

Legislation Text

File #: 24-417, **Version:** 1

PRESENTER:

Jeff Jewell, Economic and Community Development Director

SUBJECT:

Second public hearing and consideration regarding the adoption of a Strategic Partnership Agreement between the City of New Braunfels, Texas, and the Comal County Water Improvement District No. 3 (“Mayfair Development”)

DEPARTMENT: Economic and Community Development

COUNCIL DISTRICTS IMPACTED:

BACKGROUND INFORMATION:

The first public hearing was held on April 8, 2024. This agenda item is the second scheduled public hearing on the proposed Strategic Partnership Agreement (SPA) between the City of New Braunfels and the Comal County Water Improvement District No. 3 (WID). Texas Local Government Code, Section 43.0751, authorizes the City of New Braunfels and a Texas water improvement district to negotiate and enter into a strategic partnership agreement (SPA). The SPA outlines the terms and conditions of the City’s limited purpose annexation of portions of the District and the provisions regarding the City’s delivery of City Services prior to Full Purpose Annexation of the District. State law requires two public hearings on the SPA before approval and execution. A copy of the final SPA is attached to this agenda item and is also available for public viewing in the City Secretary’s Office.

The WID consents to the non-contiguous limited purpose annexation of property within the District. Limited purpose annexation authorizes the City to receive municipal sales tax within the WID. The WID is not authorized to collect sales taxes. The City reserves the right and ability to determine the areas designated for limited purpose annexation. The SPA authorizes the City to impose its sales and use tax within the Limited Purpose Tract(s). It is the intent of the SPA to share up to fifty percent (50%) of the sales and use tax revenue derived from commercial activity within the WID. For five years, the City will remit forty percent of the sales tax proceeds to the WID and the City will retain sixty percent (60%). After this period, the City and WID will share in the sales tax proceeds equally. The City will also receive a portion of the sales and use tax proceeds from the Limited Purpose Tract in the form of District Type B Revenues. During the term of the agreement a portion of the District’s Type B revenues (following the same proportional sharing arrangements) will be devoted to approved projects within the Limited Purpose Tract and that comply with Chapters 501-505 of the Texas Local Government Code.

Fire and EMS Services

Emergency Services District No. 7 (ESD) currently provides fire and EMS services within the WID pursuant to a contract with the City.

City Services

The City and the District acknowledge that the District may not have the lawful authority to provide code enforcement services, animal control services, or health inspection services (collectively, whether one or more, the “City Services”) within the District. In the event there is a change in or clarification to applicable state law and the City and District agree the District is authorized to perform such City Services, then for purposes of establishing the Parties’ rights and obligations with respect to City Services. No agreement has been reached for the City to provide such police services to the District. The City may provide solid waste disposal services to residents within the WID.

Other Items

The SPA is in effect until the date the City annexes the District for full purposes, unless the City and WID agree to extend the term until the tenth (10th) anniversary of the date the City annexes the WID for full purposes in accordance with the terms of the SPA and Development Agreement. The areas in the WID that will be subject to limited purpose annexation are primarily the commercial areas and mixed-use commercial areas. There is a possibility that some of those areas will have a limited number of residents, and those residents may vote in City elections.

ISSUE:

Two public hearings are required by state law.

FISCAL IMPACT:

To be determined once the WID has fully developed its commercial and mixed-use commercial areas.

RECOMMENDATION:

Staff recommends approval of the SPA.