



# City of San Antonio

## Agenda Memorandum

**File Number:**15-5804

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**Agenda Item Number:** 22.

**Agenda Date:** 11/19/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:** SAWS Impact Fee Waivers for Joint Base San Antonio (JBSA)

### SUMMARY:

On October 6, 2015, the San Antonio Water System (SAWS), Board of Trustees approved a resolution in support of a plan to partner with various entities for the development of interconnections for water services to Joint Base San Antonio (JBSA). The interconnections to SAWS water services would require impact fees of \$5.6 million. The proposed Ordinance would waive these impact fees for JBSA.

### BACKGROUND:

JBSA manages the support functions of Camp Bullis, Fort Sam Houston, Randolph AFB, Lackland AFB, Medina Base (a.k.a. Lackland Training Annex), and Security Hill (a.k.a. Lackland East). Currently, various bases utilize their own pumps and wells to meet their water supply needs, for example: Camp Bullis pumps water from the Trinity aquifer; and, Ft. Sam uses Edwards Aquifer wells. These sole water supply sources mean that bases in San Antonio may face acute water challenges during times of drought.

In addition, the bases have some aging and unreliable water infrastructure as well as a lack of redundancy that is creating an atmosphere of uncertain water resources. These issues have led to, and will continue feeding into, the perceptions of inadequate water availability for these bases. These perceptions may create a vulnerability to future rounds of Base Realignment and Closure (BRAC), and also may hinder San Antonio

from attracting new military missions through the BRAC process which can bring new jobs and economic development.

A lack of water availability could pose a threat to the military value of our military bases. SAWS, the City of San Antonio, and JBSA have been working with other partners over the past year to develop a comprehensive approach to bringing adequate infrastructure and water supplies to the bases and have developed solutions that can be executed quickly.

SAWS is proposing to build infrastructure to provide adequate and reliable water supplies to Camp Bullis, Fort Sam Houston, Lackland AFB, Medina, and to Security Hill in support of their current and future missions.

The five identified projects are estimated to provide water services to the bases with a maximum additional water use of 4,598 acre-feet. This represents 100% redundancy support and the ability of supplying more water when needed. This amount of water is planned to be made available in a future SAWS Water Management Plan. The total cost for all five projects is estimated to be \$10.2 million in infrastructure costs, and \$5.6 million in impact fees for a total cost of \$15.8 million.

Base	Estimated Acre-Feet Per Year	Projected Impact Fees	Infrastructure Estimated Cost	Total Est. Cost for Potable Service
Camp Bullis	107	\$ 620,597	\$ 1,200,000	\$ 1,820,597
Ft. Sam Houston	2,414	\$ 2,482,385	\$ 1,200,000	\$ 3,682,385
Lackland	1,835	\$ 1,861,789	\$ 870,000	\$ 2,731,789
Medina	242	\$ 620,597	\$ 300,000	\$ 920,597
Security Hill	-	\$ -	\$ 6,600,000	\$ 6,600,000
Total	4,598	\$ 5,585,368	\$ 10,170,000	\$ 15,755,368

An impact fee is a fee that is imposed by a local government on a new development to pay for all or a portion of the costs of providing services to the new development. In this case, impact fees are required through City Ordinance to pay for new service connections. The City Council has the authority to waive impact fees that SAWS collects. These impact fees fund capital improvements.

A potential funding component of this project is the Defense Economic Adjustment Assistance Grant. This grant includes a 50%/50% funding match requirement. The impact fee waivers would go toward meeting the 50% matching requirement.

## ISSUE:

Local military bases currently face water supply and infrastructure challenges. SAWS, the City of San Antonio, and JBSA have been working with other partners over the past year to develop a comprehensive approach to bringing adequate infrastructure and water supplies to the bases and have developed solutions that can be executed quickly. These infrastructure improvements would require a total estimated cost of \$15.8 million of which, \$5.6 million is impact fees. City Council has the authority to waive impact fees that SAWS collects.

**ALTERNATIVES:**

The City Council could elect not to waive the impact fees related to these projects. However, funding for military projects and other military functions have been, and will likely continue to be significantly reduced through sequestration and/or other budgetary pressures; therefore, the military installations will struggle to find funding for these projects.

**FISCAL IMPACT:**

Although the City normally receives 2.7% of gross revenues from SAWS, impact fees are not subject to the 2.7% requirement. Therefore, there is no fiscal impact to the City.

**RECOMMENDATION:**

Staff recommends approval of impact fee waivers for these projects related to the provision of water services by SAWS to JBSA.