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Annexation

Frequently Asked Questions

(FAQs)

November 6th & 7th, 2017

- **Why is the City planning to annex my property into the incorporated City limits?**

There are a number of key community objectives and rationale for incorporating annexation areas into the City limits. Most importantly, existing 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 the City to:

- Honor our 30-year old Mission Statement to “maintain and enhance those quality of life factors which influenced the citizens to establish a residence within the City”.
- Guide and shape the physical development of the city to ensure sustainable and desired development that is not subsidized by existing tax payers relative to delivery of city services (value capture). New development and/or redevelopment needs to pay for itself (growth pays for growth).
- 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

The City of Fair Oaks Ranch possesses a unique semi-rural and pastoral quality of life. This quality of life is a major reason why Fair Oaks Ranch citizens move here and why we find multiple generations of families choosing to stay. Today the City is challenged to maintain this quality of life, while nearby we witness the advancing urban sprawl from San Antonio, rapid development and unprecedented growth.

The areas being annexed into the City in 2017 share a common border to the current incorporated area (City limits), and Fair Oaks Ranch is already absorbing the costs of providing certain services to these areas. Further, to make informed policy decisions relative to the physical development (build-out) of the City and the scheduled programming necessary to proactively plan, finance, and maintain reliable and efficient public services, it is critical that the City leverage the seat at the table it acquired through adoption of a home rule charter. Otherwise, the City lacks the capability to shape proposed development and/or redevelopment consistent with the Comprehensive Plan,

protect assets, resources, current in-City neighborhoods and homeowner investment, as well as those we are serving that lie outside the current City limits.

- **What authority does the City have to Annex my property?**

The authority for such action by the City of Fair Oaks Ranch is granted by State Statutes in Chapter 43, Municipal Annexation, of the Texas Local Government Code which provides for the enumerated powers of Home Rule Cities to annex property in their extraterritorial jurisdiction (ETJ). Further, this authority is granted by the Home Rule Charter approved and adopted by the citizens of Fair Oaks Ranch in the May 2017 election held for that purpose.

The extraterritorial jurisdiction (ETJ) was established with the intent of providing opportunities for feasible, realistic and timely balancing of service extensions with incorporation, ensuring that Fair Oaks Ranch does not inadvertently cause its taxpaying residents to subsidize the costs of serving those outside our City limits. Until we became a Home Rule City this past May, the city had no authority to annex unless requested by the landowner. Now that the City has full annexation authority, the City Council made the decision to pursue annexation under the current provisions of the Local Government Code. The City believes annexation is the only realistic mechanism available to work toward the goals our citizens have communicated to us.

- **Why is the City moving so quickly to annex the ETJ?**

We have been working toward this annexation for at least the past two years. Prior to adoption of the Home Rule Charter in May of this year, we lacked the authority to annex ETJ property unless requested by the owner. The recent passage of Senate Bill 6 in the State Legislature takes away our annexation authority as of December 1, 2017 giving us a very tight timeframe to complete the annexation process. Essentially, the legislature forced us to act quickly to protect the character of our City through annexation and subsequent zoning.

- **Why isn't the City following SB 6 which requires an election and vote from the annexed property owners?**

You are absolutely correct that the December 1, 2017 implementation of SB 6 is exactly what is driving us to do this annexation now. Our city's circumstances and reasons for wanting to do annexation are 180 degrees off from what the larger cities like San Antonio are doing. They are primarily annexing fully built out subdivisions and commercial areas. This gives them a quick tax boost which is part of the driver. They are annexing areas with a lot of people in them. We are annexing primarily rural areas and a very small number of people. This will not give us a huge tax boost and will impact a relatively small number of people.

Our citizens have very clearly told us in the past three elections that they want responsible management of the build out of the rest of our city. Part and parcel of the campaign issues was that we were planning to be a Home Rule City so we could do pro-active annexation and implement zoning and development regulations. Without this implementation, we have virtually no control over what gets built in the current ETJ.

If we allow SB6 to operate, these residents (3,000 households totaling about 8,400 people) will have no say in how the ETJ gets built out and/or redevelops. That decision will be made by about

100 property owners, acting individually with no coordinated plan for development. This is clearly not what our residents want to happen.

- **If you think SB6 was so poorly done, did you try to make changes to it before it was voted on?**

Yes. We visited several times with Senator Campbell, Representative Larson, Representative Biedermann and members of their staff. In the highly emotional atmosphere of the Special Legislative Session, it was impossible to get some kind of an exception attached to deal with our situation. There were a large number of amendments offered for SB6 and almost none were allowed. The legislators were all very gracious in visiting with us, but could not effect a solution to our issues. Since it was impossible to change the legislation, the only option we had left to avoid the unintended and adverse consequences on our city was to take action before the legislation went into effect.

- **Why do you believe that the current residents of FOR want this annexation to happen?**

The successful City Council candidates who ran contested elections in 2015 and 2016 campaigned on platforms of managing growth responsibly and maintaining quality of life. Their platforms included elements of moving to a Home Rule Charter, updating the Comprehensive Plan and Land Use Maps, and annexing the ETJ to make implementation of zoning possible. These contested elections produced record turnouts and the successful candidates received the highest percentage of votes of any candidate for any office in the San Antonio Metropolitan area. Similarly, our town hall meetings and citizen input to our foundational projects indicate a desire to implement zoning which presumes that annexations must happen.

- **How will annexation affect my property values? Will my property value decrease?**

Property values, for tax purposes, will continue to be determined by the Appraisal District. Typically, annexation itself does not have an impact on property values. If the city were to make infrastructure improvements in the future, those improvements may eventually increase property values through higher sales prices. Sales prices are what drive assessments. In most cases, annexation and subsequent zoning helps to stabilize and enhance property values, so there are no indications that property values will decline.

- **What are the benefits to being annexed?**

Benefits to residents in proposed annexation area:

There are a number of important benefits to residents that are annexed into the City of Fair Oaks Ranch. First of all, you become a voting member of our local population, with the ability to participate in our local political and decision-making processes. You'll gain the ability to participate in our elections as a voter and have the opportunity to hold elected and/or appointed positions in local City government. In addition, Fair Oaks Ranch residents can also serve on volunteer boards and commissions.

Improvements in police and fire protection, and building inspections/permits coverage for your area of town will be made. Solid waste collection, maintenance of streets and drainage, and health services will be provided in a consistent manner, and animal control and code enforcement

activities will be provided in ways that provide access to new services that improve the quality of life for your part of the community.

With the advancing urban sprawl from San Antonio, rapid development and unprecedented growth, actions to sustain city-wide land use compatibility require a well-planned methodical sequence. The City will be guided in its actions by the Comprehensive Plan which describes how the citizens of the City want the city to look and function in the future. The City is currently updating the Comprehensive Plan and we have engaged both current residents and some of the ETJ property owners in these discussions and will continue to do so. The city utilizes the Comprehensive Plan as the basis for land use decisions which benefit our current residents and the property owners in the ETJ.

Additionally, you will have access to certain events and programs offered to residents as compared to non-residents. For example, as a resident you will be able to utilize our annual Household Hazardous Waste Day at no charge. As another example, you will have access to parks and unique trail system through membership in the homeowner's association (FORHA) as well as access to the annual paper shred day.

Benefits to existing taxpayers that are currently in the city limits:

Annexation will keep the cost of Citywide services manageable. Due to the expanded tax base with the newly-incorporated property, we are able to offer public safety, infrastructure improvements, and other public services in a way that enlarges the overall tax base. Current Fair Oaks Ranch residents will no longer be subsidizing services in unincorporated areas, as new residents will be paying their share for services and amenities that are already being provided.

Benefits to the City for annexation:

The primary benefit of annexation for the City is that it provides Fair Oaks Ranch with the ability to effectively and efficiently provide the newly incorporated area(s) with public services with fewer costs, administrative burdens and without placing a levy on taxpayers that currently reside within the jurisdiction. Fair Oaks Ranch officials will be able to provide police patrols and investigations, fire protection services, solid waste collection and recycling, and other important services and amenities, inclusive of interlocal and/or mutual aid agreements with other jurisdictions.

Further, comprehensive planning, zoning, and development activities will advance in a locally-standardized manner, which allows our community to grow and flourish in a way that maintains and improves the high standards and quality of life expectations of our citizens. The City also benefits from the additional opportunity for citizen involvement in our community and the ability to have a greater positive impact on residents and businesses that were once unattached to our variety of local public service offerings.

- **If annexed, how much property tax will I have to pay? How is the property tax calculated?**

Properties annexed into the City subsequent to January 1, 2017 and prior to January 1, 2018 will not pay City of Fair Oaks Ranch property taxes until fiscal year 2018 -2019 which begins on October 1, 2018.

For the current fiscal year 17-18 (beginning October 1, 2017 and ending September 30, 2018), property currently located in the City of Fair Oaks Ranch is taxed at the rate of \$.3295 cents per \$100 valuation, based on assessments made as of January 1, 2017. The City offers a variety of property tax exemptions, which include its Homestead, Over 65 Homestead, and Disabled Veterans exemptions. Typically, property owners receive notice of assessment at midyear and their official tax bill in October.

The City does not appraise or establish property values. This is done by the County’s tax appraisal office. To calculate the property tax, divide the appraised value by 100 and multiply the result by the City’s adopted tax rate. Examples of the tax calculation relative to different property values are as follows:

<u>\$200,000 property valuation</u> Value / \$100 * tax rate $\$ 200,000 / 100 = \$2,000$ $\$ 2,000 * .3295 = \659 City Tax bill = \$659	<u>\$575,000 property valuation</u> Value of home / \$100 * tax rate $\$ 575,000 / 100 = \$5,750$ $\$ 5,750 * .3295 = \$1,894.63$ City Tax bill = \$1,894.63
<u>\$325,000 property valuation</u> Value / \$100 * tax rate $\$ 325,000 / 100 = \$3,250$ $\$ 3,250 * .3295 = \$1,070.88$ City Tax bill = \$1,070.88	<u>\$725,000 property valuation</u> Value of home / \$100 * tax rate $\$ 725,000 / 100 = \$7,250$ $\$ 7,250 * .3295 = \$2,388.88$ City Tax bill = \$2,388.88
<u>\$450,000 property valuation</u> Value / \$100 * tax rate $\$ 450,000 / 100 = \$4,500$ $\$ 4,500 * .3295 = \$1,482.75$ City Tax bill = \$1,482.75	<u>\$1,000,000 property valuation</u> Value of home / \$100 * tax rate $\$ 1,000,000 / 100 = \$10,000$ $\$ 10,000 * .3295 = \$3,295$ City Tax bill = \$3,295.00

- **How are the City of Fair Oaks Ranch tax dollars utilized?**

For the current tax year 2017, of the \$.3295 cents for each \$100 valuation of the property, \$.0386 cents are allocated towards debt service, with the remaining \$.2909 cents being used towards our annual operating budget. This split between debt service and operations is typical for our City, but can change due to local budgetary considerations and governing body decisions related to our tax revenue allocations that take place each fiscal year.

The average appraised home value within the City is \$455,999. Provided below is an example of how Fair Oaks Ranch tax dollars are being used in fiscal year 2017-2018, for said home with the average appraised value of \$455,999:

Expenditure Type	Home Value	Tax Rate	Amount
	\$455,999	\$.3295	\$1,502.52
Budget Breakdown			
Debt Service <ul style="list-style-type: none"> Roads and Drainage 		\$.0386	\$176.02
Operating Estimates <ul style="list-style-type: none"> Public Safety Administration Public Works & Maintenance Public Health and Emergency Services Building Codes Municipal Court Culture and Recreation 		\$.2909	\$1,326.50
Total Tax Bill			\$1,502.52

- If annexed, will my address change?**

No, not as an immediate result of annexation. However, our coordination of addressing protocols for providing accurate delivery of public safety and emergency services, solid waste collection, and other public services may require that conflicting or duplicative street names and/or address numbers be refined to ensure you receive the benefits of becoming a Fair Oaks Ranch resident. We are reviewing addresses and will continue to do so in the years ahead. The City does not anticipate address changes at this time.

- If my property is annexed, when is the annexation effective?**

If the Fair Oaks Ranch City Council proceeds with the current schedule and ultimately approves the annexation, the annexation would be effective on November 29, 2017, immediately following the 2nd reading of the annexation ordinance.

- If annexed, can I continue to have my home or business?**

Yes, existing uses can continue. Further development, redevelopment, or expansion of a structure or use of the land may require permits and/or approval from the City. Accordingly, property owners should check with the City prior to commencing improvements, expansion of existing uses, and/or changes in use beyond the existing use.

- I bought this property and got a building permit from the County. Can I still move forward with my project if annexed?**

Yes. If you have obtained a building permit from the County and you start construction prior to the expiration of the permit, you may proceed with your project as long as the permit is still valid.

- **If annexed, will all existing nonresidential (commercial, industrial, etc.) businesses be asked to stop operating or to be torn down?**

No. The uses will be able to continue to exist as they are upon annexation into the City of Fair Oaks Ranch. There may be the following possibilities:

- a. If the City applies zoning to the property and the uses are permitted by the zoning applied to the property, the uses can expand and grow.
- b. If the uses are not in conformance with zoning, and are current and operating at the time of annexation, the uses can continue in their current state, unless discontinued, or the building in which they operate is destroyed to an extent of more than 50 percent of its value, by fire, storm, or other natural disaster (mother nature).

- **If annexed, can I expand my existing activity?**

You may be able to expand your existing activity, if it meets the requirements of applicable ordinances adopted by the City Council. Subsequent to annexation, property owners should check with the city prior to expanding existing activity and/or commencing with new improvements.

- **What will my property be zoned if annexed?**

Zoning and annexation are two separate processes. Currently, the City of Fair Oaks Ranch does not have a zoning ordinance. However, the City is actively writing zoning guidelines and anticipates adoption of a zoning ordinance within the next few months.

If the City Council adopts zoning, proceedings to adopt city-wide zoning will take place at separate public meetings and after the annexation has occurred. The City is proactively working with a citizen stakeholder committee to create zoning guidelines that will allow existing uses to continue (if desired by the residents), minimize non-conformities, and allow the area to ultimately transition to the uses recommended in the future Land Use Plan.

The future Land Use Plan serves as the City's guide for future development and growth of the City. The City anticipates adoption of zoning within the next few months. Meetings to consider the adoption of zoning will be public meetings and all impacted property owners are encouraged to attend. Again, the zoning process will not commence until after the annexation is completed.

- **Will I have to abandon my water well and septic system upon annexation?**

As long as you continue to use your current septic system and well, with no changes, you do not need to abandon these systems. However, if your system fails or if you plan an expansion that the current system cannot handle, then you may be required to connect to the city's system.

- **When will I get City water and sewer?**

If you currently have water and sanitary sewer services you will continue to receive those services without interruption. In all other situations, the City will provide water and sewer services as detailed in the service plan attached to the annexation notice mailed to impacted property owners.

In some cases, replacement and/or recapitalization projects may be required to bring an area up to City standards. If additional major infrastructure improvements are needed in an area, to either provide service or replace aged distribution and/or collection systems, these may be items that would be considered in the planning phase of annual City budgeting processes; including but not limited to its Capital Improvement Program (CIP), General Fund, Water/Sewer Fund, and/or external funding sources that provide loans and/or grants to accomplish certain local objectives where utility improvements are concerned.

- **I already have EMS, and Fire services. How will annexation enhance these services?**

Immediately upon annexation, the City of Fair Oaks Ranch will be responsible for providing Fire and EMS services. If your property is located within an Emergency Service District (ESD) that levy's a property tax, said property tax levy will be discontinued starting October 1, 2018.

- **Will annexation enhance the services provided by the Police Department to this area?**

The response times to calls for police service should generally improve, especially in the highest priority calls where a life is in danger. The Fair Oaks Ranch Police Department response time for an emergency call within the City is under six minutes, 90% of the time.

Annexation should also improve the safety of your neighborhood. Officers assigned to beats take responsibility for their areas and perform preventative patrols within neighborhoods. The Fair Oaks Ranch Police Department also provides the following services to our residents which helps make your home/business/neighborhood more secure:

- a. Targeted neighborhood watches
- b. Out of town property watch
- c. Home inspections for security purposes/suggestions
- d. Crime victim's services assistance in coordinating services and benefits through the State Attorney General's Office and other resources appropriated to the City through the federal Victims of Crime Act (VOCA).
- e. Sex Offender registration and compliance
- f. National night out
- g. Fingerprint services to facilitate various state-wide applications
- h. Programmed neighborhood bicycle patrol
- i. Guest speakers
- j. Citizens police academy

- **If my property is annexed, how will it affect my garbage collection?**

If you have a private trash collection service, you may continue to use said private service for the first two years after annexation. During this time, if there is a contract, the City may not prohibit collection by a private trash collection company and cannot impose any fee for solid waste management services.

If there are no private trash collection contracts, residential property owners will need to immediately sign up for the City's garbage collection service. Trash pick-up is handled by a City contracted waste-collector. Trash recycling is picked up once a week. The City does not provide garbage collection services to nonresidential uses.

The fee schedule and other details required to provide you with a clear understanding of the City's waste management and recycling activities, in addition to water billing and collections, are all located on the City's website at www.fairoaksranchtx.org.

- **I have animals on my property. How will annexation affect the keeping of animals?**

Fair Oaks Ranch is an evolving suburban community, but with a continuing connection to its rural and agrarian history. Therefore, there are certain local ordinances that speak directly to issues related to maintaining animals on your property. Our local laws are designed to accommodate provisions for pets, as well as livestock and other types of animal's property owners may have.

City Ordinances regarding Animals and Fowl cover a range of laws regarding the keeping of animals within the City limits. Adopted statutes address licensing, rabies control, property size requirements for barnyard animals, prohibited animals, leash laws, animal noise, animal bites, cruelty to animals, kenneling, and legal authority.

Be sure to register your pets before the annexation, doing so will ensure that even if you have more pets than allowed by Ordinance, those pets are permitted while they live.

- **If I choose to repair/replace mechanical, electrical or plumbing systems or remodel/add to my existing buildings, will building permits be required if annexed by the City?**

Yes. To ensure the health and safety of the City of Fair Oaks Ranch's building occupants, Fair Oaks Ranch's City Council has adopted the International Building Code to regulate the repair/replacement, remodeling and new construction activity within the City's corporate limits. This is done through the use of building permits.

Before embarking on any residential or commercial building improvements, please discuss your specific interest with the City's Building Permit and Inspection department.

- **If I have property that is designated for agricultural land use purposes only, how does annexation affect me?**

Agricultural use property can be exempt from an annexation for a period of fifteen years, should the property owner(s) accept the terms and conditions of the City's Development Agreement. That agreement contains various stipulations associated with the ability of the property owner(s) to sustain the exemption during that time, one of which restricts the construction of new structures or improvements that require a permit. The instance a permit is requested or certain improvements are made on the property, this signifies a "petition for annexation" and results in the exemption from annexation being revoked. This type of action, or the expiration of the fifteen-year period, can result in immediate annexation into the City limits.

- **Is the development agreement the City offered me negotiable?**

To some extent, yes, the development agreement offered by the City is negotiable. The purpose of the development agreement is to lock-in existing agriculture related uses in lieu of annexation. New uses on the property would trigger annexation.