



City Council Agenda Item Report

April 2nd, 2013

Agenda Item

Contact – Chance Sparks, AICP, CNUa, Director of Planning

512-312-0084

csparks@ci.buda.tx.us

SUBJECT: HOLD A PUBLIC HEARING TO RECEIVE WRITTEN AND ORAL COMMENTS REGARDING THE SERVICE PLAN AND ANNEXATION PROCEEDINGS ON APPROXIMATELY 36 ACRES OF LAND LOCATED NEAR THE NORTHWEST CORNER OF IH-35 AND MAIN STREET.

1. BACKGROUND/HISTORY

On February 19th, 2013, the City Council adopted a resolution initiating annexation proceedings for the subject property. Notification was sent to interested public entities, utility companies and property owners within the annexation area. There were no properties holding agricultural exemptions

This is the first of two required public hearings under state law, with the second public hearing scheduled for April 9th at 6:30pm.

2. FINDINGS/CURRENT ACTIVITY

Several parcels, as shown on the attached map, are under consideration for annexation. Current active uses include commercial businesses, such as trailer sales, which will be allowed to continue after annexation regardless of zoning. However, a fireworks business is present that under current city ordinance would be required to cease operations upon annexation. Properties in the annexation area are identified as interstate commercial in accordance with the city's Future Land Use Plan, and, thus, staff will be bringing a proposed initial zoning consistent with that classification.

3. FINANCIAL IMPACT

The proposed tracts fall within the City of Buda's water service area, therefore, water shall be provided by the City of Buda (property owner to pay for any extension necessary). Wastewater service is currently provided through privately-owned on-site sewage facilities (OSSF); however, the City of Buda has sufficient capacity to provide sanitary sewer to the areas should the property owner, at the expense of the owner, want to tie in. Some properties are already served by wastewater through development agreements. Wastewater collection is located on Main Street.

The property will be subject to property tax and sales tax upon annexation. The property will be assessed property tax for 2013, but revenues will not be collected

until 2014. Based on current appraised value and the city's current 0.2713 ad valorem tax rate, the resulting tax benefit to the City is \$4,032 (not including sales tax). Sales tax revenue will be collected immediately upon annexation and notification will be sent to the Comptroller's office. This annexation area includes a number of properties that currently, or are capable of, producing sales tax revenue, though currently development is encumbered by environmental issues related to its prior use as a landfill. As Council is aware, the state allows cities to collect 2 cents in sales tax; however, the city's collection in sales tax for general fund purposes is at a ½ cent due to the following breakdown: County- ½ cent, ESD #8 - ½ cent, Buda Economic Development Corp (4B).- ½ cent, and City of Buda - ½ cent.

4. ACTION OPTIONS/RECOMMENDATION

This is the first of two required public hearings. No action can be taken during such public hearing and discussion should be limited. City staff has prepared the necessary service plan outlining current and proposed services upon annexation. City Council will be considering the first readings of the annexation and initial zoning ordinances at the April 30th, 2013 meeting.

5. ENCLOSURES

- A. Service Plan
- B. Exhibit "A" map