

CHAPTER 24: ANNEXATION POLICY

Annexation is the legal process which adds land to the corporate limits of a city. Annexation allows formerly unincorporated properties to receive municipal services, such as police and fire protection, garbage collection, water service, and sewer service. Controlled annexation can yield a more logical land development pattern responding to population growth and economic development opportunities, while minimizing urban sprawl and ensuring effective delivery of services.

BACKGROUND

The extraterritorial jurisdiction (ETJ) is a legally designated area of land located a specific distance beyond a city's corporate boundaries that a city has authority to annex. Chapter 42 of the Texas Local Government Code defines the size of the extraterritorial boundaries according to a city's population. The statutes allow a five-mile ETJ for cities in excess of 100,000 in population. Fort Worth's population exceeds 100,000 persons, therefore it has a five-mile ETJ. Cities with smaller populations have smaller ETJs.

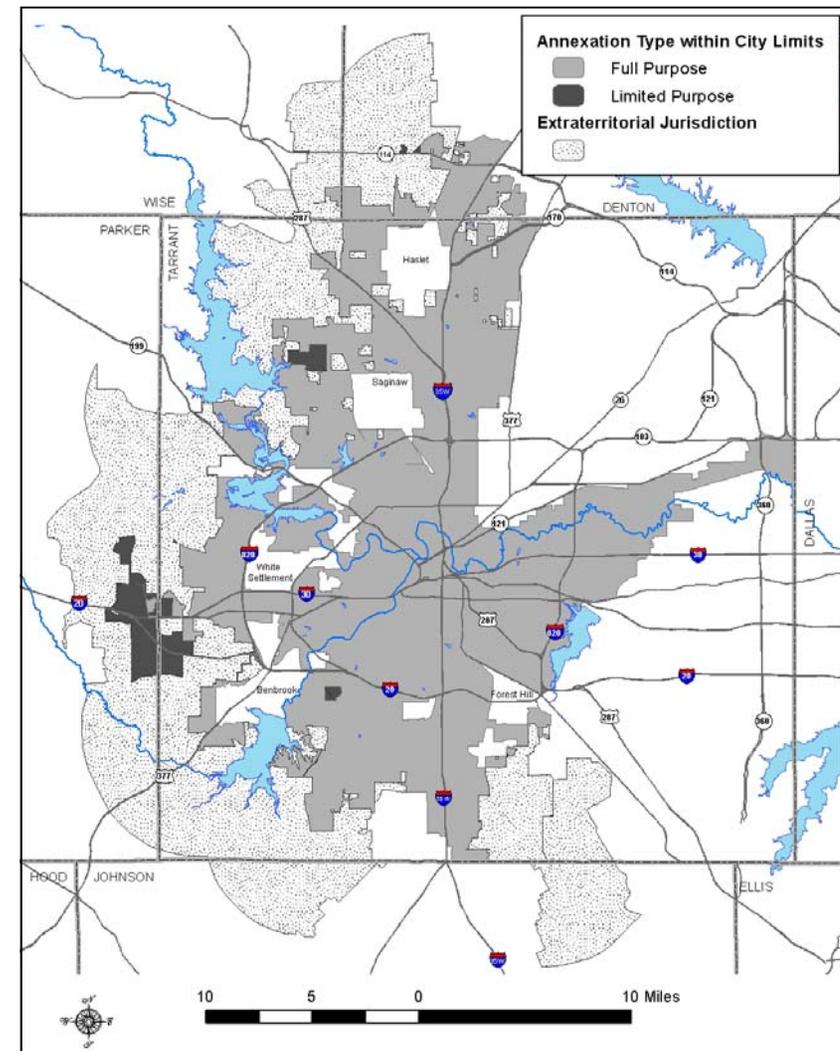
The provision of water service often plays a critical role in annexation decisions. The Texas Commission on Environmental Quality issues Certificates of Convenience and Necessity (CCN) for water services to a public or private organization that will provide exclusive water service to a defined area.

The boundary of the CCN held by the City of Fort Worth includes the majority of the land area within the city limits of Fort Worth, approximately 28 percent of its ETJ, and small areas not located in either the city limits or the ETJ. If a potential customer is located within an area for which the City of Fort Worth holds the CCN, the City must either provide water service if requested or decertify the area requesting service.

Impact of Annexation

- Annexation provides for the more efficient provision of public services and infrastructure necessary to develop raw land and consequently the tax base for the city, the region, and the state.
- Only after land is annexed to the City can zoning be applied to the property. Through the subsequent application of City zoning controls, annexation prevents the establishment of incompatible development patterns, while protecting existing and future land uses. Annexation therefore can be used as a growth management tool by promoting orderly development patterns. In some cases, the City of Fort Worth has approved limited-purpose annexations with appropriate zoning for which full city services are not extended and city taxes are not imposed.

Fort Worth City Limits and Extraterritorial Jurisdiction, 2011



The light gray shading on the map above shows Fort Worth's city limits, with the dark gray shading identifying limited-purpose annexation areas. The area shaded with dots is Fort Worth's ETJ, which can extend up to five miles beyond the city limits. The current ETJ contains approximately 310 square miles of land. (Source: Planning and Development Department, 2011.)

Implementation

To be annexed, the land must be contiguous to the city limits, unless the land is owned by the city. As a home rule city subject to Chapter 43 in the Texas Local Government Code, Fort Worth may implement annexations in one of two ways:

- Full-purpose annexation includes an area into Fort Worth and provides full municipal services including emergency response, public facilities, and maintenance of roadways and stormwater/drainage services. The city enforces all ordinances and assesses property taxes as well as sales taxes.
- Under limited-purpose annexation, Fort Worth enforces planning, zoning, and health and safety ordinances. The property owners do not pay City property taxes, and the City does not provide police or fire protection, roadway maintenance, or other services. Residents can vote in City Council and charter elections, but not bond elections, and cannot run for office. The City must annex an area for full purposes within three years after limited- purpose annexation, unless a majority of the affected landowners and the City agree to extend the deadline.

Annexations can be initiated by either the property owner or the city.

- Owner-Initiated: A process initiated by private property owners who petition the City to annex their property into its corporate limits.
- City-Initiated: A process in which the City initiates annexation where the affected property owners may not desire to initiate a petition. The City may initiate annexation to fix boundary irregularities, encourage desired economic development, or to regulate development that could be detrimental to orderly growth or have adverse impacts on the city. A city may initiate annexation on property contiguous to its boundaries and within its ETJ.

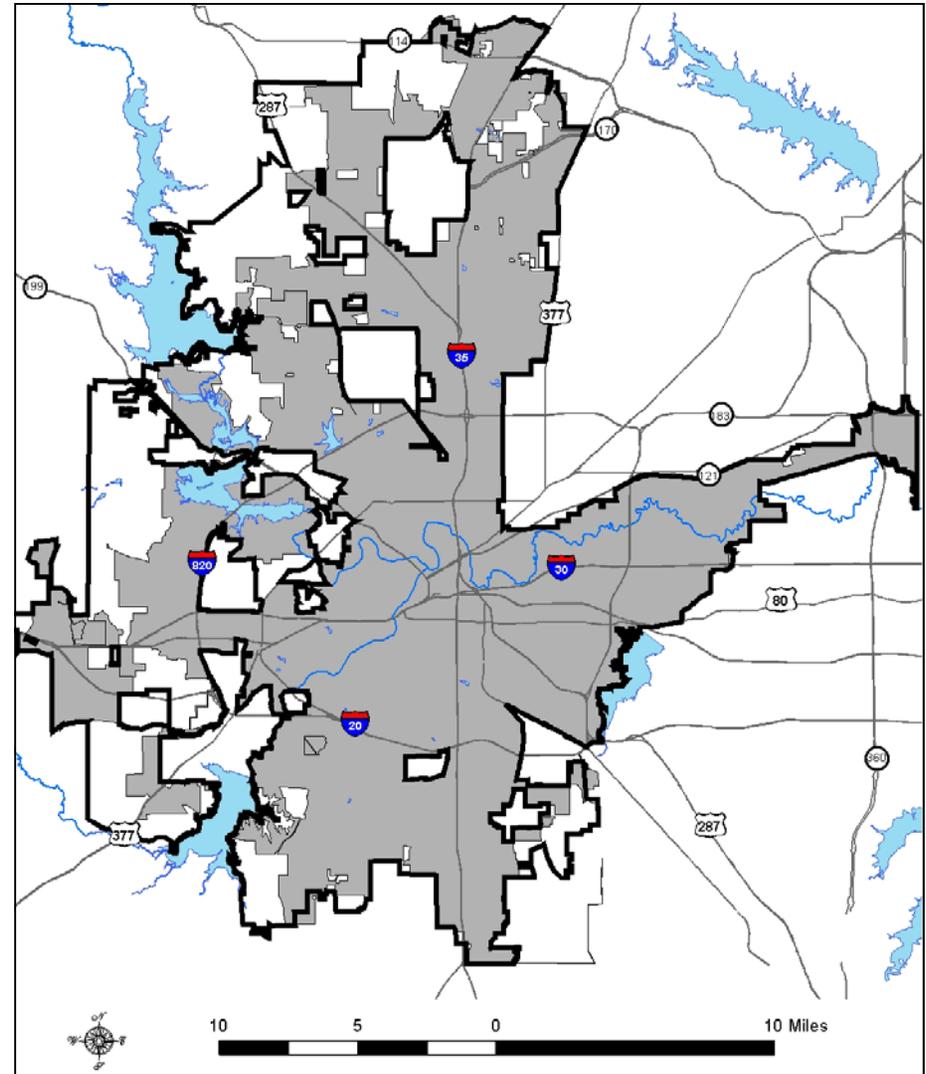
History of Annexation Until 1986

Fort Worth has grown from an original town site of 4.2 square miles and a population of approximately 3,000 persons, to the present size of 348 square miles (as of April 2011) and a population of 746,290 (2011 estimate). The map on the next page shows how Fort Worth has expanded since 1873.

Between 1930 and 1962, Fort Worth's growth was generated by the development of key defense-related employment centers such as General Dynamics (later operating as Lockheed Martin Tactical Aircraft Systems), Carswell Air Force Base, and Fort Worth Quartermaster Depot. These facilities created a need for new housing and associated infrastructure supplied by the City of Fort Worth.

From 1963 through 1986, Fort Worth expanded primarily along transportation corridors such as I-30, I-35W, Loop 820, US 287, and SH 121/SH 10. Major employment centers developed during the earlier years, including the Centreport development, located east of US 360, and south of the Dallas/Fort Worth International Airport.

Boundary of Certificate of Convenience and Necessity Area, 2011



The City of Fort Worth holds the Certificate of Convenience and Necessity for the majority of the land area within its city limits and about 28 percent of the ETJ. (Source: Water Department, 2011.)

Annexation Activity Since 1986

Since 1986, major expansion has occurred northward along I-35W, sparked by the development of Fort Worth Alliance Airport and its associated industrial park. Major activity centers within this region include Fort Worth Alliance Airport, the Alliance industrial park, the Burlington Northern Santa Fe Intermodal facility and rail yard, and Texas Motor Speedway.

In February 2002, the City Council considered the annexation of new developing areas in the Far North and Far Northwest sectors. The City Council approved annexation of approximately 9,000 acres in the Eagle Mountain Lake and U.S. Highway 287 areas for limited purposes in December 2002 and January 2003, respectively. The 287 zone was subsequently annexed for full purposes.

In October 2003, the City Council approved the owner-initiated limited-purpose annexation of over 7,000 acres located on the western edge of the city, known as Walsh Ranch. The City and property owners entered into an economic development agreement, which indicates the property will be developed over a 40- to 50-year period. In addition, the City and property owners agreed to extend the three-year deadline for full-purpose annexation pending the development of the property.

From January 2000 through May 2011, there were 113 annexations, consisting of 108 full-purpose and five limited-purpose annexations. If not zoned with annexation, the annexed property is designated as “AG” Agricultural until the property is rezoned by the property owner. Sixty-eight of the annexations were owner-initiated, and 45 were City-initiated.

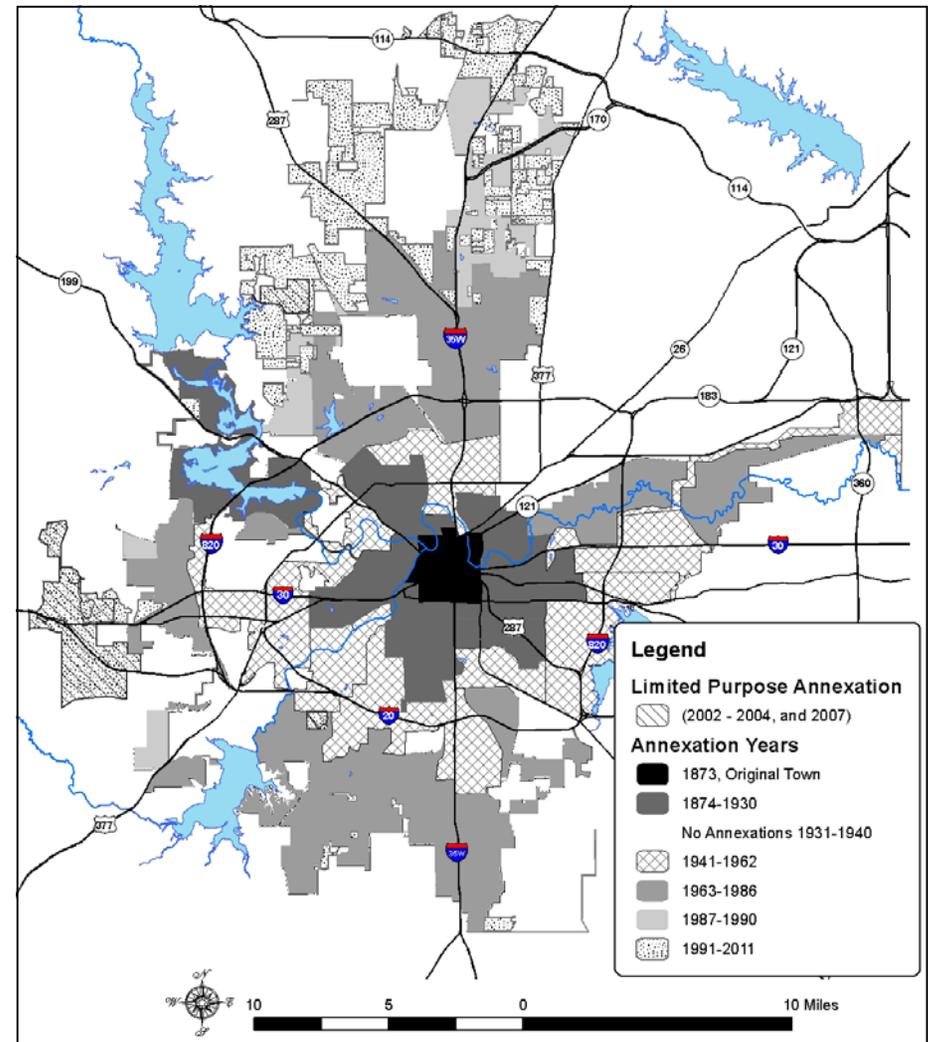
Fort Worth’s boundaries will continue to expand as new development unfolds along the city’s periphery. Such expansion will be fostered by the intensification of development within key growth centers such as Fort Worth Alliance Airport, Alliance Gateway industrial park, and Texas Motor Speedway. The area adjacent to Summer Creek TEX Rail Station in the southwest is likely to expand as new land uses develop near this mixed-use growth center. Construction of SH 121T (Chisholm Trail) and the Tarrant Express commuter rail line (TEX) are likely drivers of growth in the southwestern portion of Fort Worth.

ANNEXATION POLICY, PROGRAM, AND PLAN

Annexation Policy

In 1999, the City Council’s annexation plan stated, “at this time the City does not intend to annex any territory that is required to be in an annexation plan...” In response to a request by the City Council in 2002, an interdepartmental working group and a Mayor-appointed advisory committee assessed the extent to which the previous annexation policy, adopted in 1999, effectively furthered the strategic goals in the Comprehensive Plan. The working group made recommendations for amending the policy and formulating a multi-year annexation program. After much discussion, City Council adopted a new annexation policy on September 7, 2004, which replaced the 1999 annexation policy.

History of Annexation, 1874-2011



The map above shows land annexed since 1873. Fort Worth has grown from 4.2 square miles in 1873 to 348 square miles (335 square miles from full-purpose annexations and 13 square miles from limited-purpose annexations) as of May 2011. In 1873, the city’s population was 3,000 persons. Fort Worth’s estimated 2011 population is 746,290. (Source: Planning and Development Department, 2011.)

The new annexation policy:

- Provides for preparation of a five-year annexation program that identifies areas the City wishes to consider for annexation;
- Provides the City and affected property owners, through the annexation program, with an appropriate transition period by delaying certain City-initiated annexations for three or more years; and
- Improves external communication by holding additional public information meetings and soliciting comments from affected property owners, existing city residents, and pertinent local government agencies, prior to initiating formal annexation hearings.
- Gives protesting property owners the opportunity to participate in negotiations related to the provision of municipal services.

Annexation Program

For the first five-year program, the City involved property owners and community organizations from the ETJ and within the city itself in the formulation of the annexation program. City staff conducted numerous information meetings with interested local governments and affected property owners to answer questions and receive comments. As a non-legally binding document, inclusion of an area in the program does not obligate the City to annex that area, nor does omission of an area from the program prevent the City from annexing the area.

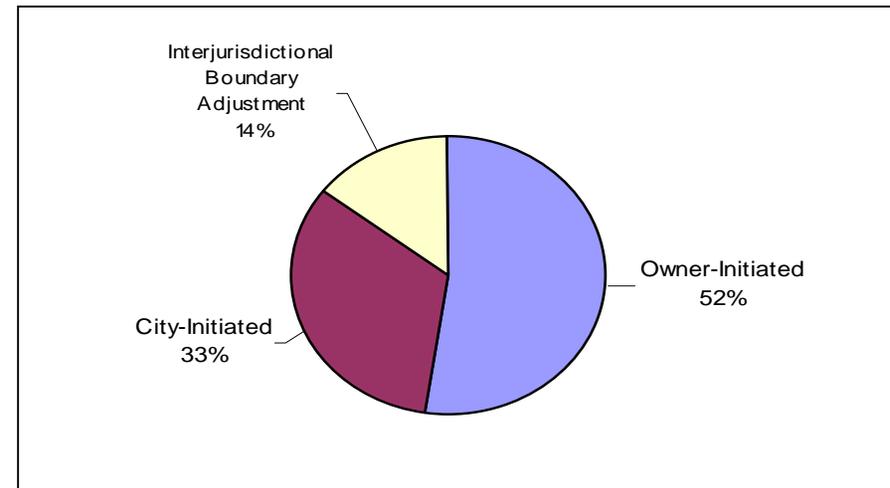
The five-year annexation program is incorporated into the Comprehensive Plan and reviewed annually to determine if other properties should be considered for annexation during the succeeding five years. Areas are placed in the annexation program based upon criteria defined in the annexation policy and the feasibility of providing city services. The City Plan Commission and the City Council also hold public hearings before adopting the annexation program as part of the Comprehensive Plan.

The 2012-2016 Annexation Program, found in Appendix F, identifies 33 areas totaling about 13.5 square miles to be considered for City-initiated annexation. These areas include: 24 enclaves, one limited-purpose annexation area to be considered for full-purpose annexation, five areas with anticipated urban development, three areas posing an adverse environmental impact, and four within growth centers. Two possible owner-initiated annexations are also shown.

Annexation Plan

State law requires cities to identify areas with 100 or more separate residential lots or tracts that the city intends to annex for full purposes in the City's annexation plan. The City may annex the area for full purposes beginning on the third anniversary of the area's addition to the annexation plan. The annexation plan currently includes one area with more than 100 residential dwelling units that the City may annex in 2013, one area in 2014, and one area in 2015. The resolution adopting the Annexation Plan and a summary of amendment activity can be found in Appendix F.

Number of Annexation and Disannexation Cases By Type, 1999-2011



Since 1999, the City has processed 157 annexation and disannexation cases. The majority of these cases have been initiated by the property owners. (Source: Planning and Development Department, 2011.)

STRATEGIES

Fort Worth demonstrates how the annexation process can be administered as a positive tool for guiding development in its ETJ. Fort Worth typically annexes properties that are within three years of being developed. The strategies listed below should help the City achieve its strategic goal of promoting orderly and sustainable growth.

Promote Economic Growth

Fort Worth should use annexation, where appropriate, as a tool to facilitate public-private partnerships intended to stimulate local and regional economic growth and implement sound capital improvement programming.

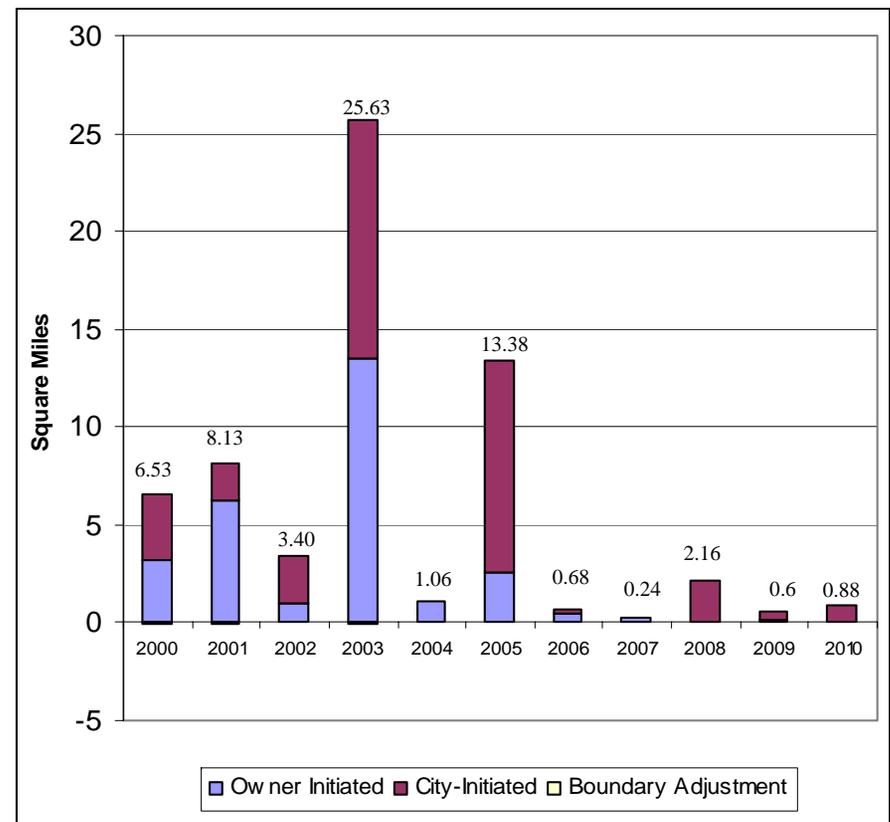
- The City should use its ETJ as a planning resource by anticipating candidate areas for annexation. Such areas would primarily consist of raw land, be accessible to public utilities provided by Fort Worth, and be within three years of being developed.
- Prior to annexation, the City should coordinate with the property owners in developing a service plan for the logical extension of infrastructure and services to the proposed development. Once service plan commitments have been established, the City should verify funding sources (both public and private) for implementation of the plan. Sources may include, but not be limited to, the following: special taxation districts, water and sewer impact fees, transportation impact fees, community facilities agreements, capital improvement program budgets, and other sources deemed appropriate for the specific project.

Facilitate Long Range Planning

Fort Worth should use annexation to manage and regulate development on the fringe of the city in accordance with the Comprehensive Plan.

- Some annexations can be approved without being included in the annexation plan, including sparsely developed areas with less than 100 residential tracts, industrial areas, vacant properties, and owner-initiated annexations.
- As unincorporated areas become more densely developed, the Comprehensive Plan should identify additional growth centers in the ETJ, which should be considered for annexation.
- The Comprehensive Plan should address linkages to future growth centers in the ETJ. Consideration should be given to key thoroughfares and their impact on new development patterns as they extend into the ETJ. Such thoroughfares could include: SH 121T as it extends into southwest Tarrant County, I-30 extending into Parker County, SH 114 as it extends into Wise County, the proposed development of the Outer Loop from SH 170 on the north to FM 1187 to the south, and the U.S. Highway 287 corridor in the northwest portion of Tarrant County. New regional commuter rail lines provide additional opportunities for linkages to areas in the ETJ and within the city limits.
- As requests for water are received from persons located within the water service areas authorized by CCNs, the City will make the requested service available under terms and conditions as set forth in applicable City utility service ordinances or as otherwise ordered by the State.

Land Area Associated with Annexations and Disannexations by Year and Type, 2000-2011



Since 1999, the City has annexed approximately 66.0 square miles, for both full and limited purposes. The majority of this land area was annexed in 2003. Of the land area included in the calculations, 26.0 square miles were annexed for limited purposes. This area may be subject to future full-purpose annexation, and should not be cumulatively combined. (Source: Planning and Development Department, 2011.)

Protect Future Development

Fort Worth should use annexation as a means of extending the City's land use regulations and building codes to protect future development from inadequate design and construction standards that may proliferate in unincorporated areas.

- In an effort to establish and sustain development standards for future annexation sites, the City Plan Commission should review the effectiveness of the subdivision rules and regulations in accomplishing the objectives of the Comprehensive Plan as applied to the ETJ.
- When the City Plan Commission finds that development proposals for an area appear to be contrary to or inconsistent with the planning objectives for that area, or that the frequency of requests indicates a need for modifications, the commission should advise the City Council of its conclusions and may file a proposal to amend the regulations applied to future development.
- As part of an owner-initiated or limited-purpose annexation, the City Plan Commission should prepare a report recommending the locations and types of zoning districts to be established based on the Comprehensive Plan, and file a copy of the report with the Zoning Commission and the City Council for their evaluation at public hearings.
- Planning, zoning, building inspection, code compliance, and other enforcement jurisdictions of the City of Fort Worth are extended to annexed territories on the effective date of the annexation ordinance. Developed land uses that existed prior to annexation are grandfathered in accordance with the provisions prescribed by State statute. However, all new construction projects must conform to applicable development standards of the City.

Foster Intergovernmental Cooperation

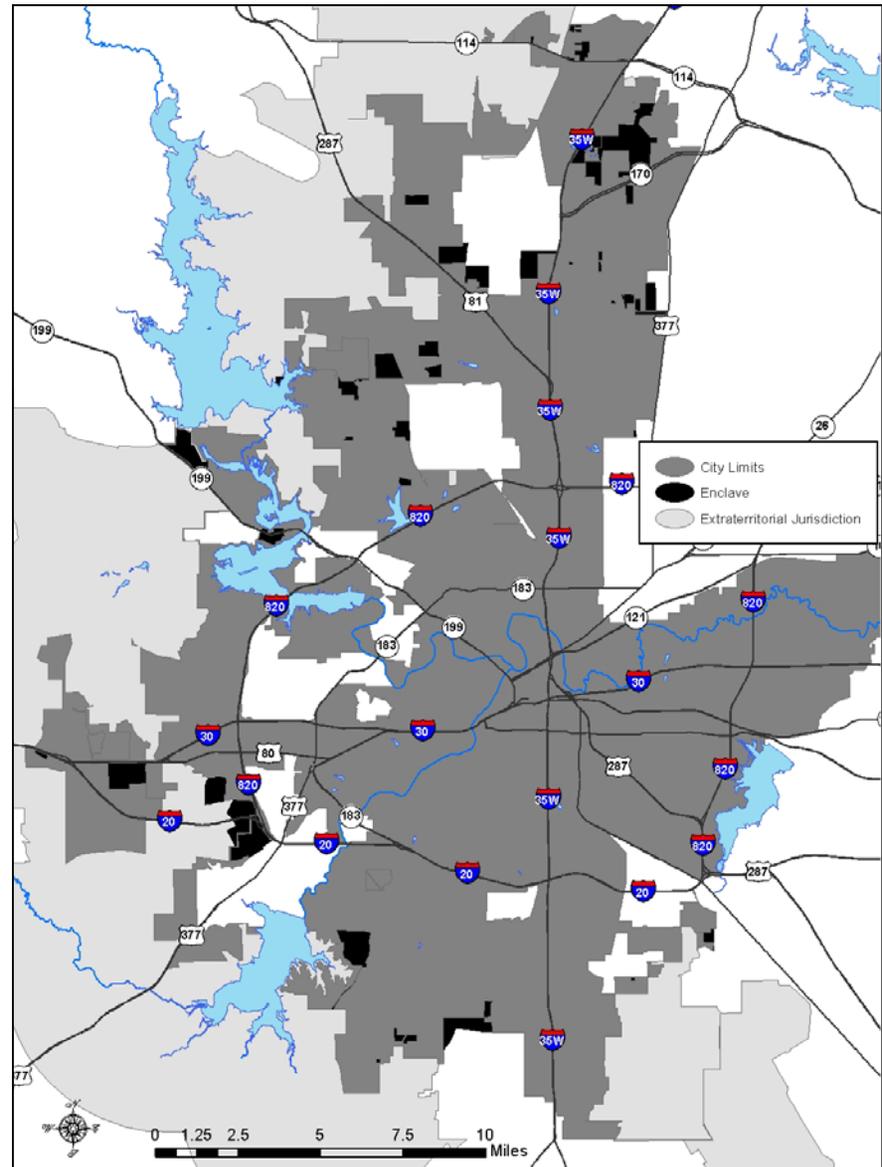
Fort Worth should use annexation as an approach for alleviating jurisdictional conflicts with abutting municipal and county governments, and for coordinating service delivery arrangements with emergency response providers and municipal utility districts.

The City should consider requests for boundary adjustments from adjacent municipalities where an exchange of territories of equivalent value, or an exchange for other consideration of an equivalent value, could occur between cities. The requesting municipality should have adequate land use controls to maintain development standards equivalent to those of the City of Fort Worth. It can be anticipated that such adjustments will not be adopted if the area to be released would result in a reduction to the City of Fort Worth's revenue stream or if the area contains environmental and economic resources vital to Fort Worth's interests.

Policy Concerning Creation of Utility Districts

Utility Districts are political subdivisions created under the Texas Constitution - Article III, Section 52 and/or Article XVI, Section 59. The districts' purpose is to provide infrastructure and other services that vary based on the type of district (Municipal Utility District [MUD], Fresh Water Supply District [FWSD], or Water Control and Improvement District [WCID]). The districts may issue debt and assess

Existing Enclaves, 2011



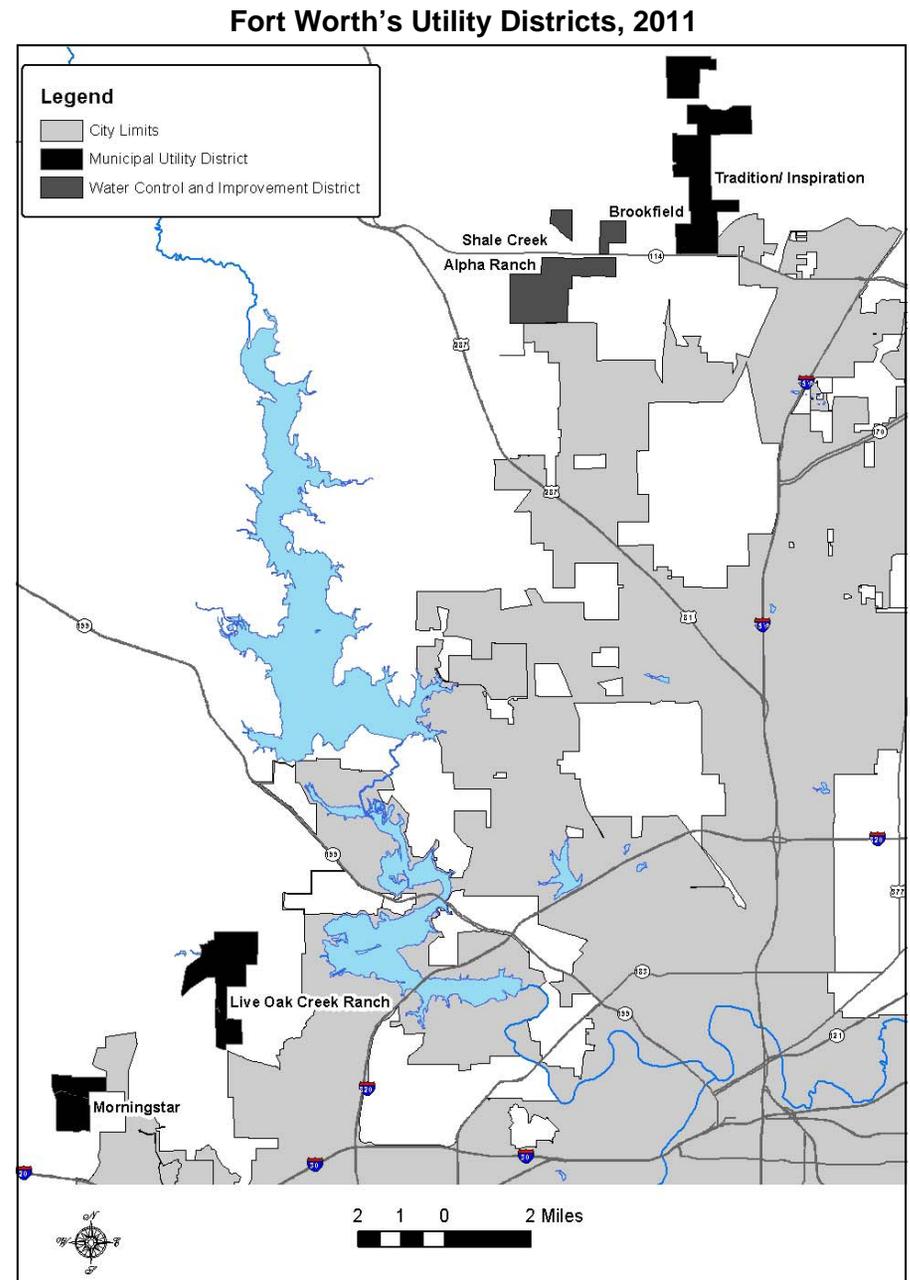
Enclaves are areas within the City's ETJ that are surrounded by the corporate limits of the City of Fort Worth and/or the corporate limits or ETJ of other municipalities or otherwise approved by Fort Worth City Council.

(Source: Planning and Development Department, 2011.)

taxes to finance the corresponding development's infrastructure. The City of Fort Worth is able to negotiate certain regulatory powers over these districts that form in the extraterritorial jurisdiction. The full "Policy Concerning Creation of Conservation and Reclamation Districts" can be found in Appendix G.

Historically, the only MUD in Fort Worth's ETJ was formed in 1974 and was known as Lake Country. This development was annexed by the City of Fort Worth in 2000. Beginning in 2004, a renewed developer interest in this financing mechanism occurred, and the City received several petitions to form districts. Staff approached these projects as long-term annexation plans and sought to exercise development standards, ensuring the quality of the development until a future point when the debt-load is reduced sufficiently for annexation to be practical.

The City of Fort Worth has authorized the formation of three MUDs (Live Oak Creek Ranch, Morningstar, and Tradition/Inspiration) and has given conditional consent to two additional phases of these MUDs and three WCIDs (Alpha Ranch, Brookfield, and Shale Creek). Although the existing Annexation Policy indicates annexation should be considered since dense development in the near term is anticipated, the City evaluates annexations based on the proximity to the city limits, the possession or ability to acquire the certificate of convenience and necessity, and the housing gap filled by the project.



The City of Fort Worth has authorized formation of three Municipal Utility Districts and three Water Control and Improvement Districts. (Source: Planning and Development Department, 2011.)

