

**CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
CITY MANAGER'S OFFICE**

AGENDA ITEM NO. **28**

**TO:** Mayor and City Council

**FROM:** Melissa Byrne Vossmer, Assistant City Manager

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES:** Christopher J. Brady, Assistant City Manager; Thomas G. Wendorf, P.E., Director of Public Works; Malcolm Matthews, Director of Parks and Recreation; Peter Zaroni, Interim Director, Office of Management and Budget; Milo Nitschke, Director of Finance; Andrew Martin, City Attorney

**SUBJECT:** Ordinance calling an election on February 5, 2005 for the Edwards Aquifer Protection Venue Project Initiative

**DATE:** August 12, 2004

**SUMMARY AND RECOMMENDATIONS**

An ordinance calling a special election to be held on February 5, 2005 in the City of San Antonio, Texas, in accordance with Chapter 334, Texas Local Government Code as amended, and other applicable law, on the question of implementing and approving City Council Resolution #2004-27-23 which designates, and provides for the planning, acquisition, establishment, development, construction or renovation of, and the method of financing for the Edwards Aquifer Protection Venue Project Initiative; making provision for the holding of said election and providing for an effective date.

Staff recommends approval.

**BACKGROUND**

On August 5, 2004, acting in response to a Council Consideration Request relating to the purchase of land over the Edwards Aquifer, submitted by Councilmembers Hall and Flores, the City Council approved a resolution designating a venue project under Chapter 334 of the Texas Local Government Code and designating the method of financing to be used to finance the venue project. The venue project involves the acquisition of property for a conservation easement or open-space preservation program intended to protect water in the Edwards Aquifer, and is intended to be financed through the imposition of a sales and use tax at the rate of one-eighth of one percent (.00125). The resolution was submitted to the State Comptroller requesting a determination of whether the passage of an 1/8th cent sales tax for the purchase of land and conservation easements over the Edwards Aquifer would have a negative impact on the state's revenue. This resolution is

the first step in calling an election under the Texas Local Government Code, Chapter 334, and was submitted to the State Comptroller on August 5, 2004 for her consideration. This written determination must be received from the Comptroller before the City can call an election on the question of approving and implementing the resolution.

Chapter 334 of the Texas Local Government Code, allows a municipality to call an election on a venue project which provides for the planning, acquisition, establishment, development, construction or renovation of, and method of financing for the Edwards Aquifer Protection Venue Project Initiative and is generally described to include the acquisition of open space and conservation easements over the Edwards Aquifer. The ballot will permit voting for or against a proposition to authorize the City to impose a sales and use tax at the maximum rate not to exceed one-eighth of one percent for the purpose of financing, in an amount not to exceed \$90,000,000 including costs of issuance and interest on bonds, if any, for the Edwards Aquifer Protection Venue Project Initiative.

The ordinance, if approved by Council today, calls the election for February 5, 2005. The election timetable is as follows:

Election called	August 12, 2004
Early Voting Begins	January 19, 2005
Early Voting Ends	February 1, 2005
Election Day	February 5, 2005

It should be noted that the election could be called by the City Council anytime between now and November 18, 2004.

If approved by the voters, the additional 1/8th cent sales tax would become effective July 1, 2005.

The purpose of the Edwards Aquifer Protection Venue Project Initiative is to purchase land or conservation easements over the Edwards Aquifer to protect the Edwards water, the City of San Antonio's sole drinking water source. The Edwards Aquifer Protection Venue Project Initiative will be a continuation of a similar program approved by the voters at an election held in May 2000. At this time, in excess of \$39 million has been spent for this purpose.

Currently, the sales tax structure for the City of San Antonio is as follows:

State	6 ¼%	0.06250
City	1%	0.01000
VIA	½%	<u>0.00500</u>
<b><i>Current Total</i></b>		0.07750
Aquifer Protection	1/8%	<u>0.00125</u>
<b><i>If approved, Total</i></b>	7.875%	0.07875

If the voters approve the proposition, 3/8ths cent or 0.00375 capacity remains to reach the maximum sales tax allowed by law or 8.25%. It should be noted that these figures do not include the upcoming Advanced Transportation District (ATD) election, which has been set for the November 2, 2004 election at a proposed rate of ¼% or 0.00250.

### **POLICY ANALYSIS**

Approval of this ordinance continues the past practice to provide a mechanism for acquisition and protection of land over the Edwards Aquifer, the sole source of drinking water for the City of San Antonio.

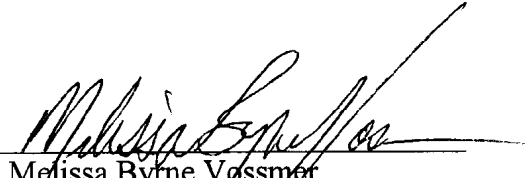
### **FISCAL IMPACT**

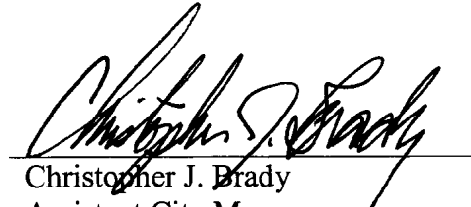
The cost of the proposed special election in February 2005 is estimated to be approximately \$500,000. It should be noted that until the number of entities calling an election and identification of the polling sites is determined, this number cannot be finalized.

It is estimated that it would take approximately 6+ years to collect the proposed \$90 million, at which time the 1/8<sup>th</sup> cent for this purpose would be terminated. Collections would begin July 1, 2005. If approved, the property acquired through this tax will need to be monitored and maintained in the future. The original Proposition 3 program recognized the need to provide operation and maintenance funds for care of the acquired property at a level of 10%. While nothing has been determined, it is anticipated that a similar percentage will be made available for this purpose from the proceeds.


**COORDINATION**

This item has been coordinated with the City Clerk's Office, City Attorney's Office, Finance Department, Public Works Department, Office of Management and Budget and Parks and Recreation.

  
Melissa Byrnes Vossmer  
Assistant City Manager

  
Christopher J. Brady  
Assistant City Manager

Approved:

  
Terry M. Brechtel  
City Manager