

TO: BOARD OF DIRECTORS
FROM: EXECUTIVE COMMITTEE
SUBJECT: 2017 - 2022 CITY BOND PROJECT
STATUS: ADOPTED
DATE: FEBRUARY 23, 2017



RECOMMENDATION: The San Antonio Chamber of Commerce Board of Directors adopt the following statement:

STATEMENT: The Chamber of San Antonio supports and endorses the proposed 2017-2022 \$850 million City Bond Program. We believe the Bond Program is vital to our community's future economic competitiveness by addressing priority infrastructure needs and improving our quality of life. We also value the City's commitment to utilize local businesses for project design and construction. Our support is based on the 2017 Bond Program's incorporation of the following guiding principles:

- Bond proceeds will be applied in accordance with a thorough citizens input process that incorporated careful and deliberate review of recommended projects that are strategically allocated throughout the City
- Investments align with the SA Tomorrow Growth Plan which promotes increased connectivity, investment in major corridors, environmental sustainability, and complete streets
- Sound fiscal long-term planning that allows the city, with its AAA bond rating, to make major, strategic bond investments every 4 to 5 years without a tax increase

BACKGROUND: As San Antonio continues to grow, the need for additional financial resources and bonding capacity to initiate specific improvement projects for necessary infrastructure escalates. Bond issues produce the funds needed for infrastructure improvements by growing cities.

In 2012, San Antonio voters approved a \$596 million bond program. The bond included 140 projects focused on basic infrastructure improvements and enhancements, including streets, bridges, sidewalks, drainage, parks, libraries and other facilities. The 2012 program has been diligently managed and projects are being completed both on time and within budget. Ninety-six percent of the 2012 bond projects have been completed or are under construction; the remaining 4% of the projects will begin before voters vote on May 6 for the 2017-2022 Bond.

The 2017 Bond Program was developed with an extensive public input process. The process included the creation of five Community Bond Committees appointed by the Mayor and City Council Members. The five committees include Streets, Drainage, Parks, Facilities, and Neighborhood Improvements.

Three tri-chairs were appointed by Mayor Ivy Taylor, two of which have been heavily involved in the Chamber: Eddie Aldrete, Senior Vice President, IBC Bank; Carri Baker, Chief Operations, Linebarger Goggen Blair & Sampson, LLP; and Darryl Byrd, Founding Principal, UTRate Strategy and Consulting, LLC. Each of the five Community Bond Committees were comprised of two citizens appointed by the Mayor to serve as Co-Chairs and three citizens appointed by each of the City Council members in their respective districts (total of 30). In total, there were 160 citizens with diverse and varied backgrounds and experiences from across the city who volunteered to participate in the process. The role as a committee member was to serve in an advisory role, obtain community input, consider potential projects, and recommend projects to City Council.

The five Community Bond Committees met between the months of October – December 2016 to review and discuss initial staff recommended projects. Residents were invited to participate in the discussion of the proposed projects. There were 30 meetings held and five tours. More than 1,400 residents were in attendance at these meetings and 350 resident comments were documented.

Overall, the Community Bond Committees recommended a total of 173 projects, in all areas of the City for the proposed \$850 million. The cost allocations for the proposed projects are as follows:

PROPOSITION	IMPROVEMENTS	PROJECTS	RECOMMENDATION
1	Streets, Bridges & Sidewalk	64	\$445,000,000
2	Drainage & Flood Control	19	\$139,000,000
3	Parks, Recreation & Open Space	80	\$189,000,000
4	Library, Museum & Cultural Arts	12	\$ 23,000,000
5	Public Safety Facilities	5	\$ 34,000,000
6	Neighborhood	Numerous	\$ 20,000,000
Total		180	\$850,000,000

With the 2017 Bond Program, the City will have invested close to \$2 Billion in infrastructure improvements over the past decade of Bond Programs (including the \$550 Million 2007 and the \$596 Million 2012 Bond Programs). In the prior decade to 2005, the City made Bond infrastructure investments totaling less than \$350 Million.

Some of the key features of the 2017 Bond Program include:

- The \$850 Million Bond program **will not** require a City Property Tax Rate increase
- 70% of the Bond dollars will be dedicated to street and drainage infrastructure projects
- The program includes over 200 planned miles of new sidewalk construction
- The Parks Proposition will improve 25% of our City's parks
- Through coordination with state, local and private partnerships, the City will leverage \$350 million in outside funding within 37 of the Bond Program projects
- Only 20% of the \$850 Million Bond Program is for Downtown specific projects, over 80%, or \$680 million of the Bond is for Council District Projects
- The 180 projects selected align with 11 Guiding Principles and the City's SA Tomorrow Growth Plan
- There is a planned 2017 Bond Program project within one mile of where a San Antonio residents lives or works
- The City has the highest credit rating available ("AAA") which allows the borrowing of money at the lowest interest rates possible, putting more property tax dollars into infrastructure projects
- The City has a strong record of completing its General Obligation Bond Programs on time, within budget, and with quality improvements (as seen with the 2007 and 2012 Bond Programs)

The Community Bond Committee's recommendations were presented to the City Council on Wednesday, January 11, 2017, where the Chamber testified in favor of the package, and the City Council approved more than 94% of the Committee's recommendations for inclusion. Election Day is scheduled for May 6, 2017.

Pros:

1. The City's 2017-202 Bond Program addresses the City's need for infrastructure investment across every council district while highlighting the rich culture of San Antonio. This contributed to reaching unanimous support from City Council.
2. Streets, parks and facilities such as libraries will receive improvements, which affect where we all live and work.

Cons:

1. In line with having a single bond that includes all projects, there are some such as the Hardberger land bridge, that draw question about its inclusion as a priority. In short, there were negotiations and trading involved in order to gain support for individual projects.
2. There were also multiple questions about the \$10,000,000 funding for a UTSA athletics complex, which will be closed to the public but allow the university to compete for top athletic talent as they strive to become a Tier 1 school.

IMPLEMENTATION: The Chamber will communicate this position to the Mayor and members of the City Council, the media, and The Chamber membership through publication in Chamber Today and media releases.