

2007-2012 BOND PROGRAM

City of San Antonio G. O. Bond Program

Frequently Asked Questions...

■ What is the total amount of this bond program? How does this program compare to the City's most recent bond programs?

The bond program totals \$550 million. This is more than four times as great as the most recent City bond programs. The 2003-2007 Bond Program was \$115 million while the 1999-2004 Bond Program was \$140 million.

■ How many total projects are in the bond program?

There are a total of 151 proposed projects. Each of the projects has been placed within one of five propositions. The following is a summary of the bond program by proposition showing the number of projects within each proposition and the projected cost associated with each proposition:

- Streets, Bridges, and Sidewalks Improvements (43 Projects) = \$306,997,413
- Drainage Improvements (26 Projects) = \$152,051,818
- Parks, Recreation, Open Space, and Athletics Improvements (69 Projects) = \$79,125,293
- Library Improvements (11 Projects) = \$11,025,476
- Public Health Facilities (2 Projects) = \$800,000

■ Where will the bond program have an impact?

All sides of San Antonio will benefit from projects in the proposed bond program. While many projects address specific infrastructure needs, there are several projects in the bond program that will have a city-wide benefit such as the Voelcker property acquisition and street improvements in the Medical Center area.

■ How does the City propose to finance the bond program?

The City dedicates a portion of its property tax revenues to repay debt incurred for bond-funded infrastructure improvements. However, the proposed bond program does not include a property tax rate increase. The City prepares a bond program using a financial plan to repay debt based on many financial variables and assumptions. Based on these variables and assumptions, the City's total taxable assessed valuation is projected to increase annually by 3.5% from FY 2008 to FY 2011, with lower projections in subsequent years. The City plans to borrow the \$550 million over five years, rather than all at once, allowing the bond program to be funded within the current property tax rate.

■ Will there be a change in the City's property tax rate as a result of the bond program?

No. The bond program is achievable without a projected increase in the City's property tax rate.

■ Will the bond program result in higher City fees and charges for services?

No. The bonds are to be repaid with property tax revenue the City collects. Fees and charges for services are used to defray costs for direct City services, not for financing costs of bond-funded infrastructure improvement projects.

■ Are there projects involving non-City entities that will have agreements so that residents are guaranteed public benefit from bond funds?

Yes. There are 11 projects in the bond program that will combine City funds with other entities' funds or assets to complete specified projects. The City is working to finalize initial agreements of intent with these entities detailing the requirement of public benefit as a condition to receive funding.

■ Do the bond project budgets include costs for inflation?

The City has included a 6.5% compounded inflation factor rate for five years on projects in the proposed bond program. Based on today's known and projected economic indicators and construction market/industry, the City believes that compounded rate is appropriate and is allowing sufficient budget estimating to get the identified scope of work executed. Furthermore, the City retained an outside engineering firm to review and validate the City's assumptions and projections. Based on what we know today, the City feels that all identified projects can be completed over the five-year period with the funds allocated in the proposed bond program.

■ What impact would State-enacted property tax growth caps have on the City's ability to finance the bond program?

Depending on the "cap" that the State Legislature may enact — if any at all — the City will be financially able to collect sufficient property tax revenue to repay the bonds. The City projects an annual property value increase of 3.5% from FY 2008 through FY 2011 and 3.0% in FY 2012.



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■ How were the projects selected for the bond program?

City Council appointed 128 residents from across San Antonio to serve on four Community Bond Committees with the charge of recommending to City Council \$550 million in projects. The City Council endorsed 93% of the Community Bond Committees' recommendations on January 31. After more than 40 hours of meeting time that involved over 500 attending residents, the City Council also approved an ordinance calling for the bond program election on May 12 as part of the general City election.

■ When will the projects begin?

All 151 projects in the proposed bond program will begin over a five-year period, with some projects starting in the first year, other projects in the second year, and so on through the fifth year. The City intends to sell bonds in an approximate amount of \$110 million per year over five years. City Council will be asked to approve a schedule designating which projects will be initiated in each of the years between 2007 through 2012.

■ Who will oversee the bond program to make sure the projects are implemented on time and within budget?

City staff will manage the bond program with monthly review by the 20-member Citizen Bond Oversight Committee (CBOC). The City Engineer will have direct oversight and management responsibilities for the bond program's implementation to ensure all projects are completed on time and within budget. City Council has indicated that it would like the CBOC to continue its charge of monitoring City and Bexar County bond programs.

■ Will local companies have the opportunity to bid on the design and construction of the bond projects?

Yes. The City is currently working on plans that will outline a process to include the local engineering and construction community. The City has obtained input from the engineering and construction community on how to improve the City's processes.

■ Are there any associated operating costs that will impact the City's annual budget because of bond program projects?

Yes. Operational impacts will occur from library projects (two new branch libraries) and from a variety of parks projects. Currently, it is estimated (in today's dollars) that the annual impact once all impacting library and park projects are completed will be over \$3 million. There will be minimal to no additional annual operating impact costs from street, bridge, sidewalk, drainage and public health facility projects.

■ How many bond projects leverage additional dollars from the private and non-profit community and/or other local political subdivisions? What is the amount of funds that potentially could be leveraged?

Currently, there are a total of 16 street projects with a City bond program allocation of \$120.7 million that have the potential to leverage approximately \$236 million from other entities. There are 11 other projects — primarily parks, recreation, and athletics facilities projects — with a City bond program allocation of \$15.8 million that have the potential to leverage approximately \$82 million from other entities.

■ Can the City afford future bond programs after the 2007-2012 Bond Program?

Yes. The City's most recent financial plan to repay debt, prepared by the City's Finance Department and presented to a committee comprised of key financial officers and finance executives, shows that the City can support a \$305 million bond program in 2013 and an additional \$300 million in 2018 with no increase to the property tax rate.

■ How can residents learn more about the City's proposed bond program?

Residents can view the bond program link on the City's web site — www.sanantonio.gov. Included within the bond program link is a listing of all bond projects by proposition, the Community Bond Committees' Report and Recommendations, maps, and other background information on the bond program. The City also has a bond brochure that lists a short description of each bond project and its projected costs. Residents also can call 207-7080 for more information.

■ Do residents vote for the entire bond program with one vote?

No. The bond program will be on the election ballot as five individual propositions for streets, drainage, parks, libraries and health facilities. Voters will be asked to consider each of the propositions separately.

■ Are there going to be other bond programs for other public entities on the May 12 election date?

Yes. As of March 5, 2007, three school districts have called bond elections (elections can be called through March 12):

- The North East Independent School District is having an election for a \$498 million bond program that will provide new schools, school renovations, technology upgrades, and transportation improvements.
- The Northside Independent School District is having an election for a \$692.67 million bond program that will provide new schools, school renovations, transportation improvements and technology and security upgrades.
- The South San Antonio Independent School District is having an election for a \$37.2 million bond program that will improve existing facilities and add new facilities for maintenance, transportation and food services.

■ What are the early voting dates? When is the election?

Early voting begins on Monday, April 30 and ends on Tuesday, May 8. The election is Saturday, May 12, 2007.