ

**SUBJECT:**

Strategic Partnership Agreement between the City of San Antonio and Landon Ridge Special Improvement District.

**SUMMARY:**

Ordinance approving a Strategic Partnership Agreement between the City of San Antonio and the Landon Ridge Special Improvement District, generally located west of Potranco Road and Stevens Parkway in the City of San Antonio's extraterritorial jurisdiction in Bexar County.

**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 Landon Ridge Special Improvement District and approved the execution of the Development Agreement with the owners of the PID property on September 2, 2021. The Bexar County Commissioner's Court created the PID on September 7, 2021. The Landon Ridge PID consists of 131.255 acres of land generally located west of Potranco Road and Stevens Parkway, in the extraterritorial jurisdiction (ETJ) of the City of San Antonio and in Bexar County. City Council District 6 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 Landon Ridge PID. After the establishment of the PID, City Staff negotiated the SPA with the Landon Ridge 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 Strategic Partnership Agreement (SPA) between the City and the Landon Ridge PID. State law requires two public hearings by the governing body for the SPA. The first public hearing will be held on February 1, 2023 and the second public hearing as well as consideration of the SPA will be held on February 2, 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 January 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 Landon Ridge PID held its public hearings on May 13, 2022 and September 9, 2022.

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 first 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 enables the PID to pay costs to reimburse the legal recording of the SPA with Bexar County Real Property Records to the City of San Antonio's General Fund. The City will prepare a financial impact study when the City annexes the commercial properties in the PID for limited purposes.

**RECOMMENDATION:**

Staff recommends approval of the Ordinance authorizing the execution of the Strategic Partnership Agreement (SPA) between the City and the Landon Ridge PID.