



City of San Antonio

Agenda Memorandum

File Number: 15-1469

Agenda Item Number: 4.

Agenda Date: 2/12/2015

In Control: City Council A Session

DEPARTMENT: City Manager's Office

DEPARTMENT HEAD: Peter Zanoni

COUNCIL DISTRICT(S) IMPACTED: City Wide

SUBJECT: Calling May 9, 2015 Special Election

SUMMARY:

An ordinance ordering a special election to be held on May 9, 2015 in the City of San Antonio, Texas to renew the Edwards Aquifer Protection Venue Project at \$100 million and the Parks Development Expansion Venue Project (Linear Creekway Parks Program) at \$80 million in accordance with Chapter 334 of the Texas Local Government Code.

BACKGROUND INFORMATION:

The Edwards Aquifer Protection Venue Project encompasses the acquisition of land or conservation easements over sensitive lands of the Edwards Aquifer Recharge and Contributing Zones; and the Parks Development and Expansion Venue Project includes the acquisition of open space and development of linear parks along the Leon Creek, Salado Creek, Medina River, San Antonio River, and tributaries, such as the Apache, Alazan, Culebra, Huesta, Huebner, Lorence, Martinez, Olmos, and San Pedro. The programs were first approved by San Antonio voters in 2000, and subsequently renewed by voters in 2005 and 2010.

Since the initiation of the Edwards Protection Program 133,447 acres of sensitive lands over the Edwards Recharge and Contributing Zones have been protected either as part of the City's natural areas parks system or as conservation easements protecting the hydrogeologic headwaters to San Antonio's drinking water. This translates to almost 13% of the entire Edwards Aquifer Recharge Zone or approximately 20.5% of the Recharge Zone that directly affects the City of San Antonio.

Since the inception of the Linear Creekways Parks System, over 1,250 acres of Creekway properties have been preserved as public park space including construction of over 46 miles of accessible multi-use paths already open to the public for recreation and an additional 40 miles of trails that is currently under design or construction.

On January 29, 2015, City Council passed a resolution designating the Edwards Aquifer Protection Venue Project and the Parks Development and Expansion Venue Project under the Texas Local Government Code

Chapter 334 and designating the continuation of the current 1/8th cent sales and use tax as the method of financing to be used to finance these Venue Projects. The resolution passed by City Council increases the overall amounts for both Venue Projects from a total of \$135 million to \$180 million, with \$100 million now being allocated for the Edwards Aquifer program and \$80 million now being allocated to Parks Linear Creekway program.

The resolution was submitted to the State Comptroller requesting a determination of whether implementation of the Resolution would have a negative impact on the State's revenue. On February 3, 2015, the written determination from the Comptroller was received stating that the implementation of the Resolution would not have a significant negative impact on State revenues.

ISSUE:

This Ordinance, if approved by Council, will order a special election to be held on May 9, 2015 in the City of San Antonio, Texas to renew the Edwards Aquifer Protection Venue Project at \$100 million and the Parks Development Expansion Venue Project (Linear Creekway Parks Program) at \$80 million in accordance with Chapter 334 of the Texas Local Government Code.

The current sales tax funding cap approved by the voters in 2010 for the Edwards Aquifer Protection Program is \$90 million and for the Linear Creekway Parks Development Program is \$45 million. Once sales tax collections reach \$135 million, the collection of the 1/8th cent sales tax will cease. It is estimated that the \$135 million sales tax cap will be reached in February 2016.

To continue the Edwards Aquifer Protection and Linear Creekway Parks Development Programs sales tax venues, the City must hold a sales and use tax election in accordance with the Local Government Code.

Based on current annual sales tax collection amounts and current sales tax collection forecasted growth rates, City staff is projecting that over a five year period (or 60 months), from 2016 to 2021, \$180 million in sales tax would be collected. The 2005 venue sales tax collection lasted for just under six years, or specifically 70 months. It is forecasted that the 2010 venue sales tax collection will last for approximately five years, or specifically 56 months.

The May 2015 reauthorization of the Edwards Aquifer Protection Program and Linear Creekway Parks Development Program totaling \$180 million would consist of the following elements:

The Edwards Aquifer Protection Program would total \$100 million. The current conservation easement and land purchase portion of the venue would be funded at \$90 million. The remaining \$10 million would be dedicated for Edwards Aquifer protection projects exclusively within Bexar County's recharge and contributing zones that would improve Edwards Aquifer water quality.

The Linear Creekway Parks Development Program would total \$80 million with the entire allocation being dedicated toward the existing program objectives and would include, to the extent possible and practical, watershed and water quality protection efforts when developing parks improvements within the re-authorized project venue.

If approved by the voters, collection of the sales and use tax will commence immediately after the full collection of sales and use tax previously authorized by the voters on November 2, 2010 for the Edwards Aquifer Protection Project as Proposition 1 and for the Parks Development an Expansion Venue Project as Proposition 2. It is projected that the full collection of the 2010 venue projects' sales tax totaling \$135 million

will be in February 2016.

This ordinance, if approved by Council, will order the election for May 9, 2015 with the following dates for early voting:

May 9, 2015 Election

Election Called: February 12, 2015
Early Voting Begins: April 27, 2015
Early Voting Ends: May 5, 2015
Election Day: May 9, 2015

This item authorizes the Special Election to be held jointly with other participating local political subdivisions located within Bexar County as proscribed by law. The City shall execute an agreement with Bexar County to conduct the election as a joint election with the other political subdivisions identified in the agreement. Voting precincts and hours of voting shall be established by the Bexar County Elections Administrator. An Ordinance adopting the precincts and voting hours for the May 9, 2015 election will be considered at a later meeting.

ALTERNATIVES:

One alternative would be to not call for the special election regarding the Edwards and Parks Venue Projects. However, this would be contrary to the resolution passed unanimously by City Council on January 29, 2015.

The City can also choose to postpone the election until November 2015. A delay could result in loss of the dedication of the existing 1/8th cent sales and use tax to the existing venue programs.

FISCAL IMPACT:

Based on current annual sales tax collection amounts and current sales tax allocation forecasted growth rates, City staff is projecting that over a five year period (60 months), from 2016 to 2021, \$180 million in sales tax would be collected. The 2005 venue sales tax collection lasted for just under six years, or specifically 70 months. It is forecasted that the 2010 venue sales tax collection will last for approximately five years, or specifically 56 months.

Currently, the sales tax structure for the City of San Antonio is as follows:

Sales Tax Maximum	8 ¼ %	0.08250
State	6 ¼ %	0.06250
City: General Fund	1%	0.01000
City: Aquifer Protection / Linear Creekway Parks	1/8%	0.00125
City: City of San Antonio Pre-K 4 SA	1/8%	0.00125
VIA	1/2 %	0.00500
VIA - ADT	1/4%	0.00250
Current Total	8.25 %	0.0825

If the propositions pass, no sales tax capacity remains, and the City would continue at the maximum sales tax allowed by law of 8.25%.

If approved by voters, the renewed sales tax would be shared by both propositions until no more than \$180,000,000 is collected, as designated above.

Funding for a May election was included within the FY 2015 Adopted General Fund Budget. An Ordinance contracting with the Bexar County Elections Administrator for election services will be presented to City Council at a later date at which time the final cost will be presented.

RECOMMENDATION:

City Staff recommends approval of ordering a special election to be held on May 9, 2015 in the City of San Antonio, Texas to renew the Edwards Aquifer Protection Venue Project at \$100 million and the Parks Development Expansion Venue Project (Linear Creekway Parks Program) at \$80 million in accordance with Chapter 334 of the Texas Local Government Code.

On September 24, 2014, the City of San Antonio's Conservation Advisory Board passed a resolution recommending support of a voter initiative to continue the watershed protection program.

On January 27, 2015, the Linear Creekway Parks Advisory Board passed a resolution recommending support of a voter initiative to continue the Parks venue project.

DEPARTMENT HEAD AUTHORIZATIONS:

Leticia Vacek	City Clerk	Office of the City Clerk
Mike Etienne	Director	EastPoint & Real Estate
Xavier Urrutia	Director	Parks & Recreation