



# Interim Report

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## to the 84th Legislature

House Committee on  
Land and Resource Management



December 2014

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**HOUSE COMMITTEE ON LAND AND RESOURCE MANAGEMENT  
TEXAS HOUSE OF REPRESENTATIVES  
INTERIM REPORT 2014**

**A REPORT TO THE  
HOUSE OF REPRESENTATIVES  
84TH TEXAS LEGISLATURE**

**JOE DESHOTEL  
CHAIRMAN**

**MELISSA QUEVEDO  
COMMITTEE CLERK**

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Committee On  
Land and Resource Management

December 1, 2014

Joe Deshotel  
Chairman

P.O. Box 2910  
Austin, Texas 78768-2910

The Honorable Joe Straus  
Speaker, Texas House of Representatives  
Members of the Texas House of Representatives  
Texas State Capitol, Rm. 2W.13  
Austin, Texas 78701

Dear Mr. Speaker and Fellow Members:

The Committee on Land and Resource Management the eight-third Legislature hereby submits its interim report including recommendations for consideration by the Eighty-fourth Legislature.

Respectfully submitted,

Joe Deshotel

Armando Walle

Abel Herrero

Tan Parker

David Simpson

James Frank

Craig Goldman

Chris Paddie

Drew Springer

Armando Walle  
Vice-Chairman

Members: Abel Herrero, Tan Parker, David Simpson, James Frank, Craig Goldman, Chris Paddie, Drew Springer



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## **INTRODUCTION TO LAND & RESOURCE MANAGEMENT**

At the beginning of the 83rd Legislature, the Honorable Joe Straus, Speaker of the Texas House of Representatives, appointed nine members to the House Committee on Land and Resource Management (the Committee).

The Committee membership includes the following appointees:

Joe Deshotel, Chair; Armando Walle, Vice-Chair; Abel Herrero, Tan Parker, David Simpson, James Frank, Chris Paddie, Craig Goldman and Drew Springer.

Pursuant to House Rule 3, Section 24 (83rd Legislature), the Committee shall have jurisdiction over all matters pertaining to:

- (1) the management of public lands;
- (2) the power of eminent domain;
- (3) annexation, zoning, and other governmental regulation of land use; and
- (4) the following state agencies: the School Land Board, the Board for Lease of University Lands, and the General Land Office.

During the interim, Speaker Joe Straus issued five interim charges to the Committee to study and report back with facts, findings, and recommendations. The House Committee held three public hearings on Monday, June 30th of 2014, Tuesday, September 9th of 2014 and Wednesday, October 15th of 2014 to study the charges.

The Committee also accepted written testimony and research from the public in the course of compiling this report. Appreciation is extended to those who testified before the Committee and those that submitted written testimony and research during this time.



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## **INTERIM STUDY CHARGES**

1. Examine population growth in Texas cities and the impact the growth has had on housing, available land resources, city centers, businesses, and the state's economy. Evaluate Texas's preparedness to respond to future growth and ensure economic stability.

(Joint charge with the House Committee on Urban Affairs)

2. Study the effectiveness of the implementation of HB 3459 (83R) and examine the feasibility and desirability of creating and maintaining a coastal barrier system.

(Joint Charge for Joint Committee on Coastal Barrier System)

3. Study current regulatory authority available to municipalities in their extraterritorial jurisdiction. Examine how citizens are involved in the zoning process, and make necessary recommendations to ensure a proper balance between development activities, municipal regulations, and the effect zoning decisions have on Texas citizens.

4. Examine opportunities to improve the resiliency of the Texas coast to withstand tropical storms. Study strategies to incentivize and encourage hazard mitigation, and consider the current state of building codes and how they might more effectively protect property and reduce losses. Examine the proper role of insurance in protecting the Texas coast. Coordinate as necessary with the joint interim committee created by HB 3459 (83R).

(Joint charge with the House Committee on Insurance)

5. Conduct legislative oversight and monitoring of the agencies and programs under the committee's jurisdiction and the implementation of relevant legislation passed by the 83<sup>rd</sup> Legislature. In conducting this oversight, the committee should:
  - a. consider any reforms to state agencies to make them more responsive to Texas taxpayers and citizens;
  - b. identify issues regarding the agency or its governance that may be appropriate to investigate, improve, remedy, or eliminate;
  - c. determine whether an agency is operating in a transparent and efficient manner; and
  - d. identify opportunities to streamline programs and services while maintaining the mission of the agency and its programs.

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## **CHARGE 1**

Examine population growth in Texas cities and the impact the growth has had on housing, available land resources, city centers, businesses, and the state's economy. Evaluate Texas's preparedness to respond to future growth and ensure economic stability.

(Joint charge with the House Committee on Urban Affairs)

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## SCOPE OF COMMITTEE WORK

The Committee held a joint hearing with the House Committee on Urban Affairs on Wednesday, October 15th of 2014 in Austin, Texas. During the hearing, the committees heard invited testimony from the following: Office of State Demographer, Director of Uplands Surface Leasing, Texas Department of Housing and Community Affairs, Texas Landowners, Texas Conference of Urban Counties, Texas Apartment Association, Texas Housers, Texas Municipal League, Texas Association of Realtors, Texas Public Policy Foundation, American Planning Association-Texas Chapter.

Pursuant to House Rule 3, Section 24 (83rd Legislature), the Committee will focus on the municipal regulation of annexation, zoning, and other regulation of land use to ensure Texas' ability to sustain the population growth and ensure economic stability.

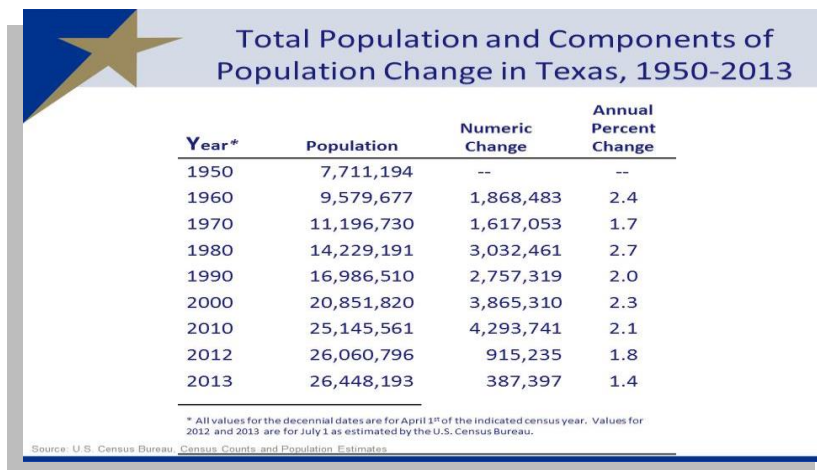
## BACKGROUND INFORMATION

### *Population Growth<sup>1</sup>*

Texas has definitely made its mark by having some of the fastest growing cities in the United States. According the US Census, one-third of the top 20 fastest growing cities in the United States are in Texas for the year of 2012 to 2013. These cities include: Houston, San Antonio, Dallas, Austin, Fort Worth, and El Paso.

The population growth can be seen with in the urban and suburban areas of the triangle counties: Harris, Bexar, Dallas, Tarrant, and Travis. In addition, the Rio Grande Valley and El Paso has seen an increase in population. Although, the growth pattern is not seen throughout the entire state. 99 counties which is equivalent to 39% of the State's counties have lost population in the last three years.

### Highlights from "Population Growth of Texas' Cities and Its Impact"<sup>2</sup>

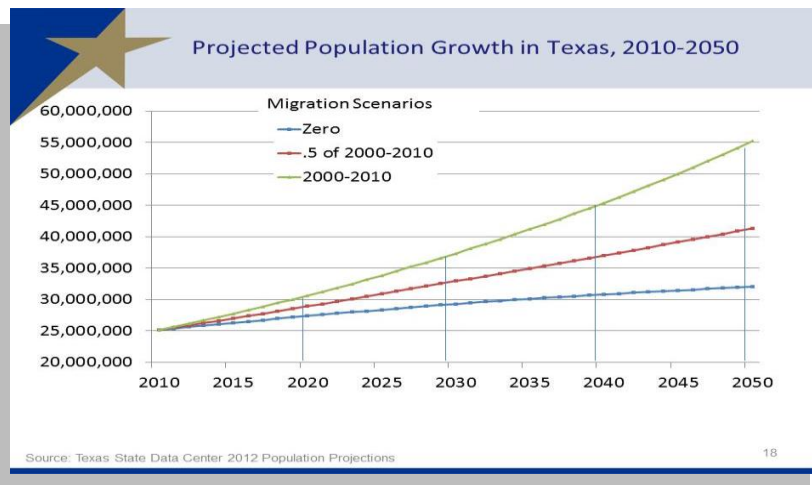


**Total Population and Components of Population Change in Texas, 1950-2013**

Year*	Population	Numeric Change	Annual Percent Change
1950	7,711,194	--	--
1960	9,579,677	1,868,483	2.4
1970	11,196,730	1,617,053	1.7
1980	14,229,191	3,032,461	2.7
1990	16,986,510	2,757,319	2.0
2000	20,851,820	3,865,310	2.3
2010	25,145,561	4,293,741	2.1
2012	26,060,796	915,235	1.8
2013	26,448,193	387,397	1.4

\* All values for the decennial dates are for April 1<sup>st</sup> of the indicated census year. Values for 2012 and 2013 are for July 1 as estimated by the U.S. Census Bureau.  
Source: U.S. Census Bureau, [Census Counts and Population Estimates](#)

*Since 1950, Texas has grown substantially with some variation over the years in the speed of growth, but in general population growth in Texas has been geometric in nature.*



*Using three assumption of migration (zero, 2000-2010, and half of 2000-2010) the population of Texas is expected to continue to grow. Under the more aggressive scenario, the population increase will increase each year over the past years increase.*

### **Population Growth, Economic Stability and the Roles of Municipalities:**

Population growth can signify a prosperous economy meaning an abundance of employment opportunities and suitable living conditions. Although, population growth can damage the State's economy by putting a strain on the labor, housing and other resources. The State must be prepared to handle the influx and continuous growth of population.

The State relies heavily on municipalities to create a stable environments which provides for economic growth. Municipalities must provide and maintain residential, employment and entertainment areas; safety in the form of police stations, fire stations and hospitals; and proper infrastructure for roadways, clean water and sewage. In turn, these amenities offered by municipalities allow for residents, tourists, businesses and industries to prosper. All the while, the state does not provide significant funding to municipalities but it does grant them the ability to create and enforce ordinances, control land development and create revenue.

#### *Zoning*

Municipal zoning authority was codified into Chapter 211 of the Local Government Code. The purpose for allowing zoning regulations and zoning districts was provide municipalities the ability to promote the public health, safety, morals, or general welfare and protecting and preserving places and areas of historical, cultural, or architectural importance and significance.<sup>3</sup>

- Zoning regulations- the height, number of stories, and size of buildings and other structures; the percentage of a lot that may be occupied; the size of yards, courts, and other open spaces; population density; the location and use of buildings, other structures, and land for business, industrial, residential, or other purposes; and the pumping, extraction, and use of groundwater by persons other than retail public utilities. Designated places and areas of historical, cultural, or architectural importance and significance may regulate the construction, reconstruction, alteration, or razing of buildings and other structures. In addition, home-rule municipality may also regulate the bulk of buildings.<sup>4</sup>

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- Zoning districts-regulates the erection, construction, reconstruction, alteration, repair, or use of buildings, other structures, or land. The regulations must be uniform for each class or kind of building in a district, but the regulations may vary from district to district. The regulations shall be adopted with reasonable consideration, among other things, for the character of each district and its peculiar suitability for particular uses, with a view of conserving the value of buildings and encouraging the most appropriate use of land in the municipality.<sup>5</sup>

#### *Extraterritorial Jurisdiction (ETJ)*

The legislature codified extraterritorial jurisdiction into Chapter 42 of the Local Government Code. The purpose "...designate certain areas as the extraterritorial jurisdiction of municipalities to promote and protect the general health, safety, and welfare of persons residing in and adjacent to the municipalities."<sup>6</sup>

- Extraterritorial Jurisdiction (ETJ)- is the unincorporated area, contiguous to the corporate boundaries of the municipality. The extent to which the ETJ is given, depends on the number municipal inhabitants.<sup>7</sup>
- Regulation of ETJ -Subdivision plats may be regulated by applying standards for infrastructure, tracts, intended to be dedicated to public use.
  - Exception: Border counties, Harris County and surrounding counties must enter into an agreement with the county.
  - Benefits: Saves municipalities money in the long run by ensuring minimum standards are set for infrastructure and development in surrounding areas which could be annex, if necessary.

#### *Annexation*

The powers of annexation can be found in Subchapter B of Chapter 43 of the Local Government Code. The purpose of annexation by municipalities is to zoning and development standards, provide more efficient public safety and municipal services. Most importantly, annexation gives municipalities the ability to maximize the return on investments (infrastructure and business incentives), protect and expand the tax base. Below is a broad explanation, as the process can become more complicated depending on the circumstances.

- General law city- (usually a population of under 5,000) annexation can only be accomplished at the request of area landowners or voters, depending on the number of registered voters in the area
  - Some exceptions allow for annexation without consent but it is very limited.
- Home rule city-(usually a population of over 5,000) annexation may be accomplished without consent if the charter provides for it.

#### General Stipulations:

- Property must be located in the municipalities ETJ but not located in another's ETJ.
- Agricultural, wildlife management, timber management properties cannot be annex

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without an agreement between owner and municipality.<sup>8</sup>

*Issue:*

Municipalities around the state of Texas has seen a boost in their populations. The population growth raises concerns of the state ability to ensure economic stability.

## **COMMITTEE FINDINGS**

While testimony was not heard on municipalities' authority to zone, regulate extraterritorial jurisdictions (ETJ) and annexation, the committee would like to note these are powers given to local jurisdictions in order to ensure economic stability as well as curve the ill effects of urbanization.

In addition, the committee believes the program as described by Mr. Aland McWilliams, General Land Office, is functioning properly and providing private owners of farm and ranch lands adequate opportunities to protect their property from unwanted development..<sup>9</sup>

The Committee would like to note, municipalities who use these powers properly can avoid the negative effects on resources, infrastructure, housing and revenue which arises from population growth. Please reference interim charge three (3) for negative effects of municipal regulation on land use.

## **RECOMMENDATION**

The committee remains silent on recommendations for this charge.



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## **CHARGE 2**

Study the effectiveness of the implementation of HB 3459 (83R) and examine the feasibility and desirability of creating and maintaining a coastal barrier system.

(Identical Charge for Joint Committee on Coastal Barrier System)



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## **SCOPE OF COMMITTEE WORK**

The Committee did not meet to discuss the interim charge.

## **BACKGROUND**

HB 3459 (83R) created a Joint Committee on Coastal Barrier System to examine the feasibility and desirability of creating and maintaining a coastal barrier system.

The committee consists of the following the House and Senate members:

Rep. Joe Deshotel, Co-Chair; Rep. Armando Walle, Rep. Abel Herrero, Rep. Tan Parker, Rep. David Simpson, Rep. James Frank, Rep. Chris Paddie, Rep. Craig Goldman, Rep. Drew Springer, Rep. Greg Bonnen, Rep. Geanie Morrison

Sen. Larry Taylor, Co-Chair; Sen. Bob Deuell, Sen. Rodney Ellis, Sen. Kevin Eltife, Sen. Craig Estes, Sen. Troy Fraser, Sen. Glenn Hegar, Sen. Juan Hinojosa, Sen. Eddie Lucio, Jr., Sen. Robert Nichols, Sen. Kel Seliger, Sen. Carlos Uresti

The Joint Committee on Coastal Barrier System held a hearing on Monday, August 4th, 2014 at the University of A&M Galveston, in Galveston, Texas. The Joint Committee heard invited and public testimony on the charge.

## **RECOMMENDATION**

The Committee ask for you to reference the interim report for the Joint Committee on Coastal Barrier system, since the House Committee on Land and Resource Management did not meet separately to discuss the charge.

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### **CHARGE 3**

Study current regulatory authority available to municipalities in their extraterritorial jurisdiction. Examine how citizens are involved in the zoning process, and make necessary recommendations to ensure a proper balance between development activities, municipal regulations, and the effect zoning decisions have on Texas citizens.

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## SUMMARY OF COMMITTEE WORK

The Committee held a public hearing on Monday, June 30th of 2014 in Austin, Texas. During the hearing, the committee heard testimony from the following groups (not necessarily in this order): Dallas Builders Association, Texas Public Policy Foundation, Texas Municipal League, Real Estate Council of Austin, City of San Antonio, Texas Builders Association, Home Builders Association: Greater Austin, Pohl Partners. The committee also heard testimony from the following property owners (not necessarily in this order): Anita Dunn, Pamela Madere, Ann Seaman.

In addition, the Committee received supplemental written testimony from Anthony Gray representing Texas Land Developers Association (TLDA) and its division, Texas Land and Mortgage (TL&M); and Scott Campbell representing S.R. Campbell Properties, Texas Land Developers Association (TLDA) and its division, Texas Land and Mortgage (TL&M).

## BACKGROUND

*Extensive research has been conducted by Senate and the House Committees on the subject regulatory authority and extraterritorial jurisdictions over the years (listed below). In order to prevent redundancy of information, the committee will only give highlights on municipal zoning, extraterritorial jurisdictions (ETJs) and annexation.*

The following reports could be used for reference:

- During the 80th legislative interim, the Senate Committee on Jurisprudence studied the following charge:

Study administrative and legal procedures used by municipalities to exert regulatory authority beyond city limits and extraterritorial jurisdiction. Determine whether conflicts exist with agencies' regulatory authority and regulatory authority delegated to home rule municipalities, and make recommendations for appropriate delegation and clarification of respective authorities. No recommendations were adopted by the committee in order to avoid long-standing principles regarding EJC and nuisance law.<sup>10</sup>

- During the 81st legislative interim, the Senate Committee on Intergovernmental Relations studied the following charge:

Review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on impacts to private property rights. Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority. No recommendations were adopted by the committee due to statutory

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changes (76RSB89, 77RHB1445, 80RSB1867) which they felt created a balance in policies related to annexation, zoning, and authority in the extraterritorial jurisdiction and unincorporated areas. The committee stated concerns regarding development and growth were localized.<sup>11</sup>

- During the 82nd legislative interim, the Committee on Land and Resource Management studied the following charge:

Examine the current regulatory authority available to municipalities in their extraterritorial jurisdiction to ensure a proper balance between development activities and municipal regulation in the 82nd interim. The committee recognized and had concerns regarding excessive and abusing regulations which denied property owners their right to develop land. Although, the committee did not recommend statewide solutions as they would have unintended consequences on communities other than those imposing unreasonable regulations. The committee recommends local bills to target specific areas brought by their members who are affected by "bad" regulations.<sup>12</sup>

## **Municipal Zoning**

*The Local government Code, §211.001 states municipal zoning authority ..."are for the purpose of promoting the public health, safety, morals, or general welfare and protecting and preserving places and areas of historical, cultural or architectural importance and significance".*

### Highlights on Municipal Zoning

- A. Texas municipalities may regulate land in accordance with Chapter 211 of the Local Government Code. Section 211.003.
  - Covers details as to what a municipality may regulate such as the height, number of stories, and size of buildings and other structures; the percentage of a lot that may be occupied; the size of yards, courts, and other open spaces; population density; the location of buildings, other structures, and land for business, industrial, residential or other purpose, and; the pumping, extraction, and use of groundwater by persons other than retail public utilities, for the purpose of preventing the use or contact with groundwater that presents an actual or potential threat to human health.
  - Designated places and areas which cover historical, cultural, or architectural importance and significance by regulation of construction, reconstruction, alterations, or razing.
  - Home-rule municipalities the ability to regulate the build of buildings<sup>13</sup>
  - Recent Legislation
    - a.) No recent legislation has been passed since 2003.
- B. Pursuant to Section 211.004(a), Texas municipalities must apply zoning regulations in accordance with a comprehensive plan. Chapter 213 of Local Government Code, authorizes a municipality to adopt a comprehensive plan for "...long-range development..." of the municipality but does not define "long-range" or otherwise limit

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the scope or time horizon of a comprehensive plan.

- Sec. 211.004(a) does not use the phrase "long-term development", instead it specifies the purpose of a Comprehensive Plan. It is designed to: lessen congestion in streets, secure safety from fire, panic, and other dangers, promote health and the general welfare, provide adequate light and air, prevent the overcrowding of land, avoid undue concentration of population and/or facilitate the adequate provision of transportation, water, sewers, schools, parks, and other public requirements.<sup>14</sup>
  - *Town of Sunnyvale v Mayhem*(Texas. App.-Dallas 1994)-An appellate ruling holding zoning decisions are vested in the discretion of municipal authorities. Although zoning decisions must abide with constitutional standards, municipalities may use zoning to protect the ill effects of urbanization. "A generally applicable zoning ordinance will survive a substantive due process challenge if it is designed to accomplish an objective within the government's police power and if a rational relationship exist between the ordinance and its purpose."<sup>15</sup>
  - Recent Legislation-
    - a.) No recent legislation has been passed since 1997.
    - b.) No recent legislation regarding to Chapter 213 has passed since 2011
- C. The procedures for the adoption of zoning regulations are provided by Sec. 211.006 et seq. of the Local Government Code.
- The section gives details for notice and publication, requirements for hearings, appeals, notices and fees.
  - Recent Legislation-
    - a.) No recent legislation has been passed since the enactment in 1987.
- D. The procedures for creation and purpose of Zoning Commissions and Board of Adjustments are provided by Sections 211.0075 and 211.008 et seq. of the Local Government Code.
- A home-rule municipality shall, and a general-law municipality may, create a Zoning Commission.
    - a.) Acts as an advisory function by conducting public hearings, making recommendations, and reports to the municipality's governing body.
    - b.) Does not make final decision on land use.
  - A municipality MAY create a Board of Adjustment.
    - a.) The duties of the board includes: appeals, variances, special exceptions, provide a written decisions.
    - b.) Under limited circumstances, the Board is authorized to make special exceptions to the terms of the zoning ordinance.
  - Recent Legislation-
    - a.) HB674 (83R) amends the Local Government Code to require written notice of each public hearing before a municipal zoning commission on a proposed change in a zoning classification affecting residential or multifamily zoning to be sent to each school district in which the property for which the proposed change in classification is located. The bill exempts a municipality the majority of which is located in a county with a population of 100,000 or less from the notice requirement, but requires the municipality to give notice to a school district that

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has territory in the municipality and requests the notice.<sup>16</sup>

### **Extraterritorial Jurisdictions**

*The legislature created extraterritorial jurisdiction (ETJ) for the use of municipalities to promote and protect the general health, safety, and welfare of persons residing in and adjacent to them.*<sup>17</sup>

The extraterritorial jurisdiction (ETJ) is the unincorporated area surrounding the municipalities boundaries and which varies population. The chart below provides a breakdown of mileage to population:

<i>ETJ Radius from City Limits</i>	<i>Municipal Population</i>
0.5 miles	< 5,000
1 mile	5,000-24,999
2 miles	25,000-49,999
3 miles	50,000-99,999
5 miles	>100,000

**KEY:** Municipalities does not posses the authority to zone areas within ETJ. Although, various provisions within the Local Government Code provides municipalities the ability to regulated these areas.

### Highlights on Municipal Regulation in the ETJs

Regulation of ETJs due to various provisions of the Texas Local Government Code. Below are three key provisions to regulate ETJs.

- A. Subdivision Regulations- §212.003, Local Government Code, allows municipalities to extend subdivision regulations to its ETJs only if the municipalities specifically extends it to the ETJs.
- *City of Lucas v. North Texas Municipal Water Dist.* - gives municipality the ability to (1) enforce its subdivision ordinance in its ETJ, (2) issue building permits for construction in its ETJ and (3) the ability to enforce construction-related ordinances.<sup>18</sup>
  - Recent Legislation-
    - a.) HB1445 (77R)- requires certain municipalities and counties enter into written agreements that identify which of the two entities is responsible for the regulation of subdivision plats and approval of related permits in the extraterritorial jurisdiction of a municipality and to set out deadlines for the finalization of such agreements. An agreement may grant the authority to regulate subdivision plats and approve permits to either the municipality or the county exclusively, allow the two entities to apportion the area and the respective regulatory authority between the two entities, or allow the two

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entities to enter into an inter-local agreement to create a single office under which various municipal and county regulatory functions regarding platting are consolidated.<sup>19</sup>

- b.) HB1204 (78R) - provides for an arbitration process. It requires a municipality and a county that have not reached an agreement on the regulation of subdivisions within the municipality's extraterritorial jurisdiction (ETJ) by a certain date to enter into arbitration to settle the disputed issues. Either entity can request arbitration, and neither can refuse to participate. The bill sets out the procedures for selecting an arbitrator or a panel of arbitrators, who must render a decision within 60 days of selection. If a decision is not reached by that time, the arbitrator or arbitration panel must issue an interim decision that remains in effect until a decision is reached. The bill places limitations on the arbitrator's authority, prohibits the municipality and county from arbitrating regulation of an individual plat, and provides that only one of the two entities may approve permits in the ETJ after an agreement has been executed. It holds the municipality and county equally liable for arbitration costs and requires them to certify that their agreement complies with applicable state law.

The bill exempts from the regulation agreement a tract of land in an ETJ that is subject to certain development agreements between the municipality and the property owner. The bill stipulates that if a regulation or agreement establishes a plan for future roads that conflicts with a proposal or plan adopted by a metropolitan planning organization (MPO), the MPO proposal or plan prevails. The bill makes property that is released from a municipality's ETJ and for which approval of certain plat applications is pending subject only to county approval of the application and related permits and county regulation of the plat. The bill stipulates that any expansion or reduction in an ETJ that affects property subject to a plat application or an application for a related permit filed with either the county or the municipality does not affect any rights accrued in the process, and the application's approval by either entity remains effective regardless of its ETJ designation. The bill provides alternative procedures for the revision of a plat located outside a municipality and the ETJ of a municipality with a population of at least 1.5 million.<sup>20</sup>

- c.) HB1970 (83R)- authorizes a county with a population of 800,000 or more located within 50 miles of an international border to enter into a mutual agreement with the city to identify which governmental entity is authorized to

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regulate subdivision plats and in permits the ETJ in a manner similar to the existing process in Chapter 242.<sup>21</sup>

- B. Plat Developments-Subchapter B, Regulation of Property Development, §212.014-212.050, Local Government Code, gives municipalities the authority to require development plats in the ETJ. Although, the municipality must choose by ordinance to be covered under Subchapter B.
- a.) No recent legislation has been passed in recent years to amend this portion of the local government code.
- C. Annexation Agreements/ETJs- § Sec. 212.172, Local Government Code, allows for Landowners and municipalities to enter into a development agreements. The agreements are utilized to establish mutually agreeable terms and conditions for the development of property for the duration of the project development.
- Recent legislation:
    - a.) HB1643 (82R) Previous law placed a 15 year limit on the period for which a contract, or an extension or renewal of contract, between the governing body of a municipality with a population of less than 1.9 million and an owner of land that is located in the ETJ of such a municipality may guarantee the continuation of the ETJ status of the land and its immunity from annexation by the municipality. HB 1643 amended the Texas Local Government Code to remove both 15-year contract limitations without changing the 45 year limitation on the total duration of such a guarantee.<sup>22</sup>

## **Annexation**

The powers of annexation can be found in Subchapter B of Chapter 43 of the Local Government Code. The purpose of annexation by municipalities is to zoning and development standards, provide more efficient public safety and municipal services. (Below is a "general" explanation on annexation)

- General law city- (usually a population of under 5,000) annexation can only be accomplished at the request of area landowners or voters, depending on the number of registered voters in the area
  - Some exceptions allow for annexation without consent but it is very limited.
- Home rule city-(usually a population of over 5,000) annexation may be accomplished without consent if the charter provides for it.

### General Stipulations:

- Property must be located in the municipalities ETJ but not located in another's ETJ.
- Agricultural, wildlife management, timber management properties cannot be annex without an agreement between owner and municipality.<sup>23</sup>



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**Despite several attempts by legislators to amend municipal authority on annexation, no major legislation has been passed since (76R)SB89 in 1999.**

*Issue:* There are concerns regarding the balance of powers between municipalities and property owners.

## **COMMITTEE FINDINGS**

### *Municipal Zoning*

Zoning exist to support development and to ensure compatible uses occur in proximity to one another. Zoning does not exist to deny altogether the ability of a landowner to develop his or her property. Unfortunately, the committee finds a handful of city councils have misused the zoning and comprehensive planning processes to stymie development by imposing on a particular area or specific tracts uses which are not attainable under real-world marketplace conditions, even in the long-term. This misuse of powers has imposed uncompensated burdens and financial hardships on private landowners for the sake of preserving theoretical long-term future public benefits.<sup>24</sup> In the worst instances, these cities use the requirement set forth in Section 211.004(a) in combination with an unrealistic and aspirational comprehensive plan to create a “planning trap” that makes near-term development impossible and can force a private landowner to hold his or her land in an undeveloped state for years.

- Testimony was heard from Jeff Musgrove who complained about the Transit Oriented Development ("TOD") for 2300 acres in the City of Leander (<http://www.leandertx.gov/tod/page/history-tod>), which combined unrealistic aspirational goals, burdensome development standards, and a comprehensive plan that was unchanged for a decade. This situation put the owners of targeted tracts in an economically untenable situation and allowed Leander, relying on Section 211.004(a), to use its TOD plan to perpetually block zoning of targeted tracts to allow near-term responsible development that was attainable in the marketplace. The targeted tracts have been hostages to bad plan for a decade. All the while, the landowners bore the time-costs (including taxation) and lost opportunity costs associated with Leander’s aspirational goals expressed in its unrealistic and unattainable plan. The landowners' burden was even heavier because, under current law, the landowners had no viable recourse to remove or divert their tracts from the city's plan even though no appreciable development occurred under that plan.<sup>2526</sup>
- Testimony was heard from Anita Dunn who claimed Sunset Valley deceived her in purchasing a part of land with the understanding the city council would work with her on variances to develop her property. The property in question is suitable for commercial development but Sunset Valley's comprehensive plan does not allow for commercial use; instead the city's comprehensive plan calls for her land to be used for single family residences. Despite all the efforts completing what the council asked of Anita Dunn, the passage of Sunset Valley's comprehensive plan during her dealings

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with the council halted any further development for the property.

- Testimony was heard from Ann Seaman who inherited 27 acres of land in Cedar Park. She has been approached by developers interested in building multi-family projects but the city's comprehensive plan identifies her property for commercial uses. Ann Seaman states her property is not viable for commercial development due to topographical and access issues. Despite these natural impediments to commercial development and market studies showing the city has other large tracts available for future commercial development, the city has refused to amend its comprehensive plan to allow development of Ann Seaman's land.

The Committee finds Scott Houston of the Texas Municipal League (TML) testimony to be most disturbing. Mr. Houston's testimony was in the of effect of the days of individual property rights are over and property owners must yield to municipal planning and zoning requirements.<sup>27</sup> Property owners should not feel as though their rights have been taken away.

The Committee finds good reason for concern that Texas Law does not allow private land owners adequate redress for loss of development rights and imposition of uncompensated cost for denial of compatible and responsible development opportunities. Imposition of these private burdens for a theoretical public good desire or sought in a comprehensive plan should be considered a taking and compensated. The Legislature can and should re-examine the balance between the public benefit and the private burdens imposed by the comprehensive planning process.

The Committee acknowledges abusive practices are not found throughout the state but regularly occur in certain municipalities. The majority of municipalities are willing to work with property owners to insure the land is utilized for the benefit of both municipalities and property owner. However, certain municipalities engage in a comprehensive planning process treat private land as if it were solely a public asset. Again, the Legislature can and should re-examine the balance between public benefits and private burdens imposed by the comprehensive planning process, especially the time horizon under which such plans should apply.

#### *ETJ/Annexation*

Another example of abuse can be seen in Denton County. Builders in Denton County were already complying with state and federal building regulations before their annexation into the City of Denton's ETJ. Afterwards, builders were forced to construct under the new City of Denton standards, ultimately raising home ownership costs despite the fact they may never be annexed by the city.<sup>28</sup>

The Committee heard of annexation tactics from the cities where homeowners were not asking for the services the city was offering. The city, however, felt these property owners should be paying taxes in order to boost revenue. The final authority remains with the city, despite the fact of outlying homeowners spending the majority of their money in the city, either to shop or work.<sup>29</sup>

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## *Building Codes*

The Committee believes municipalities need to be held accountable for building permits issued in error by the municipalities. In certain instances municipalities will work with the property owners in bringing the property back in to compliance or help property owners seek a variance on the property. Although from testimony, good faith relationships between the municipalities and private owners are not always the case. If a variance is not given, municipalities can impose a penalty fee and/or require the removal of the building structure which is in noncompliance. The Committee feels property owners should not incur economic loss due to a municipalities error.<sup>30</sup>

### **Supplemental Findings<sup>31</sup>:**

#### *Background*

Model Subdivision Rules (MSR) was developed in 1989 to 1.) provide safeguard to residents by ensuring safe, sanitary water and sewer services, and 2.) create new opportunity to receive financial assistance for water and wastewater infrastructure to areas in need.

#### *Committee finding*

Model Subdivision Rules (MSR) have not been substantially changed since the early 2000's. Changing circumstance, demographics, the state's economy and other factors have uncovered flaws in the use of MSR statutes and their current application.

The requirements for certain counties qualifying for funds from the Texas Water Development Board (TWDB) in the Economically Distressed Areas Program (EDAP) need to be reviewed, especially related to qualification criteria for Subchapter B and Subchapter C counties respectively. The concern is that there may be unnecessary requirements included in the qualifying criteria for disbursement of these funds, as the different types of counties under the program often have different needs. This concern of unnecessary requirements also extends to the existing Model Subdivision Rules. As compliance with the MSR is required for projects to access funds from the \$50 million in EDAP funds available per biennium, these inefficient and outdated requirements can suppress development in these areas of economic need.

Border counties, specifically those listed 100 miles from the Texas-Mexican border, have been the object of rules and regulations imposed by the MSR statutes. A review should be initiated to determine whether or not the rules should be imposed statewide or, in the alternative, whether they should be updated and revised so they apply to all counties without being discriminatory against consumers and developers in a county, specifically, rural counties near the border.

The civil penalties associated with non-compliance with these requirements are high, ranging from \$500 to \$1000 for each violation, per day as long as the violation continues, with a maximum of \$5000 per day in penalties. Developers, not acting in bad faith, have sometimes missed more technical and arguably less essential requirements which have resulted in severe financial strain for those developers. Non-compliance with these requirements has resulted in the cancellation of projects, even though the requirements at issue were often unrelated to public

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health and safety and could have been fixed given an opportunity to do so. The statutes and rules should be revisited to find a more balanced approach that addresses the actual severity and potential public impact of given violations. Minor, correctable issues should not be a burden to development nor to the prospective homebuyers.

## **RECOMMENDATION(S)**

The majority of the committee remains silent on recommendations due the complaints being isolated to certain areas of the state and unintended consequences.

Other recommendations:

### *Zoning*

- 1.) Reintroduce Rep. Guillen's HB 3513 relating to municipalities comprehensive plan.
  - a.) The bill creates the procedures for public input into the creation, review, or amendment of a municipality's comprehensive plan and for the periodic review of an adopted plan.

Key provision: If a landowner's tract has not been sold or developed in conformity with a comprehensive plan for land use within five years after adoption or amendment of the plan, authorizes the landowner to petition the governing body of the municipality to designate the landowner's tract on the comprehensive plan for land use for a less intense use or uses chosen by the landowner.

### *ETJ/Annexation*

- 2.) A majority vote from the citizens of an ETJ area must take place to decide annexation between the ETJ and city. The area must be as wide as it is away from the current city limits, unless it is an ETJ within city limits.
- 3.) Prior to annexing outside the existing city limits, cities must annex areas within city limits that may not be already a part of the city.
- 4.) ETJ's need to be reduced to ½ mile for all cities. Currently larger cities have a massive advantage over smaller cities that are having their growth stifled. This measure would only apply if a vote of the citizens of the "to be" annexed area is not required.
- 5.) A city cannot require an ETJ to have higher development standards than those of the county.
- 6.) The period to provide services to a newly annexed area is reduced from 10 years to 2 years.

### *Building Codes*

- 7.) If a city gives a permit then chooses to revoke it a later date, the city should be responsible for any costs experienced by the permit holder in un-doing past work and complying with the new requirements.

### *MSR*

- 8.) Continue to analyze the impact of Model Subdivision Rules and its impact on developers in Subchapter B and Subchapter C counties.



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## **CHARGE 4**

Examine opportunities to improve the resiliency of the Texas coast to withstand tropical storms. Study strategies to incentivize and encourage hazard mitigation, and consider the current state of building codes and how they might more effectively protect property and reduce losses. Examine the proper role of insurance in protecting the Texas coast. Coordinate as necessary with the joint interim committee created by HB 3459 (83R).

*(Joint charge with the House Committee on Insurance)*

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## **SCOPE OF COMMITTEE WORK**

The Committee held a joint hearing with the House Committee on Insurance on Tuesday, September 9th of 2014 in Austin, Texas. During the hearing, the committee heard testimony from (not necessarily in order): Office of Public Insurance Council, Insurance Institute for Business Home Safety, Texas Windstorm Insurance Association, Texas Association of Builders, Port Aransas Chamber, Property Casualty Insurers Association of America, General Land Office and an individual named Mr. James Skrobarczyk.

The committee believes the joint charge falls largely under the Committee on Insurance jurisdiction. In addition, the General Land Office's report: "The Texas Coast: Shoring Up Our Future," (Appendix A) provides superb overview of the Texas Coast's economic and environmental significance and describes the primary challenges and specific issues facing the coast. Therefore, the committee will provide limited background information and findings.

## **BACKGROUND**

A key factor:

The Texas Coast generates billions of dollars for the state through its abundant amount of industry and tourism. Therefore, the entire state of Texas is vulnerable when a natural disaster hits the coast.

*Issue:* Coastal communities have to deal hazards such as hurricanes, floods and erosion on a daily basis. When natural disaster occur, the entire state feels the affects.

## **COMMITTEE FINDINGS**

The committee heard testimony from Jorge Ramirez and Helen Young with General Land Office. Based on this testimony, the committee feels the General Land Office has the right programs in place for disaster recovery and coastal resiliency. (For more details on the programs, please see: Interim Charge 5) The committee looks forward to reviewing the final report by the General Land Office's Disaster Program which will show the risk and likelihood of damage to coastal areas in the event of a natural disaster.

In addition, the committee heard testimony from Dr. Sam Brody, Director of Center for Texas Beaches and Shores, Texas A&M University, Galveston. He provided the committee various statistics on deaths due to flooding, wetland alteration cost, savings in protecting buildings and wetlands. The committee was reintroduced to the Netherlands coastal spine system and the disadvantages of the recent New Orleans seawall. Committee findings on coastal barrier system can be found in the Joint Committee on Coastal Barrier System.

## **RECOMMENDATION**

The committee does not have an recommendations for this charge. Please reference the Joint Committee on Coastal Barrier System recommendations for the resiliency of the Texas Coast.

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## **CHARGE 5**

Conduct legislative oversight and monitoring of the agencies and programs under the committee's jurisdiction and the implementation of relevant legislation passed by the 83<sup>rd</sup> Legislature. In conducting this oversight, the committee should:

- a. consider any reforms to state agencies to make them more responsive to Texas taxpayers and citizens;
- b. identify issues regarding the agency or its governance that may be appropriate to investigate, improve, remedy, or eliminate;
- c. determine whether an agency is operating in a transparent and efficient manner; and
- d. identify opportunities to streamline programs and services while maintaining the mission of the agency and its programs.



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## **SCOPE OF COMMITTEE WORK**

The Committee held a hearing on interim charge 5 on Monday, June 30th of 2014 in Austin, Texas. The Committee heard testimony from Deputy Commissioner Larry Lane.

## **BACKGROUND**

The Committee on Land and Resource Management oversees the following state agencies: the School Land Board, the Board for Lease of University Lands and the General Land Office.

### **The School Land Board<sup>32</sup>:**

The School Land Board (SLB) was established in 1939 by the 46th Legislature to manage the sale and mineral leasing of Permanent School Fund (PSF) lands. The SLB's responsibilities include approving land sales, trades and exchanges, the purchase of land for the PSF, as well as issue permits, leases and easements for uses of state-owned submerged land.

**Membership:** The Commissioner of the Texas General Land Office serves as Chairman of the SLB and is joined by two citizen members. One citizen member is appointed by the Governor while the other is appointed by the Attorney General. Citizen members serve two-year terms, and may be reappointed, while the Commissioner serves during his/her term in office.

**Current Membership:** Commissioner Jerry Patterson, Chairman; David S. Herrmann, and Thomas Orr, Jr.

### **The Board of Lease of University Lands<sup>33</sup>:**

In March of 1929, the 41st Legislature created the Board for Lease of University Lands (Board). The Board is responsible for the leasing of Permanent University Fund (PUF) lands for oil and gas exploration and development. The mission of the Board is to maximize the revenue from PUF lands by applying intensive management, accounting, conservation, and environmental programs which improve and sustain the productivity of PUF lands.

**Membership:** The Commissioner of the Texas General Land Office serves as Chairman of the Board during his/her term in office. Two members of the Board of Regents of The University of Texas System and one member of the Board of Regents of the Texas A&M University System serve two-year terms.

**Current Membership:** Commissioner Jerry Patterson, Chairman; John D. White, Vice-Chair; Brenda Pejovich, Ernest Aliseda, and R. Steven "Steve" Hicks (alternate)

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## **General Land Office**<sup>34</sup>:

The Republic's constitution in 1836 created the General Land Office and established its responsibilities to manage the public domain. Their original charge was to collect and keep records, provide maps and surveys, and issue titles. The responsibilities of the GLO grew over the years to include lease and sales, oil and gas leases, real estate and trade sales. The GLO has (7) key operations: Energy and Renewable Resources, Professional Services, Asset Management, Oil Spill, Disaster Recovery, Coastal Resources and Veterans Land Program.

### **GLO's Programs and Resources**<sup>35</sup>

*Energy and renewable resources*- oil, gas and hard mineral leasing; issuance of geophysical and protecting permits for exploratory purposes; administration of oil, gas and hard minerals leases; and monitoring industry activities and trends.

*Professional Services*- provides real estate and field services to GLO and other state agencies and institutions. Specifically: property appraisal, maintaining the land leasing and inspection, surveying property to define the boundaries of all Permanent School Fund Lands (PSF).

*Asset Management*-provides the management aspect of the PSF's real estate portfolio for the PSF's Special Account. Specifically: provides inventory and evaluation services.

*Oil Spill Prevention and Response Program*- charged with the prevention of and response to oil spills, removing and disposing of derelict vessels. Creates partnerships with coastal local governments and private industry to ensure proper disposals and ownership of the incidents.

*Coastal Resources*- programs which are charged in protecting, preserving, restoring, and enhancing natural resource areas while stimulating the economic growth along the Texas Coast. Specific programs: Coastal Management Program (CMP), Coastal Erosion Planning and Response Act (CEPRA), Coastal Impact Assistance Program (CIAP).

*Veterans Land Program (VLP)*- provides low-interest loans for land, housing and home improvements for eligible Texas Veterans. VLP also manages the four state veterans cemeteries which will provide a final resting place for over 130,000 veterans and their families.

*Disaster Recovery (DR)*- serves to rebuild and restore Texas communities impacted by natural disasters. In recent years, the DR used the HUD Community Development Block Grant in the recovery of Hurricane Dolly, Hurricane Ike and for the Bastrop wildfires.

*The Alamo Complex*-(82R)HB3726 moved the Alamo under the jurisdiction of the GLO. The GLO is now responsible for the preservation, maintenance, and restoration of the Alamo Complex and its contents, and is responsible for the protection of the historical and architectural integrity.

*Archives and Records*- since 1837, the GLO has been maintaining documents from 18th century while making them available to others at a low cost in order to protect but share Texas history.

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## **GLO Budget and Program Details**

GLO Appropriations for FY 2014 are \$866,698,512 with 658.2 FTE's

- \$775M in Federal Funds for the Disaster Recovery program make up almost 90% of the budget.
- The GLO receives a General Revenue appropriation of only \$3,140,062
  - \$750,000 for the Alamo
  - \$1,742,672 in Earned Federal Funds from Disaster Recovery Program
  - \$647,390 (from state tax revenue) for general operating expenditures.

### General Revenue – Dedicated

- Coastal Protection Fund - \$10,264,927-
  - This fund is funded by a 1.3 cent per barrel fee assessed on oil passing through Texas ports
- Alamo Complex Account - \$5,931,343
  - Revenues derived from rental fees, donations, vending and gift shop sale proceeds.
- Coastal Funding – Sales Tax on Sporting Goods
  - The GLO receives \$11.2M for its coastal programs from the Sales Tax on Sporting Goods from an MOU with Parks & Wildlife.

### *Permanent School Fund*

The GLO manages the real estate portion of the Permanent School Fund (PSF). This includes managing mineral leasing on 13 million acres, surface leasing of 700,000 acres and real estate investments valued at \$3.3B.

- In FY13 the GLO made approximately \$840M for the PSF.
  - MINERAL LEASING - \$531M in revenue.
  - Real Estate investment portfolio - approximately \$276 million.
  - internal real estate investments - \$21.7M
  - Surface uses (permits, easements & leases) - \$11.5M

In FY 13 the PSF investment portfolio:

- Had a total return of 15.05% vs. a benchmark of 9.22%
- It's 3 year average was 21.42% vs. a benchmark of 13.74%
- Latest LBB report (Nov 2013) indicated that the GLO managed portion of the PSF was the highest earning publicly managed investment fund in the state in FY12

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### *The Veterans Land Board*

The Veterans Land Board (VLB) offers below market loans to Texas veterans to buy land, purchase a house or make a home improvement.

- The VLB currently holds 13,890 active mortgages.
- In FY13:
  - 814 VLB land loans were closed
  - 1,963 housing loans closed
  - 259 home improvement loans closed.
- VLB has reduced processing time from 79 days in FY09 to 29 days in FY13.
- In FY13, approximately \$350M in bonds was issued to support the mortgage program.

Texas currently has four veteran cemeteries in Abilene, Corpus, Killeen and Mission that will provide burial space for 137,000 Texas veterans. Last year, the VA awarded a construction grant to the VLB for the expansion of the State Veterans Cemetery in Killeen.

VLB Texas State Veterans homes are in eight locations across Texas, including: Amarillo, Big Spring, Bonham, El Paso, Floresville, McAllen, Temple, and Tyler. The total capacity of these homes is 1,180. The newest home in Tyler has reached 93% census after its phased opening, and the other seven homes are at a 94% average. In comparison, the national VA state veterans home occupancy rate is 86%, while the occupancy rate for all homes in the state of Texas is 71.7%.

- The Bonham home has been recognized with the 2014 Bronze Commitment to Quality Award by the American Health Care Association and National Center for Assisted Living.
- The Veterans Administration has awarded approximately \$24M in renovation grants to provide for improvements at the homes in: Big Spring, Bonham, Floresville, Temple, El Paso, and McAllen.

### *Oil Spill Program*

The GLO's Oil Spill Protection and Response program is a 24/7 program with 5 strategic locations on coast (Nederland, La Porte, Corpus Christi, Brownsville, Port Lavaca) that allow us to respond to any spill within a few hours.

### *Coastal Protection Fund*

- The program is funded by a 1.33 cent per barrel fee on oil that passes through Texas ports.
- The fund has a ceiling of \$20M and a floor of \$10M that impact when the fee is collected.

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- The fund is used to staff the program and can be used to pay for clean up if the responsible party is not identified. In cases where the responsible party is identified, like the Texas City spill, the State's fund is not used to pay the bills.

In FY13, the GLO NRDA (Natural Resource Damage Assessments) section worked on over 30 active NRDA cases including the Deepwater Horizon oil spill.

### *Coastal Management Program*

With 367 miles of Gulf beaches and more than 3,300 miles of bays and estuaries, Texas has one of the longest coastlines in the country.

The GLO is charged with taking care of the Texas coast, ensuring that beaches remain open to the public, monitoring coastal construction and managing grant programs to assist local governments in caring for Texas beaches and bays.

The GLO receives \$11.2M per year in funding for coastal management and coastal erosion programs.

GLO manages one state funded and three federally funded grant programs.

- Coastal Erosion Planning and Response ACT (CEPRA - state funded)
- Coastal Impact Assistance Program (CIAP)
- Coastal Management Program (CMP)
- Gulf of Mexico Energy Security Act (GOMESA)

### *Disaster Recovery*

In 2011 the long term disaster recovery program for Hurricanes Ike and Dolly were transferred to the GLO. Subsequently the Bastrop fires were also assigned to the GLO for administration.

- To date, the Disaster Recovery program has completed approximately 3,600 single-family homes, which is about 47% of the anticipated households we intend to assist with DR funds. In the last year, we have repaired or built about 680 homes.
- The DR program has completed approximately 45% of our infrastructure sites which equals approximately 2,200 sites ranging from small generators to a \$65M waste water treatment plant.
- GLO-DR has expended \$300 million in the last year. Program expenditures have increased four times over since the GLO received the DR program in 2011.

GLO- DR currently manages a \$31M HUD grant for areas affected by the 2011 wildfires – 100% of which has been targeted at Bastrop County. HUD recently made an additional \$5M grant to Bastrop County to be administered by GLO-DR and the County is finalizing their plans for the funds.

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## *Alamo*

- The IRS recently granted approval for 501(c)(3) status for The Alamo Endowment, and we are eager to launch a fundraising campaign for the fall of 2014. Current plans are to hold a Gala on October 30<sup>th</sup> to launch large-scale fundraising.
- The GLO is interested in acquiring property to build a visitor's center or to free up on-site space by moving administration off-site.
- Major improvements have been made for the management and financial health of the Alamo. The first Alamo Management Plan has been adopted, new accounting and auditing practices have been rolled out, and the GLO has contracted with a company named Event Network to run the Gift Shop. Since that hire, per capita spending at the Gift Shop has increased by 51%.
- Five preservation contracts have been awarded to conduct various studies which will help us determine priority preservation projects and uncover further history of the Shrine.
- Numerous physical and technical improvements have been made to the site: improvement/replacement of the Shrine and Long Barracks roofs, arbor extension, LED lighting, and last year, a new Alamo web site was unveiled to the public with many new features and improved navigation.
- The Alamo is "in the black" and is making more money than it costs to operate.

## *Archives & Records*

- The GLO Archives and Records consist of 35.5 million documents and over 45,000 maps, dating as far back as 1720.
- The GLO has scanned and placed online 2.5 million documents and scans an additional 20,000 documents every month. These documents are used by people like surveyors, land men, historians and genealogists.
- The Save Texas History program was started in 2004 to raise funds for preserving these historic documents. In FY13, the GLO Archives earned almost \$250,000 in revenue to support conservation efforts.

## **COMMITTEE Q &A's**

- Chairman Deshotel asked the status of disaster recovery, if the process has been streamlined to avoid future delays.

Deputy Lanes response: He believes the GLO has addressed the issues, which shows during their efforts in the Bastrop Wildfires. He also mentions, the lawsuit which bogged down the process for hurricane funds.

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- Rep. Walle inquires on the unspent dollars for the disaster recovery program.

Deputy Lane's response: The unused dollars are put into a pool that will be used in the future for other, larger projects.

Follow-Up from GLO<sup>36</sup>:

### **General Land Office Disaster Recovery Program**

The Disaster Recovery program is funded by \$3.1 billion in federal funds, and the GLO has spent about \$1.3 billion. Funded projects include infrastructure, housing, planning studies and economic development activities. Housing is allocated about 55% of the funding, and the other activities are 45%. This is a reimbursement program, so once the local government expends the funds, the GLO reimburses them the funding.

#### **HOUSING**

The program has approximately \$1.6 billion dedicated to housing recovery. Approximately \$590 million has been spent on single-family and multi-family projects. This is assistance to individual homeowners, single-family landlords, public housing, and large apartment complexes.

- **Single family homeowners**

- To date, more than 3,600 households have been built or repaired and the GLO expects an additional 3,600 homes to be served. Most of those homes should be completed in the next year.

- **Rental projects**

- 25 multifamily developments (representing over 5,000 units) and 59 single family rental homes have been completed.
- There are another 26 multifamily developments and 388 single family rental developments planned that will complete another 5,000 units from these projects.
  - 6 of these projects are currently under construction and the remaining projects are in the local approval stage or on hold pending fair housing resolution from HUD.
- If the remaining projects can get under construction by the end of 2014, then barring any major interruption of construction, they will be complete by the end of 2015.

#### **REALLOCATION**

Currently, all of our funds are allocated to local community projects. The GLO allocates funding to the Regional Councils of Government, who then further allocate it to local governments. The housing program is oversubscribed and we do not anticipate having any leftover funds for those programs. For infrastructure and economic development, we anticipate that some funding will not be completely used by every community because projects will be under bid or they want to

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reduce the number of projects. Any unspent funds will be retained within each Region for them to reallocate to other projects.

Over the last several months we've seen an increase in labor and material costs. And depending on the region, those increases have been significant. For example, South Texas' oil and gas boom has resulted in major material price increases and a shortage of available labor. Therefore, we may not have as many funds available for reallocation as originally predicted.

Most communities are set to complete their projects in the next twelve months, so any leftover funds a region may have for reallocation would most likely be available in spring or summer of next year.

- Rep. Springer rendered questions on the Red River Federal Bureau of Land Management (BLM) issues.

Deputy Lane's response: It is his understanding the controversy was a BLM member misspoke creating the controversy, and says the issue was over how Texas, Oklahoma, and the Federal Government view Title Law. He states further, the GLO is at a position of the BLM is wrong, and there will be a conference in North Dakota with the BLM to discuss the boundary.

Brief Follow-Up from GLO:

The federal Bureau of Land Management is currently updating its Resource Management Plans for Texas, Oklahoma and Kansas. Initial claims by the BLM of having approximately 90,000 acres in the public domain along the Red River have been revised down to an estimate of 30,000 acres, from the medial line of the river to the gradient boundary of the south bank. There is significant disagreement between the BLM and the GLO as to the location of the gradient boundary, which has not been surveyed.

The GLO and Railroad Commission have agreed to be cooperating agencies with the BLM in the development of the Resource Management Plan, which means the GLO and RRC will provide information to the BLM, attend meetings during the planning process and review documents. Although, cooperating agencies have no authority in the decision making process. BLM has recently engaged Environmental Management and Planning Solutions, Inc (EMPSi) as their contractor to develop the Resource Management Plan. The BLM has yet to schedule the first meeting to begin the planning process.

Congressman Thornberry filed HR 4979, the Red River Private Property Protection Act, over the summer as a way to help private landowners resolve any boundary disputes with the BLM. The bill received a hearing but no action was taken. We expect it will be filed again when the new Congress convenes next year.

## **RECOMMENDATION**

The committee does not have any recommendations for this charge.





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**APPENDIX A**

**General Land Office**

**"The Texas Coast: Shoring Up Our Future"**



AN OVERVIEW

# THE TEXAS COAST: SHORING UP OUR FUTURE

Ecologic Health  
Economic Growth  
Future Opportunities

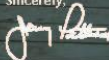
## FROM THE COMMISSIONER


Texans have a long and storied history of independence and endurance, and we are proud of our lands and waters. The Texas General Land Office (GLO) works to embody this tradition by taking care of our coastal areas and protecting our beaches and dunes for the benefit of all Texans.

Each year, proud Texans commemorate the battle of San Jacinto, the decisive moment of the Texas revolution. In modern times, a new battle emerges to save the same land fought for in 1836: the Texas Coast. Today, the coast is threatened by natural and man-made forces, and a Texas-sized solution – if not a coastal revolution – is required to save one of the most important and valuable landscapes on the planet. This overview highlights the primary threats to the Texas Coast, along with opportunities that must be seized if we are going to shore up our future.

Meeting these challenges will not be easy, but it can be done. We have the best scientists, engineers and local experts committed to caring for our coast, and we are working together on solutions that will benefit all Texans for generations.

Please join me as a steward of this great resource to ensure a strong coast for a strong Texas.

Sincerely,  
  
 Jerry Patterson  
 Commissioner, Texas General Land Office



## Overview

*In the spirit of stewardship we present an overview of the issues affecting the Texas Coast. As a powerful economic engine and an invaluable environmental treasure, the coast is truly vital to our state and nation's success. But as our shores face stronger storms, land loss, population growth and a number of other forces, one of the state's most productive regions is in jeopardy.*

**6.1**  
MILLION

Number of people living in the 18 Texas coastal counties in 2010, nearly one quarter of the state's population.

**9.3**  
MILLION

Projected population of the Texas Coast by year 2050, an increase of 50 percent.

A real estate agent in Dallas, a contractor in Houston, a boat captain in Beaumont, an oilman in Odessa, a tour operator in Galveston, a refinery technician in Corpus Christi, an engineer in Midland or a soldier stationed at Ft. Hood: all Texans are linked in some way to the coast.

Home to major industries such as energy, shipping, tourism and recreation, fishing and more, the Texas Coast is growing and changing.



Rapid development is underway, signaling the need to protect the land that will support progress, not just on the coast but across the state.

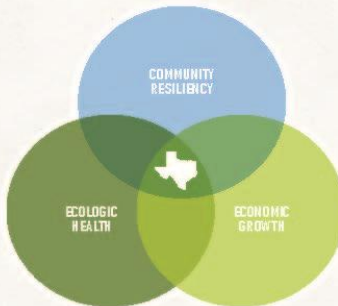
Erosion coupled with rising sea levels and larger, more intense storms are warnings that we must prepare for our future now. The nation seems intent on waiting for disasters before taking action — a costly mistake. Waiting to act hits taxpayers harder in the pocketbook, and it's just not how Texans take care of business.

Texas barrier islands, bays, estuaries and wetlands are deteriorating. This means more exposed inland communities and a weaker foundation for our state's key industries. It also puts at risk the steady supply of clean water that communities depend on for safe drinking, swimming and fishing. These are but a

few of the benefits a healthy coastal environment provides that are at stake.

These issues may seem confined to our shores, but in truth, the consequences of a fragile coast ripple far inland. Statewide economic growth, job creation, community resiliency and environmental sustainability all tie back to the Texas Coast.

This overview of a state at risk illustrates the Texas Coast's economic and environmental significance and describes the primary challenges facing the coast. The issues of concern outlined in this overview are based on the work of more than 40 coastal experts that form the Texas GLO Coastal Management Program's



► A healthy balance is essential for a strong Texas Coast.

Technical Advisory Committee (TAC). Representing an array of coastal expertise from the public, private and non-governmental sectors, TAC members participated in a series of workshops to identify and evaluate the most pressing threats to each of the four regions of the Texas Coast. The Texas General Land Office is grateful for the time, dedication and expertise of this team. The TAC evaluated the issues of concern listed below, which represent the focus of this overview.

**ISSUES OF CONCERN:**

- » Wetlands/Habitat Loss
- » Water Quality and Quantity
- » Impact to Fish and Wildlife
- » Impact to Marine Resources
- » Gulf Beach/Dune Erosion
- » Bay Shoreline Erosion
- » Flooding and Storm Surge
- » Tourism/Local Economy
- » Others: Public Access, Community Resiliency, Navigation, Public Health and Safety, Marine Debris, Land Subsidence, Invasive Species, and Lack of Data and Information



► Texas has 6 barrier islands and 2 peninsulas, including Padre Island — the longest undeveloped barrier island in the world — providing the state's first line of defense against storms.



## THE TEXAS COAST: WHAT'S AT STAKE?

### Community Resiliency

*Wetlands, barrier islands, beaches and dunes protect the Texas Coast and inland areas from hurricanes and storm surge. These natural defenses are threatened by alarming erosion rates, the demands of a rapidly growing population and rising sea levels.*

### Increasingly Powerful Storms

A hurricane hits Texas on average every other year, and new predictions call for a 100-year storm to land twice in a lifetime. Storms are projected to be stronger and have wider footprints, meaning that even a category 1 or 2 hurricane like Ike will

destroy shorelines and inundate the cities and infrastructure in its path.



Such storms will inevitably have an impact, but catastrophic damages can be avoided by making our communities more resilient. Through better land and water management strategies, smarter development, and improved emergency readiness and response, communities will be less vulnerable to coastal hazards.



**\$29**  
BILLION

Property damages due to Hurricane Ike, one of the costliest hurricanes in U.S. history.



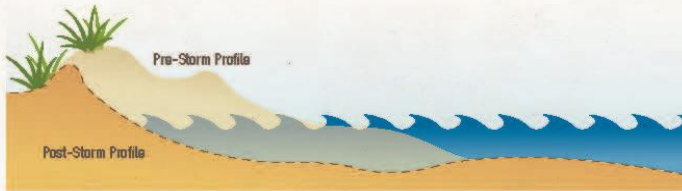
**\$142**  
BILLION

Total statewide economic losses in the year after Hurricane Ike.

### Deteriorating Lines of Defense

**FEMA ESTIMATES THAT EVERY \$1 SPENT ON MITIGATION TO PRESERVE WETLANDS AND OTHER NATURAL DEFENSES SAVES AN AVERAGE OF \$4 IN THE LONG RUN.**

Barrier islands, wetlands and natural sand dunes are the least expensive, most efficient forms of protection for coastal communities. However, these valuable landscapes are fragile and dynamic so their degradation puts populations and property at risk from erosion and storm impacts.



► Dunes help prevent loss of life and property by absorbing the impact of storm surge and wave action. They also slow shoreline erosion and replenish eroded beaches after storms.

### Receding Shores & Rising Seas

Texas has some of the highest erosion rates in the nation. Shores are retreating an average of 4 feet per year, with some areas experiencing losses greater than 30 feet per year, placing communities, business, and infrastructure at risk. Storm surge, disrupted sediment supply, coastal development and relative sea level rise also amplify shoreline retreat.

### Growing Populations

Erosion and coastal habitat loss are further exacerbated by the growing number of people now living near the coast and using Texas natural resources. The key question is how to best accommodate this growth in a sustainable way to ensure ecologic health and economic growth.



**\$5.8**  
BILLION

Value of Galveston Bay coastal wetlands, based on replacement cost of \$5,000 per acre.



**\$12.6**  
MILLION

Amount that seagrasses contribute annually to regional economies, due to their recreational value and importance to commercial fisheries.



**\$5.6**  
MILLION

Estimated value of municipal water quality improvements provided by wetlands in Brazoria National Wildlife Refuge.

## Ecologic Health

*Healthy bays, wetlands and estuaries provide the critical foundation for sustainable environments and thriving economies, both along the coast and throughout Texas. Yet these priceless coastal landscapes are stressed in many places to their breaking point, endangering the tremendous benefits they provide.*

### Disappearing Coastal Habitats

Texas coastal habitats are disappearing as they are encroached upon by development, eroded or inundated by rising seas. Coastal habitats help maintain native plant and animal populations, improve water quality, provide recreational opportunities, and maintain community resiliency by reducing the impact of coastal hazards such as flooding and storm surge. Wetlands and barrier islands serve as nesting and foraging habitats for birds and wildlife, such as sea turtles. As a home to wildlife and a nursery for fish, crabs and other shellfish, Texas wetlands, bays and estuaries are essential for maintaining the state's tremendous biodiversity and overall environmental health. More than 457

species of fish and 343 species of invertebrates rely on wetland habitats.

### CRITICAL COASTAL HABITATS:

- » Wetlands & Marshes
- » Beaches, Dunes & Barrier Islands
- » Woodlands, Swamps & Forests
- » Seagrass Beds
- » Mangroves & Shrubs
- » Oyster Reefs
- » Bays & Estuaries
- » Coastal Prairies
- » Bird Rookery Islands

### Clean Water

In addition to providing habitat and stabilizing shores, wetlands and oyster reefs absorb and filter estuary waters for swimming, fishing and, most importantly, drinking.

By acting like a giant sponge, wetlands absorb nutrients, sediments and pollutants that would otherwise degrade plant, animal and marine life, and spoil beaches and coastal waters. This sponge effect also helps reduce flood damage and recharge the state's groundwater supply, as water caught by wetlands seeps back in to underground aquifers — the source of 60 percent of water used in Texas annually. As wetlands deteriorate, so will the state's reservoirs of fresh water along the coast.

## 1 OYSTER FILTERS 2 GALLONS OF WATER EVERY HOUR

► Oyster reefs act like giant filters; they pull out harmful pollution, toxins, sediment and algae from Gulf bays and estuaries. By keeping the water clean and clear, oyster reefs also boost aquatic life, which is good for the overall ecosystem and for commercial and recreational fishing.



## TEXAS COASTAL ECOSYSTEM

Wetlands improve water quality, provide habitat for wildlife, control flooding and erosion, and recharge groundwater supplies.

The flow of rivers and streams transports water and sediment to support estuary health, control shoreline erosion and promote barrier island formation.

Estuary water quality can be impacted by upstream runoff from agricultural, residential and industrial activities within the watershed.

Oyster reefs act as water purification systems, helping keep waters clean and providing habitat for other aquatic life.

Coastal vegetation, such as seagrasses, mangroves, marshes, swamps, and forests, reduce greenhouse gases by storing carbon.



Estuaries provide critical nursery habitat for the majority of Gulf commercial and recreational finfish and shellfish species.

Beaches, bays and barrier islands provide wildlife habitat and allow access to recreational opportunities for residents and tourists alike.

Barrier islands, beaches, dunes and wetlands provide the first line of defense against storm surges and inland flooding by protecting infrastructure, like ports and refineries.

Sustainable fisheries support local economies and provide a bounty of seafood to the nation.

Offshore energy and supporting coastal infrastructure provide a substantial portion of the nation's domestic oil production and refining capacity.

5



### Economic Growth

*The state's ports, intracoastal waterways, recreational activities and tourism all contribute to a robust Texas economy.*

*But as the coastline recedes and natural defenses diminish, valuable infrastructure is put at greater risk, as are the state's key economic drivers.*

**\$2**  
BILLION | The economic impact of saltwater fishing in Texas in 2011.

**\$107**  
MILLION | State and local tax revenue generated by saltwater sport fishing in 2011.

**\$64**  
MILLION | The harvest value of commercial oysters in 2011.

### Local Livelihoods

Commercial and recreational fishing have long supported local and state economies and provided an array of seafood to the nation. Top commercial

species include various shrimp, oysters, blue crab, red snapper and black drum. Recreational saltwater anglers fish for red drum, spotted trout and flounder in Texas inshore waters, as well as red snapper, tuna, wahoo, marlin and other species in offshore waters.

These marine resources are threatened by pollution, water flow modifications, invasive species and stock population declines. For instance, an outbreak of "Red Tide" in Galveston County resulted in a \$9.9 million loss due to fish kills, temporary closure of shellfish harvesting, lost tourism revenue and substantial clean-up costs.

### Vulnerable Epicenters of Global Commerce

Texas is the nation's top state for waterborne commerce. More than 900 million tons of cargo pass through Texas ports annually, including machinery, grain, seafood, oil, cars and retail merchandise. Texas ports generate \$6.5 billion in tax revenues and support more than 1.4 million jobs. This is the very definition of "critical infrastructure." With an expanded Panama Canal, Texas ports will need continued maintenance and protection.



**95%** Percent of recreational and commercial fish species in the Gulf of Mexico that depend on healthy wetlands to survive.



**\$240 MILLION** Value of seafood landed at Texas ports in 2011.



**16,819** Number of jobs created in 2011 by recreational saltwater fishing.

In addition to capacity and sophisticated shipping capabilities, Texas ports offer critical links to other modes of transportation throughout the state, such as major railroad lines and trucking routes. In 2010, 7.4 million tons of intermodal rail freight were shipped from Texas, the nation's third highest total.

**\$251 BILLION**

Value of goods exported from Texas ports in 2011, topping all other states.

**\$178 BILLION**

Total statewide economic impact generated by the Port of Houston in 2011.

**\$6.5 BILLION**

Tax revenues generated by the Texas ports in 2011.

**\$6 BILLION**

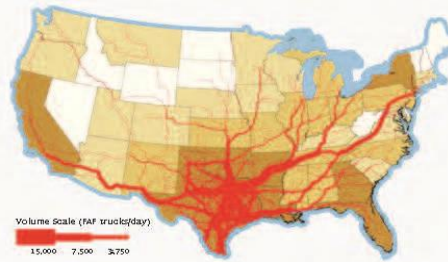
Value of agricultural commodities produced by Texas farmers and ranchers exported each year through Texas ports.

The shutdown of even a single Texas port can deliver a devastating blow to state and national economies. In the days following Hurricane Ike, closures at the Port of Houston cost the economy an estimated \$322 million each of the five days the port was offline, for a total impact of more than \$1.6 billion.

### Global Energy Powerhouse

As a world leader in the production of oil and petroleum products, Texas plays a key role in the economic and domestic energy security of the nation. The Texas Gulf Coast Refining District has a distillation capacity of more than 4 million barrels of crude oil daily. Overall, the 26 Texas refineries can process more than 4.7 million barrels of crude oil per day, representing more than 25 percent of the nation's total refining capacity.

Texas exported more than \$57 billion of petroleum and coal products in 2012, by far the largest segment of its export market, making it one of the top commodities shipped through Texas ports. Much of this activity takes place around Houston, a home to 3,700 energy-related companies and 16 of the nation's top 20 oil pipelines. The series of refineries and more than 400 chemical plants along the Texas Gulf Coast is the largest petrochemical complex in the world, employing around 33,000 Texans.



► Major Flows by Truck To, From and Within Texas: 2007. Map at left shows the flow of domestic and international freight that moves by truck to, from and within the State of Texas. Note the heavy volume of cargo that flows into and out of the Texas Coast to other states.

Source: U.S. Department of Transportation, Federal Highway Administration, Office of Freight Management and Operations, Freight Analysis Framework (FAF), version 3.1.2

7



**73 MILLION** Tons of cargo that traveled along the Texas portion of the GIWW in 2010.



**91%** Percent of GIWW cargo listed as petroleum and chemical-related goods.

The Texas Coast delivers a larger volume of energy products, such as jet and diesel fuel, to the U.S. military than any other state. Texas is also poised to become a leader in exporting liquefied natural gas, a cutting-edge industry that will be part of the world's energy future.

are restricting and crowding channels, creating additional navigation risks.

Healthy wetlands are the least costly method of shoreline stabilization. Developing erosion control measures, including wetland restoration, will protect coastal resources, improve navigation, and reduce the frequency and expense of maintenance dredging.

### Eroding Inland Waterways



**\$25 BILLION**

Value of cargo passing annually through the 406 mile section of the GIWW that runs along the Texas Coast.

Barge transportation is fuel-efficient and reduces both highway congestion and emissions compared to truck or rail. The wave action of barges, however, is taking its toll on the Gulf Intracoastal Waterway (GIWW), causing shoreline erosion and wetland loss. These issues are compounded by population growth and the density of development along the coast and adjacent to the GIWW. New housing, marinas, docks, piers and other modifications



► The Gulf Intracoastal Waterway (GIWW) is one of the nation's most important commercial byways.



**360**

Number of public beach access points in Texas, a major draw for residents and visitors.

**\$14**  
BILLION

Amount spent by tourists visiting the Texas Coast in 2011, generating about 143,000 jobs.

**Coastal Attractions**

The Gulf Coast's natural bounty beckons visitors to Texas year after year, keeping the economy strong and creating jobs for both coastal residents and inland workers. Outstanding fishing, birding and waterfowl hunting opportunities, as well as family outings to the beach, make the coast the second most popular tourist destination in Texas.

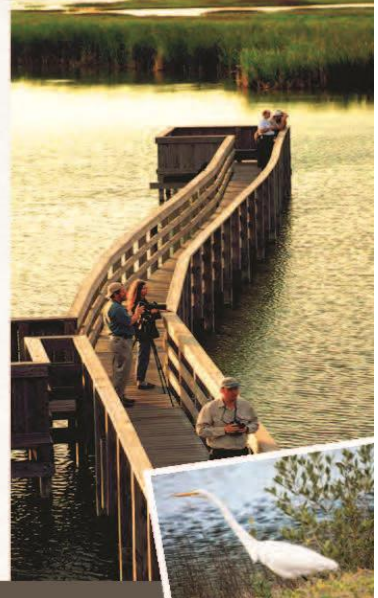
**MORE THAN \$1 BILLION WAS SPENT IN 2010 ON CRUISES DEPARTING FROM TEXAS, CREATING 16,500 JOBS AND \$828 MILLION IN WAGES.**

Tourists visiting the Texas Coast in 2011 spent \$8 million at hotels and motels, and generated a total of \$1.1 billion in state and local tax revenue. Nature tourism continues to thrive, creating 6,613 jobs in the Rio Grande Valley in 2011. The Great Coastal Birding Trail

is the largest nature trail in the nation, with over 300 birding sites found along the Texas Coast.



50 percent of all waterfowl found traveling the Central North American Flyway winter in Texas. Birding generated \$483 million in economic activity in the Rio Grande Valley.



**REGIONAL OVERVIEWS**



**REGION 1**

**Regional Priority Issues/Concerns:**

- » Gulf Beach/Dune Erosion
- » Wetlands/Habitat Loss
- » Flooding and Storm Surge
- » Impact to Fish and Wildlife
- » Water Quality and Quantity

**EXAMPLES:**


Erosion, subsidence, population growth, development and sea level rise combined with insufficient freshwater inflows, reduced sediment supply and heavy shipping traffic in the GWW are deteriorating wetlands and marshes that are essential habitat for fish and other wildlife.



Gulf shoreline erosion of up to 27 feet per year in certain areas of this region reduces the ability of barrier beaches to protect bayside communities, industry, shipping infrastructure and habitats, and increase their vulnerability to storm impacts.



**REGION 2**



**Regional Priority Issues/Concerns:**

- » Wetlands/Habitat Loss
- » Gulf Beach/Dune Erosion
- » Impact to Fish and Wildlife
- » Bay Shoreline Erosion
- » Water Quality and Quantity


**EXAMPLES:**

Habitat and wetland loss threaten productive estuarine marshes and wetlands, as well as some of the state's important bird rookeries.

Bay shoreline erosion, marsh loss and habitat loss are concerns, especially along stretches of the GINW where the shoreline is subject to dredging and vessel wake impacts.

Improving water quality to safeguard the region's diverse habitats is a critical concern for the sustained health and productivity of the Matagorda Bay system.

**REGION 3**



**Regional Priority Issues/Concerns:**


- » Wetlands/Habitat Loss
- » Impact to Fish and Wildlife
- » Bay Shoreline Erosion
- » Impact to Marine Resources
- » Tourism/Local Economy

**EXAMPLES:**

Erosion and habitat loss are increasing concerns to this region's bay systems, which provide important nursery areas for commercial and recreational fisheries, and wetland habitat for wildlife and resident and migratory waterfowl and shorebirds.

Population growth and coastal development in this region are causing a loss of coastal habitats and a decline in water quality, which are both essential for maintaining healthy bay ecosystems.

**REGION 4**



**Regional Priority Issues/Concerns:**

- » Wetlands/Habitat Loss
- » Impact to Fish and Wildlife
- » Tourism/Local Economy
- » Gulf Beach/Dune Erosion
- » Water Quality and Quantity

**EXAMPLES:**

A decline in water quality and an increase in nutrient loading in the Laguna Madre are jeopardizing the seagrass beds, which provide habitat and nursery areas for commercial fish and shrimp, and are a main source of food for 80 percent of wintering redhead ducks in the U.S.

Beach erosion and dune degradation hinder the tourism industry, diminish critical habitats, and reduce public access to the Gulf and bays.

## TECHNICAL ADVISORY COMMITTEE


To identify specific issues of concern facing the Texas Coast and evaluate potential projects to address these challenges, the Texas General Land Office Coastal Management Program formed a Technical Advisory Committee (TAC) — a group of more than 40 coastal experts representing a wide variety of sectors: state and federal agencies, universities, local governments, non-profits, engineering firms, port representatives, and regional trusts, foundations and partnerships.

To begin addressing issues of concern in a systematic way, the Texas General Land Office and Harte Research Institute established a process to evaluate projects that had the potential to respond to each region's issues of concern. This process included a comprehensive review of public comments and a study of grants and proposals previously submitted for agency approval.

Regional meetings were held in September 2012 in Galveston (Region 1), Victoria (Region 2), Corpus Christi (Region 3) and South Padre Island (Region 4). At each meeting, the TAC identified issues of concern for particular areas in the region and evaluated corresponding projects for their expected benefit and feasibility, along with their ability to address local issues of concern. TAC members estimated the likelihood of economic, community and environmental losses that would result if the project did not occur. TAC members were also asked if they were aware of potential project challenges, any current funding allocations, and the estimated cost for each project.

## PARTICIPATING ORGANIZATIONS


<ul style="list-style-type: none"> <li>Brazoria County</li> <li>Bureau of Economic Geology, University of Texas at Austin</li> <li>Cameron County Parks &amp; Recreation Departments</li> <li>CBRI</li> <li>City of Corpus Christi</li> <li>City of Galveston</li> <li>City of South Padre Island</li> <li>Coast &amp; Harbor Engineering</li> <li>Coastal Bend Bays &amp; Estuaries Program</li> <li>Coastal Coordination Advisory Committee</li> <li>Coastal Technology Corporation</li> <li>Galveston Bay Estuary Program</li> <li>Guadalupe-Blanco River Authority</li> <li>Guadalupe-Blanco River Trust</li> <li>Harte Research Institute for Gulf of Mexico Studies</li> <li>HDR Engineering, Inc.</li> <li>Houston Advanced Research Center</li> <li>IJA Engineering</li> <li>Mission-Aransas National Estuarine Research Reserve</li> <li>Naismith Engineering, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>National Marine Fisheries Service</li> <li>National Wildlife Federation</li> <li>Ocean Conservancy</li> <li>Peter A. Ravella Consulting, LLC</li> <li>Port of Brownsville</li> <li>Port of Corpus Christi Authority</li> <li>Rice University</li> <li>San Antonio Bay Foundation</li> <li>San Antonio Bay Partnership</li> <li>San Antonio River Authority</li> <li>Texas A&amp;M University at Galveston</li> <li>Texas Coastal Partners</li> <li>Texas Commission on Environmental Quality</li> <li>Texas Department of Transportation</li> <li>Texas General Land Office</li> <li>Texas Parks &amp; Wildlife Department</li> <li>Texas Sea Grant College Program at Texas A&amp;M University</li> <li>Texas State Soil and Water Conservation Board</li> <li>The Nature Conservancy</li> <li>U.S. Army Corps of Engineers</li> <li>U.S. Fish &amp; Wildlife Service</li> </ul>
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## THE TEXAS COAST: DEVELOPING A LEGACY OF CONSERVATION AND STEWARDSHIP

The Texas Coast and its resources are critical to the state and national economies, but the coast is at risk. Retreating shorelines, more frequent and powerful storms, growing industry and population growth near critical coastal habitats place increasing demands on limited natural resources while encroaching on fragile environments.

The Texas Coast and adjoining waters support a wealth of economic activities, such as maritime transportation, oil and gas drilling, commercial





fisheries and the development of offshore and coastal renewable energy. As these diverse uses grow, they extend into recreation and conservation activities, such as fishing, boating, bird watching and beach recreation. Traditionally, these activities have been managed separately, at times causing conflicts among users and the coastal environment. When conflict occurs, decision-makers and stakeholders can only react to events and are unable to plan for and shape actions that could lead to more cost-effective and desirable outcomes.

The time has come for Texas to create a collaborative approach to plan for and balance competing natural and human uses along the coast. With funding from the National Oceanic and Atmospheric Administration (NOAA), the Texas General Land Office has begun a long-term coastwide planning process to develop a framework utilizing Coastal and Marine Spatial Planning (CMSP). CMSP will help identify and protect key resources along the coast while reducing conflict between users. CMSP provides a method to balance coastal economic growth with the protection of critical habitats and ecosystems.

Every Texan has a stake in the health of the coast, and this process will only succeed with citizen involvement. CMSP encourages a user-friendly approach to managing the state's resources. As part of the framework's development, public meetings will be held to provide an opportunity

for interaction among stakeholders to share ideas and develop strategies for addressing issues affecting the coast.

To further the framework, a web-based visualization tool will be developed to aid in coastal resource management decisions. By providing information on coastal resources, this tool will help to examine ecologic, social and economic interests to establish common goals.

The intent of this ongoing effort is to keep the Texas Coast vibrant and reflective of everyone who calls this state home. With input from coastal experts, local and state officials, industry representatives and the citizens of this great state, Texas is on the right path to prosperity and shoring up the coast's future.



## TEXAS GENERAL LAND OFFICE: COASTAL RESOURCES

As the steward of state-owned lands, the GLO is responsible for management of the 367 miles of Texas coastline from the beach to nearshore waters and out to 10.3 miles into the Gulf of Mexico, as well as millions of acres of submerged land in our coastal bays. Texas has one of the longest coastlines in the country, where critical coastal habitat lives alongside communities, businesses, refineries and ports.

The Texas Coast suffers some of the worst erosion in the country. The GLO works to address erosion problems by renourishing beaches, restoring dunes, protecting the shoreline and restoring marsh habitat. GLO coastal programs also help protect and restore critical coastal areas, mitigate damage to natural resources, enhance public access to beaches (including ADA-compliant ramps), assist with beach maintenance costs for statutorily-approved counties, and allow the public to access up-to-date information regarding the water quality of the state's recreational beaches.

With diverse responsibilities related to protecting the Texas Coast, the GLO works every day to encourage, promote and engage in sound stewardship practices that preserve and enhance the use and enjoyment of the state's natural resources, while fostering economic growth along the Texas Coast.

For more information about the General Land Office and its coastal programs, visit [www.glo.texas.gov](http://www.glo.texas.gov).



TAC Region 3 meeting September 2012 in Corpus Christi, TX.



A publication of the Texas General Land Office. Funded by a grant from the U.S. Department of Commerce, National Oceanic and Atmospheric Administration pursuant to Award No. NA12NOS4190021. Visit [www.ShoringUpTexas.org](http://www.ShoringUpTexas.org). Photos courtesy of the General Land Office, Texas Parks and Wildlife Department and the Anahuac National Wildlife Refuge.

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strategic communications

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**APPENDIX B**

**General Land Office**  
**Texas Farm and Ranch Lands Conservation Program**

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**General Land Office  
Texas Farm and Ranch Lands Conservation Program<sup>37</sup>**

The Texas Farm and Ranch Lands Conservation Program was created by the 79<sup>th</sup> Texas Legislature in 2005 through the passage of SB1273 to facilitate the protection of agricultural land from fragmentation and encourage continuation of agricultural production while conserving, protecting and enhancing state natural resources.

*Key functions of the program*

The Texas Farm and Ranch Lands Conservation Program provides cash benefits to the private landowner from proceeds of the sale of perpetual agricultural conservation easements. The state does not hold the conservation easement, but instead pairs private landowners with land trusts to establish conservation easements on the land to prevent development and sustain agricultural production on the property. The program provides the citizens of the State with a guarantee of open spaces free from development for future generations and protection of state natural resources.

*Criteria*

The advisory council evaluates and awards grant applicants based on submitted applications and established criteria. Applications submitted for the current funding source must be made on property that is located within the 18 Texas coastal counties and meets the requirements of “qualified open-space land,” as that term is defined by Chapter 23, Subchapter D, Tax Code. In general, property that qualifies for an agricultural or wildlife use exemption qualifies for this program.

Grant applications are scored on the following criteria:

- (1) Maintenance of landscape and watershed integrity to conserve water and natural resources;
- (2) Protection of highly productive agricultural lands;
- (3) Protection of habitats for native plant and animal species, including habitats for endangered,
- (4) threatened, rare, or sensitive species;
- (5) Susceptibility of the subject property to subdivision, fragmentation, or other development;
- (6) Potential for leveraging state money allocated to the Program with additional public or private money;
- (7) Proximity of the subject property to other protected lands;
- (8) The term of the proposed conservation easement; and
- (9) A resource management plan agreed to by both parties and approved by the council.

*Funding*

Currently, the sole funding source is the Coastal Impact Assistance Program (CIAP), which limits project locations to the 18 counties in the Coastal Bend area as depicted on the attached map. Total CIAP funding allocated to the Texas Farm and Ranch Lands Conservation Program is \$6,000,000 of which \$5,090,338 has been allocated to projects and \$909,662 is available. Current funding through a CIAP grant will expire December 31, 2016 (all projects must be completed and the funding spent by that time) and no additional funding has been secured.

**Completed Projects**

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Savannah Oaks (Ducks Unlimited)

On December 29, 2011, Ducks Unlimited acquired an agricultural conservation easement for an approximately 700-acre tract of the Savannah Oaks Ranch in Brazoria County. The Texas Farm and Ranch Lands Conservation Program contributed \$400,000 in state 2007 CIAP funds. The Texas Commission on Environmental Quality's Galveston Bay Estuary Program contributed \$301,000 in state 2007 CIAP funds from the West Bay Watershed and Habitat Protection project.

Bulanek Farms (Texas Agricultural Land Trust)

On July 16, 2013, the Texas Agricultural Land Trust acquired agricultural conservation easements on 363 acres of Pat Bulanek Farm Tract 1 and 300 acres of Pat Bulanek Farm Tract 2 in Brazoria County, Texas. The Texas Farm and Ranch Lands Conservation Program contributed \$878,000 in CIAP funds.

Tomlinson Farms (Texas Rice Industry Coalition for the Environment)

On May 13, 2014, Texas R.I.C.E. purchased an agricultural conservation easement on 804.52 acres of Tomlinson Farms in Matagorda County. The Texas Farm and Ranch Lands Conservation Program contributed \$256,500 in CIAP funds.

**On-going Projects**

Lone Pine Farms (Galveston Bay Foundation)

The Galveston Bay Foundation will use \$1,238,467 to purchase agricultural conservation easements on 575.02 acres of Lone Pine Farms Tract 1 and 521.94 acres of Lone Pine Farms Tract 2 in Brazoria County, Texas.

*Status:* The Galveston Bay Foundation is working to complete the required due diligence. An additional \$80,000 was awarded to the Foundation by the Council to offset an increase in value of the easement.

Willow Glen Plantation (Texas Land Conservancy)

The Texas Land Conservancy will use \$1,750,000 to purchase an agricultural conservation easement on 3,120 acres of Willow Glen Plantation in Brazoria County, Texas.

*Status:* The Texas Land Conservancy is working to complete the required due diligence.

Holly Farms (Texas Agricultural Land Trust)

The Texas Agricultural Land Trust will use \$356,371.36 to purchase an agricultural conservation easement on 190 acres of Holly Farms in Brazoria County, Texas.

*Status:* The Texas Agricultural Land Trust is in the initial stages of the due diligence period.

Baldpate Farms (Texas Rice Industry Coalition for the Environment)

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The Texas R.I.C.E. will use \$27,000 to purchase an agricultural conservation easement on 175 acres of Baldpate Farms in Matagorda County, Texas.

*Status:* Texas R.I.C.E. is in the initial stages of the due diligence period.

Stopover Ranch (Texas Rice Industry Coalition for the Environment)

The Texas R.I.C.E. will use \$47,000 purchase an agricultural conservation easement on 498 acres of Stopover Ranch in Jackson County, Texas

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**APPENDIX C**  
**Statement from Representative Armando Walle, Vice-Chair**

Disclaimer: The following statement is the opinion of the member and not the committee as a whole.





**ARMANDO L. WALLE**

STATE REPRESENTATIVE  
HOUSE DISTRICT 140

December 1, 2014

The Honorable Joe Deshotel  
Chairman, House Committee on Land and Resource Management  
P.O. Box 2910  
Austin, TX 78768

Dear Chairman Deshotel:

I write to express my thanks to you and your staff for their hard work in compiling and drafting the interim report for the House Committee on Land and Resource Management. I am pleased with the report's detailed background and findings on the charges the committee was tasked with studying. I also write to express concerns and potential considerations related to Charge 3:

*Study current regulatory authority available to municipalities in their extraterritorial jurisdiction. Examine how citizens are involved in the zoning process, and make necessary recommendations to ensure a proper balance between development activities, municipal regulations, and the effect zoning decisions have on Texas citizens.*

In the "Supplemental Findings" section regarding the Model Subdivision Rules (MSR), I believe any contemplated changes must strongly consider the economic and social realities of the populations the MSR were intended to protect. Some of the provisions, like certain Spanish language requirements, may at first glance seem only necessary for border counties. However, non-border counties often also have similar demographics that would need the protections provided by the MSR. In fact, by both area and population, approximately half of my House district is located in unincorporated Harris County. As many people of modest means and often with a preference for communicating in Spanish live here, I know the MSR serves to protect residents and enable responsible residential development in my district.

Congratulations again, and please do not hesitate to contact me if I can be of service to you. I look forward to working together.

A handwritten signature in cursive script that reads "Armando L. Walle".

State Representative, Texas House District 140

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**APPENDIX D**  
**Statement from Representative Abel Herrero**

Disclaimer: The following statement is the opinion of the member and not the committee as a whole.

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ABEL HERRERO

CAPITOL OFFICE:  
P.O. Box 2910  
AUSTIN, TEXAS 78768-2910  
(512) 463-0462  
FAX: (512) 463-1705



DISTRICT OFFICE:  
606 N. CARANCAHUA  
SUITE 103A  
CORPUS CHRISTI, TEXAS 78401-0690

HOUSE OF REPRESENTATIVES

December 15, 2014

The Honorable Joe Deshotel  
Chairman, House Committee on Land and Resource Management  
PO Box 2910  
Austin, TX 78768

Dear Chairman Deshotel:

While I truly appreciate the hard work that was put into the completion of this interim report and I will sign on, I am writing merely to express my reservations regarding some of the recommendations as written.

I am mainly concerned with the outlined approaches relating to municipalities annexing extraterritorial jurisdiction and the portion of this report relating to model subdivision rules. We as lawmakers must be vigilant in balancing the needs of our constituents and the needs of private enterprise to ensure that the two compliment each other. In the end, we hope to allow economic growth to prosper while protecting the rights of property owners.

The issues outlined in this report are of vital importance, and I look forward to working with fellow members in addressing them during the upcoming legislative session.

Thank you,

A handwritten signature in black ink that reads "Abel Herrero".

Abel Herrero  
State Representative, District 34



DISTRICT 34 · NUECES (PART)  
ABEL.HERRERO@HOUSE.STATE.TX.US

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**APPENDIX E**  
**Statements from Representative Drew Springer**

Disclaimer: The following statements is the opinion of the member and not the committee as a whole.



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STATE of TEXAS  
HOUSE of REPRESENTATIVES



**DREW SPRINGER**  
DISTRICT 68

December 16, 2014

The Honorable Joe Deshotel  
Chairman, House Committee on Land and Resource Management  
PO Box 2910  
Austin, TX 78768

Chairman Deshotel,

I appreciate the time to work toward the original understanding with my colleagues on the committee to produce a report free of dissenting letters. Unfortunately it could not be achieved. Nevertheless, I appreciate your efforts and the efforts of the committee members for their diligence to complete the report. In light of the language which has been presented, I would like to express my grave concerns with Model Subdivision Rules as they relate to the State as a whole.

Model Subdivision Rules, along with the Local Government Code, require both English and Spanish plaques under certain conditions. These requirements are stifling to economic growth. In a state known for forward thinking on economic policy and progress, I question why we would allow this kind of bureaucratic red tape to stifle the efforts of job creators. The Spanish language requirement further exacerbates the economic burden already felt by developers, especially by rural developers that have unique building challenges.

Model Subdivision Rules target advanced and highly educated personnel, such as developers and engineers that use precise technical documents and reports. The chances of these persons or professions benefiting from duplicate reports in Spanish is extremely unlikely. Moreover, the potential legal challenges due to misinterpretation in translation decreases home affordably. When universal translation costs are applied to everyone, regardless if a translation is needed, the burden is carried by parties which receive no benefit. A more appropriate measure would be for the individual to carry the cost and hire a translator in the less frequent case of a non-English reader. Seeking to expand regulations for the sake of a small portion of Spanish speakers along the border is not in the best interest of Texas as a whole.

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In the state of Texas, English is the official language of legislation, regulation, executive orders, treaties, and federal court rulings. Creating a dual language society presents many problems. Canada for example, which has two official languages, requires at least an additional 20 percent in public authorities' expenditures. Conflicts in society have also arisen in multilingual societies due to the poor communication that can result.

The United States is a melting pot of many cultures and languages. However, English is the commonality which bonds us together. We should focus on the proper education of English for our ESL students, instead of the fiscally irresponsible and divisive alternative of a dual language society.

Thank you for your careful consideration of the issues I have addressed. I look forward to continuing to move Texas in the right direction.

With liberty,



Drew Springer/kbf

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STATE of TEXAS  
HOUSE of REPRESENTATIVES



**DREW SPRINGER**  
DISTRICT 68

November 10, 2014

The Honorable Joe Deshotel  
Capitol of Texas  
1400 Congress, GN.08  
Austin, Texas 78701

Chairman Deshotel,

This letter should not be viewed as a dissent or disagreement with the Chairman's report but rather an addition. I have a suggestion to the Committees fifth charge regarding responsiveness and streamlining of state agencies.

Historically, State agency employees have worked in Austin because the city is the seat of government in Texas. However, the committee raised questions that cost effectiveness and agency efficiency could be bolstered by having expanding regional offices of oversight and by moving operations into areas of economic distress. Coastal issues, an interest to the committee, would greatly benefit from having the expertise of a local state agent. The salary of such an employee would also go further in impacting the community of a distressed area than it would competing with inflated salaries in down town Austin.

Growing technological resources gives Texas the capability to maintain government processes remotely. Certain jobs, specifically data entry and constituent outreach, could be performed directly in the areas they serve. This makes the agency more transparent to the taxpayers they work for and could impact the wellbeing of economically distressed areas.

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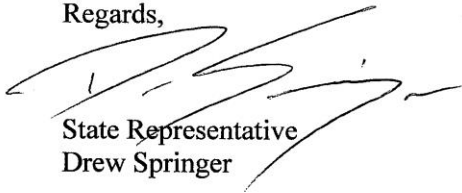


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I recommend a minimum of 75% of state agency employees should be relocated to the areas they serve, specifically, to counties that are below the state's medium income. This would maximize the state's cost and streamline agencies directly to the taxpayers they work for.

Thank you for your diligence throughout the interim and for including this letter in the committee's final interim report.

Regards,



State Representative  
Drew Springer

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## ENDNOTES

- <sup>1</sup> Testimony taken from Dr. Lila Valencia, Office of State Demographer in October, 2014.
- <sup>2</sup> Handout: "Population Growth of Texas Cities and its Impact" presented by Lila Valencia, Office of State Demographer, in October, 2014.
- <sup>3</sup> Texas Local Government Code, Sec. 211.001, <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.211.htm>
- <sup>4</sup> Texas Local Government Code, Sec. 211.003, <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.211.htm>
- <sup>5</sup> Texas Local Government Code, Sec. 211.005, <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.211.htm>
- <sup>6</sup> Texas Local Government Code, Sec. 42.001, <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.42.htm>
- <sup>7</sup> Texas Local Government Code, Sec.42.021, <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.42.htm>
- <sup>8</sup> Texas Local Government Code, Sec. 43.035, <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.43.htm>
- <sup>9</sup> Testimony taken from Alan McWilliams, Director of Uplands Surface Leasing, General Land Office, October 2014.
- <sup>10</sup> The Senate Committee on Jurisprudence, "Interim Report to the 81st Legislature", December 2008.
- <sup>11</sup> The Senate Committee on Intergovernmental Relations, "Interim Report to the 82nd Texas Legislature", December 2010.
- <sup>12</sup> The House Committee on Land and Resource Management, "Interim Report to the 83rd Texas Legislature", December 2014.
- <sup>13</sup> Texas Local Government Code, §211.003
- <sup>14</sup> Texas Local Government Code, §211.004(a)
- <sup>15</sup> *Mayhew v Town of Sunnyvale* <http://caselaw.findlaw.tx-supreme-court/1298821.html>
- <sup>16</sup> <http://tlis/BillLookup/BillSummary.aspx?LegSess=83R&Bill=HB674>
- <sup>17</sup> Texas Local Government Code Sec. 42.001
- <sup>18</sup> *City of Lucas v. North Texas Municipal Water Dist.*, 724 S.W.2d 811(Tex. App.-Dallas 1986, writ ref'd n.r.e).
- <sup>19</sup> <http://tlis/BillLookup/BillSummary.aspx?LegSess=77R&Bill=HB1445>
- <sup>20</sup> <http://tlis/BillLookup/BillSummary.aspx?LegSess=78R&Bill=HB1204>
- <sup>21</sup> <http://tlis/BillLookup/Text.aspx?LegSess=83R&Bill=HB1970>
- <sup>22</sup> <http://tlis/BillLookup/BillSummary.aspx?LegSess=82R&Bill=HB1643>
- <sup>23</sup> Texas Local Government Code, Sec. 43.035, <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.43.htm>
- <sup>24</sup> Testimony taken from private land owners: Anita Dunn, Pamela Madere, Ann Seaman, June 2014.
- <sup>25</sup> Testimony from Jeff Musgrove, Self, Transit Village Investor LLP, June 2014.
- <sup>26</sup> Email from Leonard Smith, Attorney at Law, October 2014.
- <sup>27</sup> Testimony taken from Scott Houston, Texas Municipal League, June 2014.
- <sup>28</sup> Testimony taken from Phil Crone, Dallas Builders Association, June 2014.
- <sup>29</sup> Testimony taken from Scott Howard and Jeff Howard, June 2014.
- <sup>30</sup> Testimony taken from Gregory Guernsey, City of Austin, June 2014.
- <sup>31</sup> Written testimony from Anthony Gray and Scott Campbell, submitted via email by Chuck Rice, Oct. 2014.
- <sup>32</sup> <http://www.glo.texas.gov/GLO/boards-and-commissions/school-land-board/index.html>
- <sup>33</sup> <http://www.glo.texas.gov/GLO/boards-and-commissions/university-lands/index.html>
- <sup>34</sup> <http://www.glo.texas.gov/GLO/history-of-the-Land-Office/index.html>
- <sup>35</sup> Email from Susan Biles, General Land Office providing Deputy Lane's Talking Points for the House Committee on Land and Resource Management, Feb 2014.
- <sup>36</sup> Email from Susan Biles, General Land Office providing feedback for Rep. Walle, June 2014.
- <sup>37</sup> Testimony taken from Alan McWilliams, Director of Uplands Surface Leasing, General Land Office, October 2014.