



# City of San Antonio

## Agenda Memorandum

**File Number:**14-2588

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**Agenda Item Number:** 19.

**Agenda Date:** 11/13/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Office of EastPoint & Real Estate

**DEPARTMENT HEAD:** Mike Etienne

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:** Edwards Aquifer Protection Program - Conservation Easement Acquisitions

### SUMMARY:

Consideration of the following ordinances associated with two conservation easements totaling 2,872 acres over the Edwards Aquifer Contributing Zone.

- A) An ordinance authorizing payment for real estate interests, due diligence and closing costs on a 2,636-acre tract of land known as the Domino Ranch located in Medina County, Texas, in the amount of \$3,036,264.33 to Mission Title Company, as escrow agent for title on a conservation easement.
- B) An ordinance authorizing payment for real estate interests, due diligence and closing costs on a 236-acre tract of land known as the Hilsher-Darnell Ranch located in Medina County, Texas, in the amount of \$261,003.42 to Mission Title Company, as escrow agent for title on a conservation easement.

This ordinance, necessary under the Proposition One Edwards Aquifer Protection Venue Project, authorizes the execution of documents to accomplish said acquisitions.

### BACKGROUND INFORMATION:

In May of 2000, voters approved the first program, 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. That program, referred to as "Proposition Three," ran from 2000 through 2005, was limited to Bexar County and acquired more than 6,500 acres as Natural Areas for the City of San Antonio.

The current program is an extension of that initial endeavor, although the scope was narrowed to watershed protection and, due to a change in the legislation, funds could be expended outside of Bexar County. 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,

referred to as “Proposition One,” also is funded with the 1/8-cent sales tax up to the amount of \$90 million.

- A) The purchase of a conservation easement on the Domino Ranch is presented for consideration to the City Council under the Proposition One Edwards Aquifer Protection Venue Project, which was approved by the voters in November 2010. The City Council-approved Conservation Advisory Board has reviewed and recommended this acquisition. This property is located entirely over the Recharge Zone in Medina County. Much of the land is located outside of the flood plain and suitable for residential development.
- B) The purchase of a conservation easement on the Hilsher-Darnell Ranch is presented for consideration to the City Council under the Proposition One Edwards Aquifer Protection Venue Project, which was approved by the voters in November 2010. The City Council-approved Conservation Advisory Board has reviewed and recommended this acquisition. This property is located over the Recharge Zone in Medina County. Much of the land is located directly along State Highway 173 and is suitable for rural residential development.

#### ISSUE:

- A) An ordinance authorizing payment for land, due diligence and closing costs on a 2,636-acre tract of land known as the Domino Ranch located in Medina County, Texas, in the amount of \$3,036,264.33 to Mission Title Company, as escrow agent for title on a conservation easement.

This property first was targeted through use of the Scientific Evaluation Team’s GIS-Spatial Model (SET Model). Subsequent site visits identified previously undocumented faults and other recharge features on the property. Approximately 14 miles of named and unnamed creeks, streams and other drainage channels cross the property. All of the Domino Ranch is located within the Seco Creek drainage basin, which is an important recharge contributor in the area. The property significantly contributes to surface water runoff quality, due to the current undeveloped state of the property, and the Edwards Aquifer Authority issued a geological assessment of the site confirming that preservation of the Domino Ranch would provide high water quality and high water quantity benefit to the City of San Antonio. This ranch is adjacent to several other properties already protected by the City’s aquifer protection program, and would result in over 25,000 acres of contiguously protected land over the Edwards Aquifer Recharge and Contributing Zones.

- B) An ordinance authorizing payment for land, due diligence and closing costs on a 236-acre tract of land known as the Hilsher-Darnell Ranch located in Medina County, Texas, in the amount of \$261,003.42 to Mission Title Company, as escrow agent for title on a conservation easement.

This property first was targeted through use of the Scientific Evaluation Team’s GIS-Spatial Model (SET Model). Subsequent site visits identified previously undocumented faults and other recharge features on the property. Over one mile of the Verde Creek transects the property from north to south, and the entire Hilsher-Darnell Ranch is located within the Verde Creek watershed, which is an important recharge contributor in the area. The property contributes to surface water runoff quality, due to the current undeveloped state of the property, and the Edwards Aquifer Authority issued a geological assessment of the property confirming that preservation of the Hilsher-Darnell Ranch would provide a water quality benefit and high water quantity benefit to the City of San Antonio. This ranch is very close to several other properties already protected by the City’s aquifer protection program, and is an important property to ensure protection of water recharge within the Verde Creek watershed.

The proposed Domino Ranch and Hilsher-Darnell Ranch tracts would constitute the 57<sup>th</sup> and 58<sup>th</sup> conservation easement acquisitions under the current program. Inclusion of these proposed 2,872 acres would bring the total of protected lands under the City's aquifer protection program to 129,968 acres. The acquisition of these properties is necessary to accomplish the Proposition One Edwards Aquifer Protection Venue Project.

#### **ALTERNATIVES:**

An alternative would be to defer these acquisitions until a later date. By not acquiring these conservation easements at this time, they may not be available at a later date or for the same purchase price.

Another option would be not to acquire the conservation easements; however, this would be counter to the goals of the Proposition One Edwards Aquifer Protection Venue Project.

#### **FISCAL IMPACT:**

- A) This is a one-time expenditure in the amount of \$3,036,264.33 for this acquisition. It will be funded by the 1/8-cent sales and use tax in the Edwards Aquifer Protection (Proposition One) Sales Tax funds included in the Fiscal Year 2014-2019 Capital Budget.
- B) This is a one-time expenditure not to exceed \$261,003.42 for this acquisition. It will be funded by the 1/8-cent sales and use tax in the Edwards Aquifer Protection (Proposition One) Sales Tax funds included in the Fiscal Year 2014-2019 Capital Budget.

#### **RECOMMENDATION:**

- A) Staff recommends approval authorizing placement of a conservation easement on the 2,636-acre Domino Ranch for a total of \$3,036,264.33, in connection with the Proposition One Edwards Aquifer Protection Venue Project, in order to protect the quality and quantity of water entering the Edwards Aquifer.
- B) Staff recommends approval authorizing placement of a conservation easement on the 236-acre Hilsher-Darnell Ranch for a total of \$261,003.42, in connection with the Proposition One Edwards Aquifer Protection Venue Project, in order to protect the quality and quantity of water entering the Edwards Aquifer.