



# City of San Antonio

## Agenda Memorandum

**File Number:** 19-1663

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**Agenda Item Number:** 5.

**Agenda Date:** 2/21/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Contract for Ad Valorem Property Tax Valuation Study

### **SUMMARY:**

This Ordinance approves a contract with Economic & Planning Systems, Inc. to provide a comprehensive study of local ad valorem property tax appraisal for a one (1) year term commencing not later than February 28, 2019.

### **BACKGROUND INFORMATION:**

On March 13, 2018, Councilman Pelaez delivered a Council Consideration Request (“CCR”) for a comprehensive study to examine how ad valorem valuation practices in Bexar County compare to other Texas counties.

Based on the CCR, the scope of work for the project involves two parts: Phase I of the Project includes 1) research and data collection from Bexar County Appraisal District and other Texas appraisal districts, 2) interviews with commercial and residential property representatives in the SA Metro area and other Texas cities, and 3) analysis of appraisal and protest data collected. Phase II is optional at the City’s discretion. If the option for Phase II is exercised, it would be performed after Phase I and will have a separate scope and cost and will include 1) an analysis of the information obtained in Phase I to determine the economic impact to the City, if any, and 2) a comparison of the economic impact on other cities based on the information obtained in Phase I from other Texas appraisal districts.

On June 20, 2018, the City’s Governance Committee directed the Finance Department to move forward with a

Request for Proposals (“RFP”) to select a consultant to perform the study. On August 23, 2018, the Finance Department issued the RFP with a proposal due date of September 24, 2018. The proposal due date was subsequently extended to October 9, 2018 to allow for additional outreach to potential respondents. Ultimately, only one proposal was received in response to the RFP, however, the proposal was insufficient to meet the City’s project requirements and the RFP was canceled.

City staff reached out directly to several firms that would be qualified to perform the study and received a proposal from Economic and Planning Systems, Inc. (“EPS”), who has provided economic studies to the City in the past. Based on review of the proposal and subsequent discussions with EPS, it was determined that EPS would be able to perform the study. EPS’ study will include only Phase I and a separate detailed proposal will be submitted for Phase II (if this option is exercised by the City) based on the results of Phase I which will include the development of a City communication plan with San Antonio taxpayers that was requested in the CCR.

**ISSUE:**

EPS has been identified as a qualified firm to perform the ad valorem property tax valuation study. City Council approval of their contract to provide the services in Phase I will provide a basis for further analysis.

**ALTERNATIVES:**

The City could choose to not contract for these services, however, this study is necessary to fulfill the CCR requirements.

**FISCAL IMPACT:**

This ordinance authorizes a contract with Economic & Planning Systems, Inc. in an amount not to exceed \$79,780 to provide Phase I of a comprehensive study of local ad valorem property tax appraisal for a one (1) year term commencing not later than February 28, 2019. Funding for this contract is included and available in the FY 2019 Adopted General Fund budget.

**RECOMMENDATION:**

Staff recommends approval of a contract with EPS to provide the ad valorem property tax valuation study for a one (1) year term commencing not later than February 28, 2019.