

**TO: Chamber Board of Directors**  
**FROM: Chamber Executive Committee**  
**SUBJECT: Redirecting the 1/8 Cent Sales to the Advanced Transportation District (ATD) for Public Transportation**



**STATUS: Approved** **DATE: September 24, 2020**

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**RECOMMENDATION:**

The San Antonio Chamber of Commerce supports allocating an additional one-eighth-cent sales tax to the Advanced Transportation District (ATD) to improve public transportation across San Antonio. The current one-eighth-cent sales tax is allocated to the Edwards Aquifer Protection Program (EAPP) and Parks Development & Expansion Venue Project. Both programs are set to expire in 2021.

**BACKGROUND:**

On July 16, 2020 Mayor Ron Nirenberg and VIA Metropolitan Transit announced a proposal to reallocate the 1/8 cent sales tax currently allocated to the EAPP and Linear Creekway Parks Development Program, to a 4-year workforce development program, followed by increased funding to the ATD.

On August 13, 2020 the San Antonio City Council voted 9-2 to place a workforce development initiative on the November 3 ballot. The measure will allow the City to seek voter approval to redirect the 1/8 cents sales tax from the Edwards Aquifer Protection Program (EAPP) to the City of San Antonio to fund short-term COVID-19 economic recovery efforts, including workforce development programs. If approved, the City will begin collecting the 1/8 cent sales tax revenue the Summer of 2021 through December 31, 2025.

Also on August 13, 2020, the VIA Board of Trustees, acting as the Advanced Transportation District (ATD), voted 11-0 to place a measure on the November 3 ballot to redirect the same 1/8 cent sales tax from the City's workforce development initiative to the Advanced Transportation District (ATD) to fund public transportation and improve mobility. If approved, the ATD will begin collecting the 1/8 cent sales tax revenue on January 1, 2026.

Both initiatives are dependent upon voter approval and will be on the November General Election Ballot as two separate measures.

***Edwards Aquifer Protection Program***

Voters first approved the Edwards Aquifer Protection Program (EAPP), also referred to as Proposition 1, in 2000. The program works to protect the quality and quantity of

water recharging into the Edwards Aquifer. The EAPP allows the City to acquire land and establish conservation easements to protect the land over the Edwards Aquifer recharge zone. It originated as Proposition 3 on the 2000 ballot. In 2004, Proposition 3 tax reached the \$65 million dollar cap and expired. In 2005 Proposition 3 became Proposition 1 on the ballot. Since then, Proposition 1 has been reauthorized by voters in 2005, 2010, and 2015 totaling \$325 million in funding for the program and \$10 million for demonstration projects. Of the \$325 million, only \$268 million has been spent. In 2015, voters authorized the City to collect an additional \$100 million for the EAPP. The City projects it will reach the \$100 million cap by Spring of 2021, of which approximately \$20 million will be collected but unspent. Those funds are expected to be used by the City to continue the program through FY 2022.

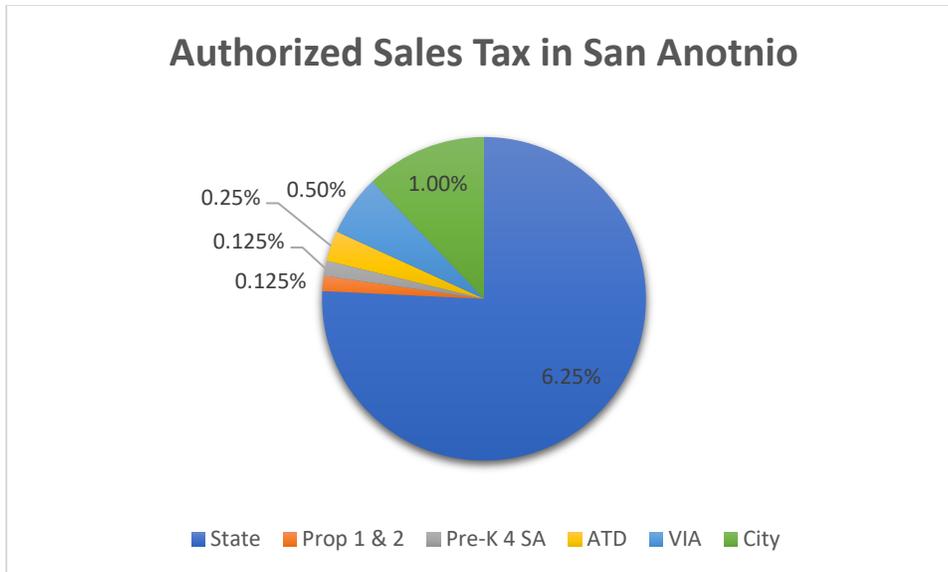
The City has proposed a plan to continue the program beginning in FY 2023. Under the proposed plan, the City will commit \$100 million to fund the EAPP for up to 10 years. The funds would come from the issuance of debt, using a portion of the payments the City receives from SAWS to secure the debt. The City would contract with existing Municipal Facilities Corporation (MFC) to carry out the EAPP. Per city ordinance, the Mayor and City Council are the Board of Directors of the MFC. The Conservation Advisory Board, which is made up of nine city council appointed members, will provide input and advice to the City Council on the Program. City Council would have to approve the proposed plan and finance agreement with the MFC.

### ***Linear Creekway Parks Development Program***

Proposition 2, also referred to as the Linear Creekway Parks Development Program has allowed for the creation of linear greenway trails. The program was authorized by voters in 2000 and since then has been reauthorized by voters in 2005, 2010, and 2015. The program has allowed the City of San Antonio to acquire/preserve 1,500 acres of creekway land. To date, 70 miles of creekway land has been developed, 14 miles are currently under construction and 19 miles are under design. In total, the Parks Development & Expansion Venue Project has received \$190 million in funding from the sales tax. Of the \$190 million, only \$113 million has been spent. Bexar County Judge Nelson Wolff has stated he personally supports Bexar County funding the linear Creekway Parks Development Program and made it clear that the county has not acted to take over the program. Wolff and County Manager David Smith have both said the county will need to wait until Spring of 2021 before it can commit to funding the program.

### ***Venue Proposition Sales Tax***

Both Proposition 1 and 2 are managed by the City of San Antonio's Parks and Recreation Department and funded by a one-eighth-cent shared sales tax. The authorized sales tax in San Antonio is 8.25%, the most that the State of Texas allows by law. The state sales tax is 6.25%, the remaining 2.0% has been authorized by the City of San Antonio. Below is a breakdown of the venue proposition sales tax:



#### Reasons to Support Redirecting 1/8<sup>th</sup> Cent Sales Tax to the ATD:

- San Antonio metropolitan area has the highest rate of people living in poverty. One of the major barriers to escaping poverty and upward economic mobility is the lack of reliable and efficient transportation. The average commute time is the single most important factor in the odds of escaping poverty. The longer the average commute time, the lower the chances of a low-income family escaping poverty. Improving our overall public transit system to be more frequent, more direct, and more reliable will help reduce the commute time to work in San Antonio and help improve the odds of low-income families escaping poverty.
- VIA Metropolitan Transit has been inadequately funded, collecting a half cent of sales tax, whereas Austin, Dallas, Houston, and other comparable Texas cities collect a full cent. The proposal would add \$36 million a year to the ATD.
- Increased funding for VIA will promote economic growth in the greater San Antonio region. According to the American Public Transportation Association APTA, it is estimated that an investment in \$10 million in public transportation generates about \$32 million in increased business sales.
- Increased funding for VIA will allow the overall public transit system to be more frequent, more direct and more reliable. This improvement will help widen and diversify the labor force, increase access to more people and connect them with new opportunities.
- Increased funding for VIA will allow them to expand mobility options by creating new partnerships for connection services and explore expanded access for individuals in our community with disabilities.

- On July 17, 2018 Environmental Protection Agency (EPA) issued a non-attainment designation for Bexar County. Investing in public transit is one of the most effective ways to cut down energy consumption and reduce overall vehicle emissions and pollutants. It is estimated that 29% of greenhouse gas emission produced nationwide are from transportation. Lowering emissions will help Bexar County reach attainment status, reduce emissions, and improve air quality in Bexar County.
- With an additional one million more people expected to move to San Antonio by 2040 it is important that we start easing congestion now. According to the 2012 urban Mobility Report the lack of public transportation services would have cost commuters an additional 865 million hours of delay. Expanding public transportation in San Antonio will help reduce congestion and allow us to move people not automobiles.
- San Antonio Tourism and Hospitality Industry is a key economic driver of our city, global tourist want to experience a new city without the need of a car. Increased funding for transit in our community will help bolster the hospitality and tourism industry and allow San Antonio to live up to transit expectations of visitors from around the world.
- 100% of the funding generated from the 1/8 cent sales tax can be used to fund Advanced Transportation projects. This ballot measure will allow VIA to move towards their vision of making Advanced Rapid Transit (ART) shovel ready.
- The City of San Antonio has proposed a plan to continue the Edwards Aquifer Protection Program beginning in FY 2023. Under the proposed plan, the City will commit \$100 million to fund the EAPP for up to 10 years. Bexar County is also exploring funding options to continue the Linear Creekway Parks Development Program.

### **IMPLEMENTATION:**

The San Antonio Chamber of Commerce will help support the Keep SA Moving plan up until the November 3 Election. The Chamber will take a proactive approach to communicate this position to the business community, the media, and other Chamber members through the publication in *The Chamber Today*.