



## MEMORANDUM

TO: Mayor and City Council

FROM: Gregory I. Guernsey, Director, AICP  
Planning and Zoning Department

AR  
for

DATE: September 19, 2016

RE: Request for Withdrawal -HOLT CAT Subdivision full purpose annexation hearings

At the request of City staff, on August 4, 2016 City Council set hearings for the full purpose annexation of the HOLT CAT Subdivision area as part of the 2016 annual annexation program. Staff recommends Council delay consideration of the HOLT CAT area at this time based on concerns that have been recently raised by Travis County Emergency Service District 11 (ESD 11). The following information provides a brief status update and summary of the ESD's concerns.

### **Description of area**

The HOLT CAT annexation area includes the existing HOLT CAT construction equipment dealership as well as the approved HOLT CAT subdivision (C8J-2015-0141.0A) located along IH 35 South across from the Southpark Meadows commercial center. This area is entirely surrounded by Austin's full purpose jurisdiction on all four sides and a portion (32.3%) of the proposed development is located in the city's full purpose jurisdiction (contiguous to District 5). See HOLT CAT Subdivision map.

### **Rationale for Staff Recommendation**

Consistent with policy guidance found in the Council adopted comprehensive plan, annexation of this area brings future anticipated commercial growth and light industrial development into the city limits, resolves split jurisdictional issues, and ensures unified service delivery. Several City departments currently provide services to this area including Austin Energy, Austin Fire Auto-Aid, and Austin Water.

### **Input from Travis County Emergency Services District 11 (ESD 11)**

Travis County ESD 11 Fire Chief Ken Bailey has expressed concerns about the reduction of tax revenues on the ESD's operating budget that will result when this area is annexed for full purposes. Tax revenues generated by HOLT CAT account for approximately 30% of the ESD budget according to Chief Bailey. ESD 11 currently collects 1.5% of the 2% sales tax available for local taxing entities. Upon annexation sales tax will be divided evenly between the City and Capital Metropolitan Transportation Authority, each will receive 1%, or approximately \$750,000 annually in sales tax revenues.

The HOLT CAT property also contributes ad valorem taxes to ESD 11. It is estimated that at the recently adopted City tax rate the HOLT CAT area would provide an additional \$32,383 in city taxes upon full purpose annexation. This estimation does not account for additional improvements or expansions planned on the HOLT CAT properties considered for annexation.

**Impact on planned development**

Annexation will not preclude the property owner from developing this property as indicated on the approved subdivision application (C8J-2015-0141.0A). Annexation may facilitate ease of development reviews as the entirety of the subdivision will be reviewed under a single set of regulations instead of requiring dual reviews for the portion of the property in the city limits separate from the portion that is in the ETJ.

**Council actions in the immediate future**

Due to the unique circumstances, City staff is recommending Council consider annexation of the HOLT CAT area as part of the 2017 annual program. This recommendation addresses ESD 11's concerns and provides additional time to make accommodations and necessary adjustments to better align the ESD 11 service area with the revenues that support their operations.

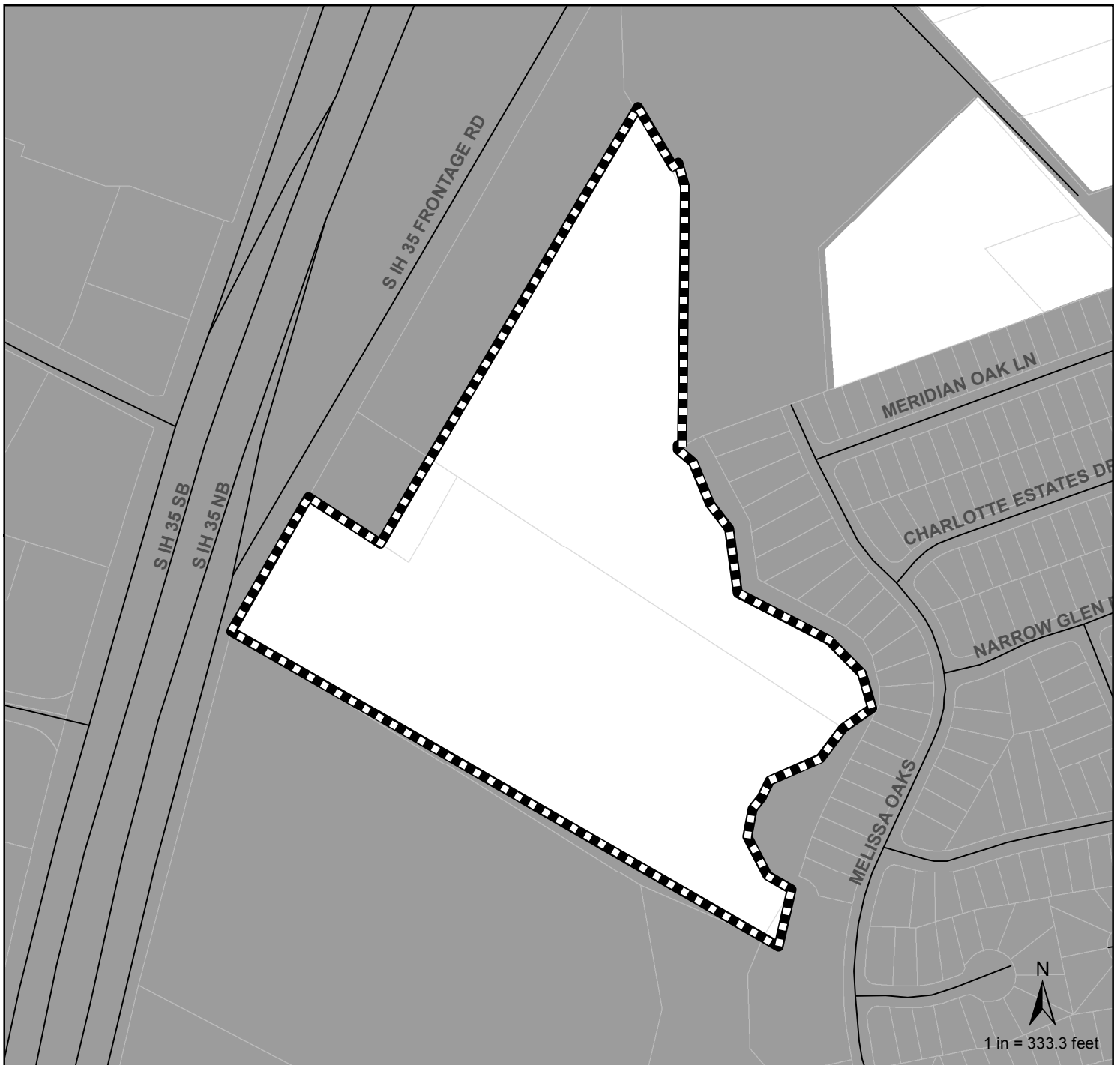
If you have any questions or we can provide any additional information, please contact me at (512) 974-2387 or Virginia Collier at (512) 974-2022.

**Cc:** Marc A. Ott, City Manager

Sue Edwards, Assistant City Manager

Rey Arellano, Assistant City Manager

Virginia Collier, Principal Planner, Planning and Zoning Department



## HOLT CAT Subdivision Annexation Area



HOLT CAT Subdivision Area



Parcels



Streets



Railroad



Major Creeks

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### Austin Jurisdiction



Austin Full Purpose

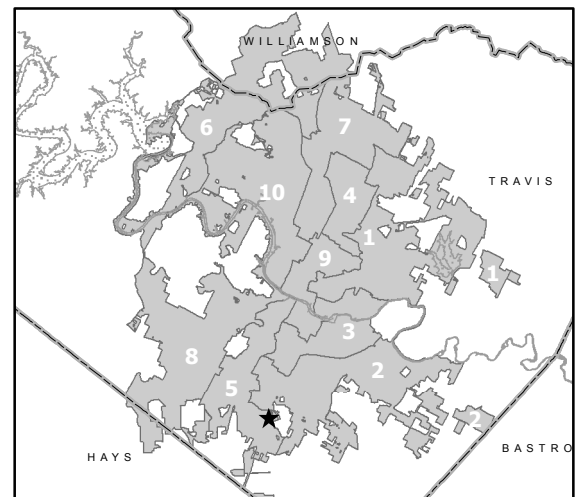


Austin Limited Purpose



Austin ETJ

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**HOLT CAT Subdivision Area in Relation to Austin City Council Districts**



City of Austin  
Planning and Zoning Department  
August 2016