



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: {{item.number}}

Agenda Date: November 30, 2023

In Control: City Council A Session

DEPARTMENT: Parks & Recreation Department

DEPARTMENT HEAD: Homer Garcia III

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Edwards Aquifer Protection Program Acquisition – Middle Verde Ranch Phase III

SUMMARY:

An ordinance authorizing payment in the amount of \$4,399,478.60 from the San Antonio Municipal Facilities Corporation fund, included in the FY 2024 - FY 2029 Capital Improvement Program, to Western Title Company of Bandera as escrow agent for title on a conservation easement, due diligence and closing costs on a 2,538.10-acre tract of land known as the Middle Verde Ranch Phase III property located in Bandera County, Texas.

This action also authorizes the execution of necessary documents to accomplish said acquisition.

BACKGROUND INFORMATION:

The purpose of the Edwards Aquifer Protection Program is to obtain property rights by fee simple purchase, conservation easements or donations of land over the sensitive zones of the Edwards Aquifer. This program was initiated in May 2000 when voters approved Proposition 3, a 1/8-cent sales tax venue up to \$45 million for the acquisition of lands over the Edwards Aquifer for parks and watershed protection. Proposition 3 ran from 2000 through 2005 and was limited to Bexar

County.

The 2005 Proposition 1 program was an extension of the initial voter-approved Edwards Aquifer protection endeavor and was extended by voters in 2010 and renewed again in 2015. Changes in state legislation allowed watershed protection activities to expand outside of Bexar County. In 2020, City Council approved a 10-year, \$100 million alternative funding program through the San Antonio Municipal Facilities Corporation which will issue debt for the Edwards Aquifer Protection Program to continue its mission of protecting recharge water quality and quantity over the Edwards Aquifer Recharge and Contributing Zones.

The proposed purchase of the conservation easement on the Middle Verde Ranch Phase III property is located over the Edwards Aquifer Contributing Zone and consists of 2,538.10 acres in Bandera County, Texas. The property was initially identified through use of the Scientific Evaluation Team's GIS Spatial Model and subsequent site visits identified favorable recharge features on the property. The Middle Verde Ranch Phase III acquisition will add 2,538.10 acres to the 2,830-acre Phase I acquisition in 2017 and the 3,457-acre Phase II acquisition in 2021. The Middle Verde Ranch Phase III property is located within the Rocky Creek-Seco Creek watershed which contributes to the Frio River and contributes to significant recharge of the Edwards Aquifer. The Middle Verde Ranch is located in the Middle Verde Creek/Frio River watershed which contributes to significant recharge of the Edwards Aquifer. The Edwards Aquifer Authority issued a geological assessment of the property confirming that preservation would provide a range of high-to-very high water quantity and very high water quality benefit for the City of San Antonio.

ISSUE:

This ordinance authorizes payment in the amount of \$4,399,478.60 to Western Title Company of Bandera as escrow agent for title on a conservation easement, due diligence and closing costs on a 2,538.10-acre tract of land known as the Middle Verde Ranch Phase III property located in Bandera County, Texas. Acquisition cost for this easement is less than the appraised value of \$7,930,000.00, resulting in a significant bargain sale to the City.

Acquisition of this Phase III tract is consistent with the policy for the Edwards Aquifer Protection Program and will bring all Middle Verde Ranch properties into the City's Edwards Aquifer Protection Program increasing the total protected lands by 2,538.10 acres; the current protected acreage is 179,528 acres. The City Council-appointed Conservation Advisory Board has reviewed and recommended this acquisition.

ALTERNATIVES:

An alternative would be to defer this acquisition until a later date subject to the property owner's willingness to sell real estate interests and future market conditions. Additionally, other properties could be targeted for acquisition foregoing this conservation easement and losing the geological benefits and the protection of additional acreage within the Middle Verde Creek/Frio River

watershed in Bandera County.

FISCAL IMPACT:

This acquisition is a one-time expenditure in the amount of \$4,399,478.60 for purchase of a 2,538.10-acre conservation easement located in Bandera County over the Edwards Aquifer Contributing Zone funded through the San Antonio Municipal Facilities Corporation included in the FY 2024 - FY 2029 Capital Improvement Program.

RECOMMENDATION:

Staff recommends approval of the acquisition of a conservation easement on the 2,538.10-acre Middle Verde Ranch Phase III property in the amount of \$4,399,478.60 under the San Antonio Municipal Facilities Corporation fund.

The Contracts Disclosure Form required by the Ethics ordinance is attached.