

The San Pedro Creek Improvements Project

San Pedro Creek is really the birthplace of San Antonio but today it resembles little more than a concrete drainage ditch as it moves through Downtown. Bexar County is investing \$132 million to restore the creek while protecting the properties along it. This is primarily a flood control project that will also include economic development, ecosystem restoration and cultural preservation. With project management from the San Antonio River Authority, we will bring a significant segment of our urban and cultural landscape back to life in time to celebrate the city's 300th anniversary in 2018.

Airport

San Antonio is getting clipped by Austin's growth when it comes to nonstop flights. San Antonio will be left behind if we do not address the issue of our airport. Creating a regional airport takes time, so we need to start now. The Transportation Code allows counties to build, own and operate a regional airport even if it is in another county — so we will explore all options in our study.

The County together with the city will be moving forward to appoint a task force to assess the possibility of developing a new and larger airport that could better serve the Greater San Antonio region — with or without Austin’s participation.

Limited air connectivity has become one of San Antonio’s more critical economic challenges.

Hot Wells

Commissioners Court recently directed County staff to begin negotiating the donation of land at the site of the historic Hot Wells on South Presa to create the Hot Wells Interpretive Center. The donation from Hot Wells, L.P., and Lifshutz Companies would create the first new park in the County inventory since 1998.

The project would redevelop the ruins at the site of the Hot Wells Hotel and Bath House to re-purpose them as a public park and historic site on the banks of the Mission

Reach of the San Antonio River. The estimated re-development would cost \$2.7 million and include right-of-way acquisition for a new public access road, accessible sidewalks along the road, and site re-development and construction of the new road.

James Lifshutz, who currently owns the property, has stabilized the bathhouse ruins, capped a well, and developed the conceptual plans for the property. Lifshutz will donate the property to the County to operate and maintain. The re-development of the property would include interpretive storyboards that tell the history of the site, it's celebrity visitors, the headquarters of the Star Film Ranch, the role of San Antonio as a health destination between the Civil War and World War II, and education about the healing waters.

With the donation of the approximately 3-acre site to the County, he would have an additional 14 to 15 acres left to pursue for private development, which could include hospitality and retail developments.

This project ties in perfectly with all of the improvements we have going into the area with the redevelopment of Mission County Park just across the river, the potential of the Missions becoming a World Heritage site, and the redevelopment of the Mission Reach of the San Antonio River. With Mission County Park across the river, we will be able to staff and maintain the public part of the site until the conservancy gets up and running.

Potential community partners for public programming at the site include the National Park Service to establish a Junior Ranger Program; Mitchell Lake Audubon Center to host bird walks and nature experiences; and the Rivers, Trails and Conservation Assistance Program (a community assistance branch of the National Park Service) to create “The Green Classroom,” an outdoor learning center for all ages.

Local Control over local Property Tax Rate

The following points are to support the County's position that the County should maintain local control over its ability to set the local property tax rate.

- ❖ Bexar County Commissioners Court has maintained or ***lowered the property tax rate for 20 years***, without interference from the state legislature, by adopting and applying sound fiscal policies and employing efficient and innovative management practices. This has resulted in:
 - Since FY 1995-96, the taxpayers have avoided \$1.05 billion in property taxes, cumulatively.
 - In FY 2016-17 alone, the reduction in the tax rate saved \$120.2 million in property taxes.

- ❖ Commissioners Court approved and ***enacted a freeze on property taxes for homeowners over 65 years old, eligible spouses, and disabled residents in May 2005.***

- The tax freeze reduced Bexar County's property tax levy by 4 percent.
 - Taxpayers have avoided \$166 million in property taxes, cumulatively since 2005.
- ❖ The State legislature has mandated, but not funded, millions of dollars in expenditures of Bexar County taxpayer dollars. Unfunded mandates impact Bexar County's budget and in turn, Bexar County taxpayers.
- Unfunded mandates total almost \$645 million:***
- County has had to comply with indigent defense laws and has expended a cumulative \$69.7 million since FY 2002-2003.
 - New evidence discovery laws have been enacted by the state and the County has spent an estimated \$5.3 million since January 1, 2014 to conform to these new laws.
 - County has had to comply with state jail standards and has spent nearly \$23 million on capital projects in

the last two years to maintain the Adult Detention Center.

- Over the last six years, the County has incurred over \$22.2 million in operational expenses to hold inmates in the Bexar County jail when they were ready for transfer to state facilities, and an additional \$14.5 million to house state parole violators referred to as “blue warrants.”
- County has expended over \$3 million in county taxpayer funds for Adult Probation operational expenses over the last six years, a state organization.
- County has expended over \$4 million in county taxpayer funds on AgriLife extension operational expenses over the last six years, a state organization.
- County has had to pay nearly \$250,000 in the last year for special elections as a result of state election laws.
- Other local entities have also been substantially impacted by unfunded mandates, such as University Health System having a \$503 million shortfall in

Medicaid funding as a result of the state forgoing the federal reimbursement.

❖ Beginning in 2006, Bexar County started financing and constructing state roads, because the state could not afford to complete these important road projects in a timely manner — even with a 74 percent increase to the state budget since 2005. To date, ***Bexar County has financed \$294.6 million to accelerate the construction of state-owned roads.***

- Improvements to US Highway 281 and Loop 1604 - \$192 million
- Blanco Rd - \$30.4 million
- Culebra Rd - \$23.4 million
- Lower 1604 Seguin Rd - \$30.7 million
- FM 471 - \$18.1 million

❖ The last two talking points account for nearly \$1 billion in funds the County has provided to support state

operations, improve or construct state roads, or pay for state unfunded mandates.

- ❖ If the County was unable to maintain local control over its tax rate and the unfunded mandates continue, the County could put its AAA credit rating at risk and could see a downgrade from AAA.
 - A downgrade of just one credit rating from AAA to AA+ would cost the Bexar County taxpayers over \$46 million in debt service payments over the life of its bonds.
- ❖ Suggest that the state also look at school district property taxes that make up approximately 55% of the total local property taxes levied.