



City of San Antonio

Agenda Memorandum

File Number:18-5220

Agenda Item Number: 9D.

Agenda Date: 9/13/2018

In Control: City Council A Session

DEPARTMENT: Parks and Recreation

DEPARTMENT HEAD: Xavier D. Urrutia

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Edwards Aquifer Protection Program - Conservation Easement Acquisitions

SUMMARY:

Consideration of the following ordinances associated with six conservation easements through Proposition 1 Edwards Aquifer Protection Venue Project totaling 2,146.807 acres over the Edwards Aquifer Recharge and Contributing Zones.

- A) An Ordinance authorizing payment in the amount of \$1,408,607.75 to Presidio Title as escrow agent for title on a conservation easement, due diligence and closing costs on a 135.4 acre tract of land known as the Gallagher Ranch located in Bexar County, Texas.
- B) An Ordinance authorizing payment in the amount of \$5,704,896.55 to Presidio Title as escrow agent for title on a conservation easement, due diligence and closing costs on three tracts of land totaling 606.487 acres known as the Gallagher Ranch located in Bexar and Medina Counties, Texas.
- C) An Ordinance authorizing payment in the amount of \$996,806.48 to Texas Heritage Title as escrow agent for title on a conservation easement, due diligence and closing costs on a 766.24 acre tract of land known as the 3T's Heritage Ranch located in Medina County, Texas.
- D) An Ordinance authorizing payment in the amount of \$369,299.18 to Texas Heritage Title as escrow agent for title on a conservation easement, due diligence and closing costs on a 236.63 acre tract of land known as the Saunders Ranch located in Medina County, Texas.
- E) An Ordinance authorizing payment in the amount of \$382,834.49 to Texas Heritage Title as escrow agent for title on a conservation easement, due diligence and closing costs on a 248.35 acre tract of land known as the Jimmy Bendele Ranch in Medina County, Texas.
- F) An Ordinance authorizing payment in the amount of \$287,116.34 to Texas Heritage Title as escrow

agent for title on a conservation easement, due diligence and closing costs on a 153.7 acre tract of land known as the Ray Bendele Ranch in Medina County, Texas.

These actions also authorize the execution of necessary documents to accomplish said acquisitions.

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 proposed purchases of conservation easements on the Gallagher Ranch, 3T's Heritage Ranch, Saunders Ranch, Jimmy Bendele Ranch and Ray Bendele Ranch tracts are located over the Edwards Aquifer Recharge and Contributing Zones and consist of 504 acres in Bexar County and 1,642.807 acres in Medina County. The properties were initially identified through use of the Scientific Evaluation Team's GIS Spatial Model and subsequent site visits identified favorable recharge features on the properties. The Gallagher Ranch properties are located within the San Geronimo watershed and the 3T's Heritage, Saunders, Jimmy Bendele and Ray Bendele Ranches are located within the Seco Creek watershed basin which combined with faults, caves and fractures contribute to significant recharge of the Edwards Aquifer. The Edwards Aquifer Authority issued a geological assessment of the properties confirming that preservation would provide moderate-to-high water quantity and quality benefits for the City of San Antonio.

The Gallagher, 3T's Heritage and Saunders Ranches are located adjacent to other Edwards Aquifer protected properties; the Jimmy Bendele and Ray Bendele Ranches are contiguous. If approved, inclusion of these properties will increase the total protected lands under the City's aquifer protection program by approximately 2,146.807 acres for a total of 154,906 acres.

ISSUE:

- A) This Ordinance authorizes payment in the amount of \$1,408,607.75 to Presidio Title as escrow agent for title on a conservation easement, due diligence and closing costs on a 135.4 acre tract of land known as the Gallagher Ranch located in Bexar County, Texas.
- B) This Ordinance authorizes payment in the amount of \$5,704,896.55 to Presidio Title as escrow agent for title on a conservation easement, due diligence and closing costs on three tracts of land totaling 606.487 acres known as the Gallagher Ranch located in Bexar and Medina Counties, Texas.
- C) This Ordinance authorizes payment in the amount of \$996,806.48 to Texas Heritage Title as escrow agent for title on a conservation easement, due diligence and closing costs on a 766.24 acre tract of land known as the 3T's Heritage Ranch located in Medina County, Texas.
- D) This Ordinance authorizes payment in the amount of \$369,299.18 to Texas Heritage Title as escrow agent for title on a conservation easement, due diligence and closing costs on a 236.63 acre tract of land known as the Saunders Ranch located in Medina County, Texas.
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- F) This Ordinance authorizes payment in the amount of \$287,116.34 to Texas Heritage Title as escrow agent for title on a conservation easement, due diligence and closing costs on a 153.7 acre tract of land known as the Ray Bendele Ranch in Medina 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 May 23, 2018, meeting.

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 and quantity benefits and the opportunity to protect additional acreage within the San Geronimo Creek and Seco Creek watersheds.

FISCAL IMPACT:

These conservation easement acquisitions in a cumulative amount of \$9,149,560.79 have been appropriated through Proposition 1 of the Edwards Aquifer Protection Sales Tax fund included in the FY 2018-2023 Capital Improvement Program Budget.

RECOMMENDATION:

Staff recommends approval of Items A-F for acquisition of conservation easements in the cumulative amount of \$9,149,560.79 for 2,146.807 acres under the Proposition 1 Edwards Aquifer Protection Venue Project.

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