



TO: BOARD OF DIRECTORS
FROM: EXECUTIVE COMMITTEE
SUBJECT: CITY OF SAN ANTONIO PROPOSITION 1
STATUS: ADOPTED

DATE: 09/23/2010

RECOMMENDATION: That the Board of Directors of The Greater San Antonio Chamber of Commerce adopt the following statement as policy:

STATEMENT: The Chamber supports the City of San Antonio's Proposition 1 Aquifer Protection Initiative. The Chamber believes the measure has proven successful since it first passed in 2000 and supports the continuation of the 1/8-cent local sales tax for the purchase of sensitive properties located over the Edwards Aquifer. Should Proposition 1 be extended by City of San Antonio voters on November 2, 2010, The Chamber urges the Conservation Advisory Board to continue to pursue conservation easements that achieve maximum value for voter-approved dollars.

BACKGROUND:

The Edwards Aquifer provides San Antonio with an abundant source of water vital to the livelihood of a growing population and an expanding economy. It stretches across thousands of acres over thirteen counties in South Central Texas. Roughly 70 percent of the recharge zone is located west of Bexar County. Rainfall enters the aquifer through fractures, caves, sinkholes and other features and replenishes the aquifer. However, rapid growth and development impacts the aquifer's recharge and contributing zones, reducing the number of recharge features needed to maintain San Antonio's primary water resource. While rules are in place to regulate development, San Antonio has been able to protect the aquifer by acquiring sensitive and irreplaceable land located over its recharge and contributing zones.

2000 Proposition 3

Voters first approved a 1/8-of-a-cent addition to the local sales tax in 2000 and collected \$45 million to purchase sensitive properties located over the Edwards Aquifer. Before this election, no program to identify and protect sensitive land located over the aquifer existed. This began as a park and watershed program and protection efforts under the Proposition 3 program were limited to Bexar County due to restrictions in State legislation.

The majority of these funds (approximately \$38 million) were used to acquire almost 6,500 acres of land. Many of the properties were former ranches and estates characterized by unique natural and man-made features and hilltops with long, scenic views. The properties range in size from 50 to 1,164 acres and are located primarily over north central and northwest Bexar County. Remaining funds were used for park operations and maintenance and for appropriate improvements designed for recreational and educational purposes.

2005 Proposition 1

In 2005, voters again approved a 1/8-cent addition to the local sales tax, this time to collect \$90 million for the purchase of sensitive properties located over the Edwards Aquifer. Due to changes in the state legislation funds collected through the 2005 Edwards watershed protection initiative can be used to acquire and preserve the most environmentally-sensitive properties located over the aquifer within Bexar County and beyond county lines.

Careful consideration is given to the selection of appropriate properties for acquisition as part of the Edwards Protection Program. The process for acquiring and protecting land relies upon a Scientific Evaluation Team of water-resource professionals identifies land to protect. Community advisory teams comprised of geologists, hydrologists, land use planners and other aquifer experts outline and prioritize undeveloped properties based on their environmental characteristics in order to achieve maximum value for voter-approved dollars. Consideration is also given to contiguous parcels in an effort to preserve large land masses and natural areas.

A Conservation Advisory Board (CAB) of citizens, water-resource experts, real estate professionals and city staff members provides oversight. Conservation agreement purchases are negotiated by real estate professionals at competitive prices. Conservation agreements (also called conservation easements) are an economical tool for the city that allows land to be protected at significantly less cost than outright purchase. The land remains in private ownership and on the tax rolls. The City can then purchase land and conservation agreements from willing landowners. The majority of the 95,000 acres purchased by the Aquifer Protection Initiative has been in the recharge zone to the west of Bexar County where land values are not as high.

Since its inception the Aquifer Protection Initiative has allowed San Antonio to permanently protect nearly 95,000 acres in the Edwards Aquifer recharge and contributing zones. The average cost of acquisition for conservation easements has been less than \$1,000 per acre. The average cost of fee-simple acquisitions since 2005 is \$10,240 per acre. All but three properties added through the current configuration of the Edwards Aquifer Protection Program (2005) have been protected through the acquisition of conservation easements. The three fee-simple acquisitions purchased since 2005 total 569 acres, and these properties have been included in the City's natural areas portfolio.

Current projections show full receipt of the \$90 million in tax revenue by September of 2011. The CAB and city staff have made budget recommendations that have fully allocated all funds for the Edwards Aquifer Protection Program. City of San Antonio residents will have the option to vote on November 2, 2010, to extend Proposition 1 with 1/8-cent sales tax (up to \$90 million).

At this time approximately \$2 million in Proposition 1 funds can be applied in different ways depending upon whether the voters approve the upcoming proposed sales tax

continuation. If voters approve the sales tax extension, a small amount of funding will be dedicated to updating the GIS Spatial Model. The remaining funds could potentially be reallocated toward further property protection through conservation easements or fee-simple acquisitions. In the event there is not a continuation of the sales tax, the CAB and city staff will recommend to City Council that the remaining funds be set aside for costs associated with monitoring the city's conservation easements.

Reasons for supporting this statement:

1. Proposition 1 is a continuation of aquifer-protection measures which has successfully protected 95,000 acres of land over the Edwards Aquifer.
2. San Antonio's water needs are expected to increase more than 30 percent by 2040 and as our city's primary source of water; protection of the Edwards Aquifer is needed to ensure the future quality, quantity and reliability of our drinking water.
3. Having an adequate and affordable source of water is a vital component of sustaining our communities' economic development growth.

Reasons for opposing this statement:

1. Seventy percent of the water in the Edwards Aquifer comes from land west of Bexar County. While benefits of the Edwards Aquifer water quality will be enjoyed by the citizens across several counties, only the citizens of San Antonio will be contributing to the purchase of sensitive land over the Aquifer.
2. In light of a recovering economy, perhaps the sales tax dollars should support other community priorities such as infrastructure or transit initiatives.
3. The land this initiative targets is land that could potentially never be developed, regardless of our efforts to purchase land over the aquifer.
4. The Conservation Advisory Board does not have an end goal for the Aquifer Protection Initiative. It is not clear to the community how many extensions will be requested and how long it may be before these tax funds could be dedicated toward other community resources.

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

