



Planning and Zoning Commission Agenda Item Report July 25, 2017

Chance Sparks, AICP, CNU-A, Asst. City Manager – Community Development
512-312-5745 / csparks@ci.buda.tx.us

SUBJECT: PRESENTATION & UPDATE REGARDING ANNEXATION PLANNING.

1. EXECUTIVE SUMMARY

The City of Buda annually considers priority areas for potential annexation. In addition to the typical "plan map" of annexations, staff has also prepared an annexation policy to accompany in accordance with best practices. This helps to memorialize the considerations used in developing the plan, provides enhanced information to the public, and serves to assist in thoughtful evaluation of annexations. This policy and plan were adopted by City Council on March 21, 2017.

2. BACKGROUND/HISTORY

Buda's "Growth Plan"

While not required in state law, the City of Buda for each year since January 2009 has identified annexation priority areas for the future and provided direction on annexations to pursue. The most recent was adopted in January 2016. This is differentiated from the 3-Year Plan discussed above, as the Growth Plan is conceptual in nature rather than a legal instrument under state law. It reflects properties that may be desirable for annexation over the next few years.

The amount of land area a city can annex each year is based upon Section 43.055 of Texas Local Government Code. Each year, a City gets an amount it is allowed to annex based upon 10 percent of the city's land area, including limited purpose areas. If not all of that allocation is used, the remainder can roll to future years. Under no circumstance, no matter how much a city has "banked" in annexation allocation from prior years, can a city annex more than 30 percent of its land area in any single calendar year.

It is important to note that no strategic or procedural advantage is gained by voluntary annexation in most cases; given the total acreage Buda can annex involuntarily each year and applicable state laws. However, involuntary annexation can be controversial, particularly when it involves occupied residential property.

Austin ETJ Release Agreement

The City of Buda, Hays County and the City of Austin have a unique relationship in regard to extraterritorial jurisdiction. As part of a larger ETJ release in 1997, which included releases to Buda and Hays City, the City of Austin released 4,856 acres to the

sole jurisdiction of Hays County. This release was the culmination of years of negotiations with Hays County, Buda and Hays City officials. In 1999, the City of Buda began negotiating to have Austin release still more ETJ to its jurisdiction, including land in the Barton Springs recharge zone. In 2001, Buda agreed to adopt water quality and site development regulations for the Barton Springs recharge zone similar to those of the City of Austin. Because Buda was then limited to a ½ mile ETJ, Buda agreed to a phased process under which Buda added ETJ as it annexed territory. The primary impetus of the 2001 agreement was to arrange for all of what are now Garlic Creek West and the Hays CISD properties west Buda Sportsplex, as well as Marlboro Country, to come into the Buda ETJ.

The annexations completed in April 2016 involving the FM 1626 and FM 2770 areas facilitated completion of the annexations necessary to fully-exercise the City of Austin Agreement. Following those annexations, the City of Austin made its final release of their "fishhook" portion of ETJ to the City of Buda.

3. STAFF'S REVIEW AND ANALYSIS

In 2016, five annexations were completed totaling 447.92 acres. 58.72 acres were classified as voluntary. Going into the 2017 calendar year, the City has "banked" 2,716.82 acres (44.6 percent of Buda's current land area) and is able to annex up to 1,826.17 acres (30.0 percent of Buda's current land area) thru involuntary annexation.

In the past, the City Council had simply given direction to pursue annexations on an annual basis. While this continues, City Council, following staff recommendation, has taken steps to implement further best practices for annexation. In particular, staff has prepared an annexation guiding policy to accompany the "growth plan." This is for a few reasons. First, staff has found that the annual annexation growth plan materials, without further explanation & context, can cause confusion for the public. Second, establishing a policy helps to document the City's approach & guiding principles pertaining to annexation. Finally, the policy serves as a tool to educate the public in regard to annexation and help dispel misconceptions regarding the process.

Adoption of an annexation policy is an encouraged practice thru the Texas Municipal League and Texas Chapter of the American Planning Association. Employing best practices in annexation is encouraged due to increased legislative interest in restricting municipal annexation authority.

Over the last several years, the City has completed a large number of priority annexation areas most susceptible to growth pressures, such as the I-35 corridor, South 967 corridor and 1626/967. Most remaining tracts have some type of complexity related to ag-exempt development agreements, number of parcels involved, occupied residential properties, or surveyor access issues. As such, city staff has changed its approach to the growth plan in how it evaluates each identified annexation area.

Annexing residential areas has a tendency to invite controversy since residents rarely want to be annexed. This results in an increased time commitment for staff responding to telephone calls, emails & letters as well as scheduling meetings with individuals in order to effectively address questions. Additionally, there is a question whether the financial interest of added property value is offset by service demand.

Staff maintains a rolling annexation list & map from year-to-year, with informational "cut sheets" on each annexation area. In reviewing the rolling annexation list, staff has an annual growth plan for the 2017 calendar year. It addresses target areas for annexation, provision for ag-exempt development agreements, and ETJ jurisdictional issues. This document is attached separately. It originally called for annexations to begin June 2017,

but increased other workloads & projects, coupled with staffing changes, limited the ability to execute the plan within the confines of that schedule. Staff is evaluating additional calendars, with consideration toward Legislative activity.

4. FINANCIAL IMPACT

Each annexation bears a cost for necessary surveying and hearings. The professional services budget for planning & engineering included \$15,000 for surveying services related to right-of-way and annexation. Staff will evaluate professional services to determine if there are savings in other areas that could address shortfalls, if any. Each annexation carries with it unique financial impacts, which are discussed on the respective cut sheets.

5. SUMMARY/CONCLUSION

This is a discussion of the annexation priorities of the City of Buda as adopted on March 21, 2017. Unlike prior years, the annexation priorities plan is accompanied by a policy document describing the process and issues considered in creating the annexation priorities. The adopted plan originally called for annexations to occur during Summer 2017. This was not accomplished due to a surge in staff workload and limited staff availability. Staff is preparing contingencies to progress annexation forward based upon Legislative concerns.

6. PROS AND CONS

Pros and cons vary by each annexation area, and are discussed on the cut sheets.

7. ALTERNATIVES

A variety of alternatives are available, with differing implications. The cut sheets are designed to be useful in exploring alternatives.

8. RECOMMENDATION

Not Applicable