



MEMORANDUM

Council Agenda
Item No. VII.Q.
9/27/2016

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Ordinance to be introduced and set for final hearing October 11, 2016, diminishing the corporate limits of The City of Oklahoma City, and designating an area south of SW 89th Street, east of Mustang Road, west of Sara Road, and north of SW 119th Street abutting the City of Mustang in portions of Section 3, Township 10 North, Range 5 West, Indian Meridian and portions of Section 10, Township 10 North, Range 5 West, Indian Meridian in Canadian County, Oklahoma for such diminution; and determining that the area for such a diminution is considered to be within the corporate limits of The City of Oklahoma City; and setting an effective date of December 11, 2016; and repealing all ordinances, or parts of ordinances in conflict herewith; and providing that if any part of portions hereof are invalid or ineffective, the remaining portions shall not be affected.

Purpose To deannex land as petitioned so that the same may be annexed by the City of Mustang to provide services for a mixed-use development.

Background In April 2015, land owners petitioned The City of Oklahoma City to deannex approximately 1,000 acres south of Mustang along the Highway 4 corridor so it could be annexed into the City of Mustang and provided with urban services. The area was to be developed as a large residential "estate" subdivision. The Planning Department coordinated with other City departments to produce a deannexation analysis report, which staff presented for consideration to the adhoc Annexation/De-annexation Committee in June and July 2015. This Committee, chaired by Councilman Larry McAtee (Ward 3) with members Councilman James Greiner (Ward 1) and Councilman Pete White (Ward 4), reviewed the request and directed staff to forward the deannexation proposal to Planning Commission and City Council once the fully executed petition was received in the City Clerk's office.

In November 2015, a revised, fully executed petition was submitted to Oklahoma City. The revised petition included a modified concept for the development of the area. This new concept envisioned a mixed-use community with commercial and recreational uses integrated with a variety of residential product options.

In December 2015, the adhoc Annexation/De-annexation Committee convened again to review the new petition and its development concept and provide a new recommendation as appropriate. The Committee

decided to move the process forward to Planning Commission without providing a recommendation.

On January 14, 2016 the deannexation item was introduced at the Planning Commission and public hearing was set for January 28, 2016.

On January 28, 2016, Planning Commission held a public hearing on the proposed action. At this hearing Staff presented their evaluation and the petitioners provided additional details about their project. Planning Commission directed staff to further refine the process and the analysis related to costs and benefits. The item was deferred to March 24, 2016 until this analysis could be completed.

On March 24, 2016 the item was deferred to April 28, 2016 so that a Study Session could be held on the topic of annexation/deannexation criteria generally.

On April 14, 2016 the Planning Commission discussed criteria related to municipal boundary changes at their quarterly Study Session. Guidance from that discussion requested that some of the criteria related to more detailed costs and benefits be included in this deannexation item.

On April 28, 2016 the Planning Commission approved the applicant's request to defer the item to June 23, 2016.

On June 14, 2016 the petitioners/applicant withdrew their original petition and submitted their intent to file a new petition.

On June 23, 2016 the original item was withdrawn at the Planning Commission meeting.

On June 24, 2016 the petitioners/applicant submitted a petition to deannex the property in question. The petition was substantially similar to the original with the exception that the earlier revisions were included from the beginning of the process and the petitioner's notice reflected the same.

In July the City Clerk verified the signatures and issued a notice that the City had received a petition for deannexation and that Council would be acting on the petition on August 2, 2016.

On August 2, 2016 the City Council deferred the petition to Planning Commission for their recommendation.

On September 8, 2016 the Planning Commission held a public hearing on the petition and recommended that the deannexation be approved with certain conditions related to clarification of rights-of-way and other items that should be made the subject of an agreement between Mustang and Oklahoma City.

Considerations and Findings

Oklahoma City completed a Staff Evaluation to provide information to the Planning Commission and City Council regarding the petition to deannex a portion of land south of Mustang. Key findings and considerations resulting from the evaluation include:

- The City of Mustang abuts the site to the north. In Mustang, north of the site, a variety of low and moderate intensity development exists – primarily single family residential and supporting commercial uses. Most of the land within a mile of the site is zoned for agricultural uses. Farming, ranching, and oil and gas activities are conducted throughout this part of the metro area.
- Oklahoma City infrastructure in the area is limited to rural arterial roads and none of Oklahoma City’s major services – fire, police, water, or sewer – have long-range plans to provide the significant capital or expanded operational capacity required to develop this area more intensely.
- Based on recent land absorption rates, this area of Oklahoma City can continue to develop at the historic rate and pattern well into the future.
- If the site is developed as conceived, Oklahoma City will forgo current property tax and future sales tax revenues.
- Oklahoma City will lose the ability to fully connect the arterial road network in the area.
- Oklahoma City will likely feel pressure to develop nearby areas at urban intensities after services are made available by Mustang.
- Management of rights-of-way will be complicated by dividing responsibility along their centerlines.
- Rural character, one of Oklahoma City’s unique assets, will be lost.
- The estimated economic benefit to Oklahoma City is \$70,700 per year in avoided maintenance and public safety service costs.
- The estimated economic cost to Oklahoma City is between \$192,000 and \$549,000 per year in unrealized revenue from property and sales tax.

Review

Planning Department

Recommendation: Ordinance be introduced, set for final hearing on October 11, 2016, and appropriate notice be published as required by law.

Attachment