

San Antonio Express-News

'We need action now': Sales tax proposal for San Antonio economic recovery now in voters' hands

Joshua Fechter - Aug. 13, 2020

Mayor Ron Nirenberg's proposal to use \$154 million in sales tax revenue to pay for San Antonio's post-pandemic economic recovery is now in the hands of voters.

By a 9-2 vote Thursday morning, the City Council decided to put the matter on the November ballot amid concern over the fate of two programs now funded by the sales tax, including one aimed at protecting the city's source of drinking water.

Voters will be asked to approve a 1/8-cent sales tax to fund job training and college degrees for San Antonians who lost their jobs because of the COVID-19 pandemic. The money also would help participants pay rent and other living expenses while they complete those programs.

The sales tax revenue would be dedicated to those purposes for four years.

After that, the tax would go to VIA Metropolitan Transit for new buses and expanded services, if the voters approve a separate proposition that the VIA board decided, also Thursday, to add to the November ballot.

City estimates show Nirenberg's initiative could help 40,000 people get credentials needed for higher-paying jobs in medicine, bioscience, information technology and construction — at a cost of \$154 million.

Nirenberg believes the measure is necessary to try to alleviate the city's entrenched poverty and dependence on low-paying jobs. More than a third of the 154,000 people laid off because of the pandemic had jobs in the relatively low-wage retail, hospitality, restaurant and health care industries.



Kiran Bhalla, owner of The Unofficial Best of Texas on Alamo Plaza, which sells ice cream, hats and other souvenirs, works in his store on Thursday, Aug. 13, 2020. Bhalla said that his business is down 70 percent because of the coronavirus pandemic. He has had to cut the hours of his employees. Photo: Billy Calzada, Staff SAEN

“We’ve had the plans, the reports and the ideas,” Nirenberg said. “We can relitigate the past until we’re blue in the face. But over 150,000 San Antonio residents, our neighbors, have filed for unemployment in the wake of this pandemic. A quarter of those jobs won’t be available ever again. We need action now.”

The measure drew opposition from District 1 Councilman Roberto Treviño and District 10 Councilman Clayton Perry, who cast the two no votes. Both men noted that the city already has pumped \$75 million from city and federal funds into job training programs that start next month. They said immediate help is what’s needed.

For Perry, that means giving more grants to small businesses. He said the \$38.1 million that the council put into small-business relief over the summer was too little.

“I’m all for workforce development, don’t get me wrong,” Perry said. “But our business community is hurting right now.”

Treviño wants the city to put more money into its main housing assistance program to help residents struggling to make rent and mortgage payments. He’s skeptical that money included in the recovery plan intended to help participants with rent and other living costs would be enough to tide them over while they complete training and degree programs.

Choking up, Treviño told a story about how his mother opted not to attend Pan American University, now the University of Texas Rio Grande Valley, because she couldn’t afford to raise him and his brother while going to school.

“A person with fewer barriers to entry who didn’t need to rely on those services as much would have been selected over her,” Treviño said. “It’s a reality for many.”

But District 4 Councilwoman Adriana Rocha Garcia said the program would likely have helped members of her family who have died from COVID-19 by enabling them to land higher-paying jobs with health care coverage when they were younger.

With those advantages, she asserted, they would not have developed the underlying health conditions that the virus exploited. Six of Garcia’s cousins have

They often ate what was readily available and cheap alternatives and empty calories — which is what the “When they got sick, they kept working because the

Council members have complained about a lack of though the broad outlines are known.



Officials plan to target those with high school diplomas or with some college credits but no degree who make less than \$21,000 a year. They want at least 80 percent of participants to complete job training or obtain degrees — and they want at least 90 percent of them to make more than they did before entering the program.

Should voters approve the tax in November, city staff would draw up specific guidelines to implement the program. It would go before the council in April.

The city should focus on recruiting residents in poorer parts of town, District 7 Councilwoman Ana Sandoval said. She noted that COVID-19 deaths are concentrated on the West and South Sides, which are overwhelmingly Hispanic and have high poverty rates.

Foreign Affairs World of Import on Houston Street is open for limited hours because of the Coronavirus pandemic. Many San Antonio businesses that cater to tourists are hurting. Photo: Billy Calzada, Staff/SAEN

“We can’t simply let the program sit back to invite applicants in,” Sandoval said. “We must be extremely deliberate in the people that we choose to help so we can make a difference so we no longer see these types of tragic clusters in Districts 3, 4 and 5.”

In a deal worked out between the city and VIA, the city would keep the sales tax revenue for Nirenberg’s plan through Dec. 31, 2025.

The revenue from that 1/8-cent sales tax at issue currently funds two programs: one that buys land to protect the Edwards Aquifer and another that pays to create linear parks and creekways.

Supporters of both efforts expressed frustration that the future of the two programs is in limbo. Voters have approved the sales tax that funds those programs four times since 2000, but they won’t get a chance to vote on whether to renew the programs this November.

“We recognize that our community has many competing needs,” Annalisa Peace, executive director of the Greater Edwards Aquifer Alliance, told council members Thursday. “Yet we feel that the proposals to meet these various needs have been put together in kind of a slapdash manner without fully examining how we might best work together to make our city both sustainable and equitable.”

City officials tried to assure advocates of the aquifer and linear parks programs, including some council members, that the programs would continue in some form.

The City Council is expected to vote on a proposal to continue the aquifer protection program with money the city already receives from the San Antonio Water System.

City Manager Erik Walsh said he and Nirenberg are negotiating with Bexar County Judge Nelson Wolff and County Manager David Smith about whether the county will take on construction of linear parks and creekways.

The sales tax that funds those programs is expected to expire in April, when it's projected to have exhausted the \$100 million in spending authorized by voters.

Nirenberg must now convince voters that approving the sales tax is worthwhile. He's expected to announce shortly who will lead the campaign in support of his program.

Some political strategists say the Nirenberg-VIA deal could be confusing to voters.

And although the proposal would not raise existing taxes, residents may prove hesitant to back any new tax initiative in these tight economic times, they say.

But local higher education leaders, business executives and grassroots organizers already have come out in favor of the economic recovery plan — and its sales tax funding mechanism.

“Today, San Antonians need this investment more than ever,” Virginia Mata, a leader of the grassroots coalition **COPS/Metro** told council members Thursday. “It is not only the right thing to do but also the right investment. The seeds that you plant today will have a lasting effect and will help San Antonians rise from the shadows to the light.”

Earlier this week, executives of four major San Antonio-area companies — Craig Boyan of H-E-B, Kevin Jones of Rackspace Technology, Wayne Peacock of USAA and Kevin Voelkel of Toyota Motor Manufacturing Texas — pledged to give priority to graduates of the proposed programs when filling job openings.

“We hope that this plan helps us address our community's long-standing issue of poverty by investing in our residents' economic mobility, bolstering their ability to weather any future crises that may come their way,” the executives wrote in a joint letter.