



City of San Antonio

Agenda Memorandum

File Number: 19-2384

Agenda Item Number: 15B.

Agenda Date: 3/7/2019

In Control: City Council A Session

DEPARTMENT: Parks and Recreation

DEPARTMENT HEAD: Xavier D. Urrutia, Director

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Edwards Aquifer Protection Program - Fee Simple and Conservation Easement Acquisitions

SUMMARY:

Consideration of the following ordinances associated with acquisition of three conservation easements totaling 67.25 acres over the Edwards Aquifer Recharge and Contributing Zones.

- A) An ordinance authorizing payment in the amount of \$884,048.35 to Service Title Company as escrow agent for fee simple acquisition on behalf of San Antonio Municipal Utility District No. 1, of which the City will retain a conservation easement, due diligence and closing costs on a 12.6 acre tract of land known as the Hoover tract located in Bexar County, Texas.
- B) An ordinance authorizing payment in the amount of \$458,695.10 to Service Title Company as escrow agent for fee simple acquisition on behalf of San Antonio Municipal Utility District No. 1, of which the City will retain a conservation easement, due diligence and closing costs on a 4.14 acre tract of land known as the Wilkinson tract located in Bexar County, Texas.
- C) An ordinance authorizing payment in the amount of \$102,668.48 to Service Title Company as escrow agent for acquisition of a conservation easement, due diligence and closing costs on a 67.25 acre tract of land from San Antonio Municipal Utility District No. 1 located in Bexar County, Texas.

These actions also authorize the execution of necessary documents to accomplish said acquisitions. Funding for this ordinance is available from the 2015 Sales Tax Venue Fund included in the FY 2019 Capital Budget.

BACKGROUND INFORMATION:

The purpose of the Edwards Aquifer Protection Program is to obtain property rights by fee simple purchase, conservation easements or donations of land over the sensitive zones of the Edwards Aquifer. This program was initiated in May 2000 when voters approved Proposition 3, a 1/8-cent sales tax venue up to \$45 million for the acquisition of lands over the Edwards Aquifer for parks and watershed protection. Proposition 3 ran from 2000 through 2005 and was limited to Bexar County.

The 2005 Proposition 1 program was an extension of the initial voter-approved Edwards Aquifer protection endeavor and was extended by voters in 2010 and renewed again in 2015. Changes in state legislation allowed watershed protection activities to expand outside of Bexar County.

The Edwards Aquifer Protection Program (EAPP), in order to maximize the City of San Antonio's Edwards Aquifer water protection efforts, will collaborate with San Antonio Municipal Utility District No. 1 ("MUD") in order to preserve aquifer recharge quality and quantity through conservation of 67.25 acres located along the Highway 16 corridor in northwest Bexar County. Under the terms of this innovative collaboration, the EAPP will fund the fee simple acquisition of two tracts of land totaling 16.74 acres located adjacent to the MUD's 50.51 acres of undeveloped land. In exchange for the EAPP funding the acquisition of these two tracts and the MUD's acceptance of title and absorption of all associated management and maintenance costs, the MUD will grant to the EAPP a perpetual conservation easement for the combined 67.25 acres of MUD-owned property. The EAPP's approximate \$1.44 Million investment for preservation of these properties is a substantial savings in consideration of the \$6.76 Million appraised market value for the conservation easement and will result in no additional long-term property management or maintenance expenditures for the City of San Antonio.

These properties, which are located over the Edwards Aquifer Recharge and Contributing Zones in Bexar County, were initially identified through use of the Scientific Evaluation Team's GIS Spatial Model and subsequent site visits identified favorable recharge potential on the properties. The properties are located within the Helotes Creek watershed, which contributes to recharge of the Edwards Aquifer. The Edwards Aquifer Authority issued geological assessments confirming that preservation of these properties would provide low to moderate water quantity and moderate to high water quality benefits for the City of San Antonio.

If approved, inclusion of these properties will increase the total protected lands under the City's aquifer protection program by approximately 67.25 acres for a total of 157,215 acres.

ISSUE:

- A) This ordinance authorizes payment in the amount of \$884,048.35 to Service Title Company as escrow agent for fee simple acquisition for San Antonio Municipal Utility District No. 1, of which the City will retain a conservation easement, due diligence and closing costs on a 12.6-acre tract of land known as the Hoover Tract located in Bexar County, Texas.
- B) This ordinance authorizes payment in the amount of \$458,695.10 to Service Title Company as escrow agent for fee simple acquisition for San Antonio Municipal Utility District No. 1, of which the City will retain a conservation easement, due diligence and closing costs on a 4.14-acre tract of land known as the Wilkinson Ranch located in Bexar County, Texas.
- C) This ordinance authorizes payment in the amount of \$102,668.48 to Service Title Company as escrow agent for a conservation easement, due diligence and closing costs on a 67.25-acre tract of land owned by San Antonio Municipal Utility District No. 1 located in Bexar County, Texas.

Acquisition of these properties is consistent with policy for implementation of the Proposition 1 Edwards Aquifer Protection Venue Project as approved by voters. The City Council-appointed Conservation Advisory

Board reviewed and recommended the acquisition of these conservation easements at the October 24, 2018 and December 5, 2018 meetings.

ALTERNATIVES:

An alternative would be to defer acquisition until a later date subject to the property owners' willingness to sell real estate interests and future market conditions. Additionally, other properties could be targeted for acquisition foregoing this conservation easement and losing the moderate to high water quality benefits and the opportunity to protect acreage within the Helotes Creek watershed.

FISCAL IMPACT:

This Ordinance authorizes payment in a cumulative amount of \$1,445,411.93 for the fee simple and conservation easement acquisitions of Hoover Tract, Wilkinson Tract and San Antonio Municipal Utility District No. 1 which is available from the 2015 Sales Tax Venue Fund included in the FY 2019 Capital Budget.

RECOMMENDATION:

Staff recommends approval of Items A-C for conservation easement acquisitions in the cumulative amount of \$1,445,411.93 for 67.25 acres under the Proposition 1 Edwards Aquifer Protection Venue Project.

The Contracts Disclosure Forms required by the Ethics ordinance are attached.