

Thoughts on Annexation
From Mayor Garry Manitzas

The Theoretical Dimensions

Annexation has been in the news a great deal lately and has been the subject of legislation in the recent Special Session of the Texas Legislature. Fair Oaks Ranch has begun an annexation process for essentially all of our Extraterritorial Jurisdiction (ETJ-or area around our current city limits) that is not currently covered by a Development Agreement. To understand why our city has begun these annexations, it is important to understand the difference in circumstances and intended outcomes between the annexations we are doing and the annexations the larger cities are doing.

The larger cities have typically been undertaking annexations of commercial and residential areas in their ETJ that are fully or mostly built out. While there are many valid reasons for undertaking an annexation to plan municipal services, the fear of most impacted homeowners in unincorporated areas is that they will pay more taxes and get no additional services.

Our city is a bedroom community which desires to retain that flavor. Our ETJ is almost all pastureland, not built out areas. Without annexation, the city has no ability to apply zoning to those areas, which could lead to unmanaged development in size or type. Our residents have told the City Council clearly in the results of the last three election cycles and in Town Halls related to updating our Comprehensive Plan that they want us to:

- Maintain and improve the quality of life that brought us to Fair Oaks Ranch
- Guide and shape the physical development of the city to ensure sustainable and desired value capture
- Establish manageable and predictable programming for infrastructure demands and delivery of services
- Protect existing investment and valued community assets
- Protect public health and safety, and promote the general welfare of the City
- Provide policy guidance and justification for capital expenditure decisions

Until we became a Home Rule City this past May, the city had limited authority to annex. Now that greater annexation is an option, our council made the decision to pursue annexation under the current provisions of the Local Government Code. We believe this is the only realistic mechanism available to us to work toward the goals our citizens have communicated to us.

We will be guided in our actions by the results of the Comprehensive Planning studies in which we are currently engaged which describe how we want the city to look and function in the future. We have engaged both current residents and some of the ETJ property owners in these discussions and will continue to do so. We believe that completing these Comprehensive Planning studies and using them as the basis for land use decisions will benefit our current residents and the property owners in the ETJ.

The Nuts and Bolts

Now that we have discussed the theory, let's talk about the actual steps to implement annexation. In summary form, here is how it looks:

- The City of Fair Oaks Ranch will annex all properties in our ETJ except those covered by an existing development agreement. There are a little over 100 parcels of land in this group.
- Property owners whose property is not appraised for ad valorem taxes under agricultural exemptions, wildlife management exemptions, or timber exemptions will be annexed under the provisions of Chapter 43, Municipal Annexation, of the Texas Local Government Code.
- Property owners who have these types of exemptions for ad valorem taxes will have a choice of involuntary annexation or executing a Non-Annexation Development Agreement which will delay annexation until the earlier of the passage of 15 years or the occurrence of certain "triggering events" such as filing documents for development, master plan, plat approval, or permit with a governmental unit having jurisdiction over the area.
- Both types of ownership will receive service plans for municipal facilities and services in accordance with Local Government Code Section 43.056. The service plan covers basic services such as Police Protection, Fire Protection, Emergency Medical Services, Maintenance of Water and Wastewater Facilities, Solid Waste Collection, Maintenance of Roads and Streets, and Maintenance of any publicly owned Facility, Building, or Municipal Service.
- The Local Government Code prescribes the notifications and hearings that must occur as part of annexation proceedings. The sequence is as follows:
 - October 5, 2017 Written notices sent out
 - October 20, 2017 Publish notice of first public hearing in newspaper of record
 - October 24, 2017 Publish notice of second public hearing in newspaper of record
 - November 6, 2017 Conduct First Public Hearing
 - November 7, 2017 Conduct Second Public Hearing
 - November 28, 2017 1st Reading to Adopt Annexation Ordinance
 - November 29, 2017 2nd Reading to Adopt Annexation Ordinance
- Following the completion of this process, the properties subject to annexation will either immediately become part of the City of Fair Oaks Ranch, or in the case of those with tax exemptions, may become subject to a Non-Annexation Development Agreement.

In Closing

If these processes sound complicated, it is because they are. We believe utilizing existing provisions of the Local Government Code to effect annexations is in the best interest of our city, our resident property owners, and the property owners in the ETJ.

As a council and staff, we are committed to fulfilling our residents expressed desires to protect our quality of life, provide for public health and safety, plan for infrastructure demands, and protect existing investment and valued community assets. We have been and will continue to make every effort to be fair to all parties concerned. That will ensure the best overall outcome for our Fair Oaks Ranch community.