



# City of San Antonio

## Agenda Memorandum

**File Number:**16-4817

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**Agenda Item Number:** 4D.

**Agenda Date:** 9/15/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Office of Management and Budget

**DEPARTMENT HEAD:** John Woodruff

**COUNCIL DISTRICTS IMPACTED:** City Wide

### SUBJECT:

Adopting the Debt Service Tax Rate for FY 2017

### SUMMARY:

This item presents for City Council consideration an ordinance adopting the Ad Valorem City Property Tax Rate to pay the principal and interest on the funded debt of the City of San Antonio at 21.150 cents per \$100 of taxable valuation for the tax year beginning on January 1, 2016 and ending on December 31, 2016. The Estimated Property Tax Revenue to pay outstanding debt of the City for FY 2017 is \$193,650,721 or \$14,522,056 more than the FY 2016 Adopted Budget.

### BACKGROUND INFORMATION:

Property tax values are determined by the Bexar Appraisal District (BAD) in conformance with State law. FY 2017 net taxable value for the City of San Antonio is \$99.2 billion which is an increase in net taxable value of \$8.6 billion or 9.55% more than the FY 2016 Adopted Budget. Included in this total is an increase of \$1.8 Billion for new improvements and an increase of \$6.8 billion in existing valuations from the FY 2016 Adopted Budget.

The following table shows the components of the FY 2017 Proposed City Property Tax Rate.

CITY PROPERTY TAX RATE (Per \$100 Valuation)		
	FY 2016 Adopted Budget (in cents)	FY 2017 Proposed Budget (in cents)

Maintenance & Operations	34.677	34.677
Debt Service	21.150	21.150
<b>Total</b>	<b>55.827</b>	<b>55.827</b>

## **ISSUE:**

The City's FY 2017 Proposed Property Tax Rate of 55.827 cents per \$100 valuation represents a no change when compared to the City's FY 2016 Adopted Property Tax Rate.

Calculation of the debt service portion of the property tax rate is dependent on the City's debt service requirements. The debt service rate for FY 2017 is calculated at 21.150 cents per \$100 of taxable valuation which is equal to the FY 2016 debt service tax rate and is consistent with the requirements of the City's Debt Management Plan.

## **ALTERNATIVES:**

This item is required by City Charter.

## **FISCAL IMPACT:**

The debt service tax rate for FY 2017 will generate \$193,650,721 in revenues for payment of debt and is consistent with the tax rate recommended in the City Manager's Proposed Budget. This amount is \$14,522,056 more than the FY 2016 Budget.

## **RECOMMENDATION:**

Staff recommends approval of this item.