

**CITY OF SAN ANTONIO
OFFICE OF THE CITY MANAGER
MEMORANDUM**

TO: Mayor and City Council

FROM: Christopher J. Brady, Assistant City Manager

THROUGH: J. Rolando Bono, Interim City Manager

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

SUBJECT: Ordinance calling an election on May 7, 2005 for the Parks Development and Expansion Venue Project

DATE: October 14, 2004

SUMMARY AND RECOMMENDATIONS

An ordinance amending Ordinance No. 99608, passed and approved by the City Council on August 19, 2004. This ordinance will revise the language from the previous action by Council to call a special election to be held on May 7, 2005 for the "Edwards Aquifer Protection Venue Project" proposition and ballot to add the "Parks Development and Expansion Venue Project" proposition to the ballot. The amended language will allow both projects to appear on the same May 7, 2005 ballot as separate propositions. Both venue projects are provided for under Chapter 334, Texas Local Government Code. The successful passage of both venues would result in the sharing of the 1/8th cent sales tax over a period of approximately nine years for an amount not to exceed \$135,000,000.

BACKGROUND

On August 19, 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 an ordinance calling a special election to be held on May 7, 2005 in accordance with Chapter 334 of the Texas Local Government Code on the question of implementing and approving the Resolution adopted by City Council which provides for the Edwards Aquifer Protection 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).

City Council also approved Resolution No. 2004-29-25 on August 19, 2004, designating the Parks Development and Expansion Venue Project the method of financing therefore, and

directing staff to seek a written determination from the State Comptroller as to whether the implementation of the "Parks Development and Expansion Venue Project" would have a significant negative impact on state revenues.

The approval of this Resolution was necessary before the City Council could amend the ordinance calling a special election on the "Edwards Aquifer Protection Venue Project" to include the "Parks Development and Expansion Venue Project". The Resolution was submitted to the State Comptroller on August 19, 2004 for her consideration. On September 1, 2004 the State Comptroller determined that the approval of this Resolution would have no significant negative impact on state revenue.

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 the designated method of financing for, the Parks Development and Expansion Venue Project. The Venue Project is generally described to include the acquisition of open space and linear parks along the Leon and Salado Creeks and the Medina and San Antonio Rivers, and to include improvements and additions to the Municipal Parks and Recreation System.

If approved, the ballot will permit voting for or against each Venue Project and 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 both Venue Projects, in an amount not to exceed \$45,000,000 including costs of issuance and interest on bonds, if any, for the Parks Development and Expansion Venue Project, and 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.

This ordinance, if approved by Council will call the election for May 7, 2005 with the following dates for early voting and effective date of sales tax collections.

	May 7, 2005 Election
Election called	August 19, 2004
Early Voting Begins	April 20, 2005
Early Voting Ends	May, 3, 2005
Election Day	May 7, 2005
Effective Date of Sales Tax	October 1, 2005

It should be noted that the election could be called by the City Council anytime between now and February 17, 2005 for a May election.

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>
<i>Current Total</i>		0.07750
Aquifer Protection	1/8%	<u>0.00125</u>
<i>If approved, Total</i>	7.875%	0.07875

If the propositions pass, 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 one-fourth of one percent (.00250).

If the City Council decides to add the "Parks Development and Expansion Venue Project" to the ballot under Local Government Code, Chapter 334, the one-eighth of one percent (.00125) designated for this venue would be shared by both propositions until no more than \$135,000,000 is collected, as designated above.

POLICY ANALYSIS

Approval of this ordinance continues the past practice to provide a mechanism for acquisition and development of land along the City's significant creeks and waterways.

FISCAL IMPACT

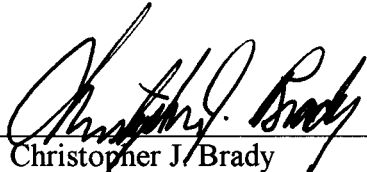
The proposed election in May 2005 coincides with a regularly scheduled City of San Antonio election. The May 2005 election is anticipated to cost \$390,000 and is included in the proposed FY2004-05 budget.

It is estimated that it would take approximately 3+ years to collect the proposed \$45,000,000 for the Parks Development and Expansion Venue Project, at which time the 1/8th cent for this purpose would be terminated. If approved at a May election, collections would begin October 1, 2005. If both the Aquifer and Park Development venues are successful, a total of \$135,000,000 would be collected for an estimated period of nine years.

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.

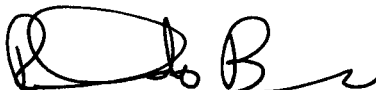
COORDINATION

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



Christopher J. Brady
Assistant City Manager

Approved:



J. Rolando Bono
Interim City Manager

**CITY OF SAN ANTONIO
OFFICE OF THE CITY COUNCIL**

COUNCIL CONSIDERATION REQUEST

TO: Mayor and Council Members
FROM: Councilman Art A. Hall, District 8; Councilman Roger O. Flores, District 1
COPIES: Terry Brechtel, City Manager; Melissa Byrne Vossmer, Assistant City Manager; Christopher Brady, Assistant City Manager; Malcolm Matthews, Director Parks Department; Edna Ortega, Creekways Coordinator; Andrew Martin, City Attorney; Leticia Vacek, City Clerk; Gayle McDaniel, Assistant to Council, Assistants to the Mayor; File
SUBJECT: Extension of Proposition 3, The Purchase of Land Over the Edwards Aquifer Recharge Zone

DATE: July 23, 2004

In May 2000, voters of the City of San Antonio united together to pass "Proposition 3," which was a dedication of \$65 million through a sales tax of 1/8 cent for the purchase of land over the Edwards Aquifer and the purchase of land on Leon and Salado Creek. The amount of \$65 million has been reached and this 1/8 cent sales tax is again available for dedication, along with another 3/8 cent sales tax that was available prior, for a total of 1/2 cent.

In June 2004, VIA called its election for a sales tax of 1/4 cent for transportation and infrastructure needs, leaving the remaining 1/4 cent sales tax available for dedication.

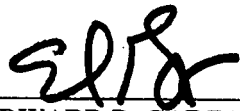
With the strong showing of support we have seen, not only from our districts but in the entire city, we are requesting Council concurrence, to direct staff, to place on the City Council "A" Session agenda no later than August 5th a resolution, as required by Texas Government Code Chapter 334, asking the State Comptroller for a determination as to whether the proposed Aquifer Protection Initiative, a dedication of \$90 million through a sales tax of 1/8 cent for the purchase of land and conservation easements over the Edwards Aquifer, will have a negative impact on any state sales taxes. We also direct staff to place on the City Council "A" Session agenda for August 12, 2004 an ordinance calling for a February election for the Aquifer Protection Initiative.

Your favorable consideration of this request is most appreciated.

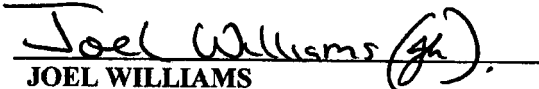

ART A. HALL
DISTRICT 8


ROGER O. FLORES
DISTRICT 1

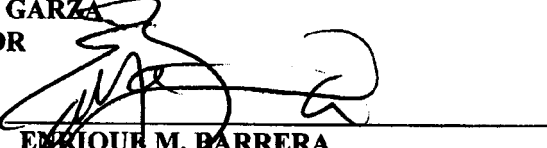
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EDWARD D. GARZA
MAYOR




JOEL WILLIAMS
DISTRICT 2



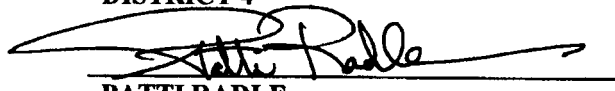
ENRIQUE M. BARRERA
DISTRICT 6

RON H. SEGOVIA
DISTRICT 3




JULIAN CASTRO
DISTRICT 7

RICHARD PEREZ
DISTRICT 4



PATTI RADLE
DISTRICT 5

CARROLL SCHUBERT
DISTRICT 9



CHIP HAASS
DISTRICT 10