

STATE OF THE COUNTY
NELSON W. WOLFF, COUNTY JUDGE
Bexar County
October 27, 2011

WELCOME to the east side of San Antonio and to the Bexar County arenas which include the AT&T Center, the Freeman Coliseum, and the new Exposition Hall. We are home to the four-time champion Spurs and the six-time best large indoor rodeo. In 2009 we added 350,000 square feet of exhibit halls, of which 170,000 square feet are climate-controlled. Last year we had 148 event days. The hall is booked so far in advance; even I couldn't get the space for this event.

We are now renovating the Coliseum that includes a new lobby, main entrance upgrades, exterior lighting, a remodeled concourse, and concession areas. We have invested \$153 million on the east side through these facilities, where more than three million people attend events each year.

Thank you Derrick Howard and the Arena Advisory Board, Rick Pych with the Spurs, and Keith Martin with the Livestock Exposition.

I am going to talk with you today about six major strategies that I believe we need to work together on to move our City and County forward. They complement Mayor Castro's 2020 vision.

The first strategy is to discourage urban sprawl through financial incentives to live and work in the inner city and to create a unique way of life that will encourage people to live in the near downtown area.

Over the last three years, we've had to adjust to the economic downturn and have made significant changes to how we do business and deliver services. This becomes even more important when we look at the future growth of our County and so this summer the Court took steps to appoint Bexar County's first County Manager.

David Smith has been our Budget Director since 2004. For the last several years we have adopted a long term strategy of expanding our capital budget and curtailing operation expenses while maintaining our service level. This July we also gave David

expanded authority as County Manager. This is how Bexar County has not raised taxes and is meeting higher demand for services with fewer people than we did four years ago. But we're entering an era where we will no longer be able to sustain service levels.

Out in the County, a city the size of Waco is emerging on the city's western boundary west of 1604 and flanked by Highway 90 to the south, Shaenfeld Road and Government Canyon to the north, and to the Medina County line on the west.

These citizens receive limited police protection, limited fire protection, no libraries, limited animal control, and inadequate funding for street maintenance.

For a long period of time — dating back to the 60's — the City of San Antonio had an aggressive annexation policy. Once an area was built out to about 75% it was annexed and provided services by the City. After the legislature made it harder for cities to annex, San Antonio has not annexed any significant areas since 2006. There are presently no plans for the City of San Antonio to annex this area or for that matter any other major area of the County.

Urban sprawl is not sustainable under existing laws and with existing resources. One of three things will have to happen to address the problem:

- The Legislature will finally have to recognize that urban counties need additional authority
- The City of San Antonio will have to start annexing again
- Or a new city will need to be incorporated

Doing nothing will lead to an urban disaster of significant consequences.

I will ask the Commissioners Court and County Manager David Smith to engage a consultant to assess the area's short and long term needs, and the financial resources required to meet them. This consultant will also give us a set of recommendations of how best to meet those needs.

While I have focused my remarks on the largest growing area of the County, urban sprawl anywhere is going to be very hard to sustain.

Neighborhoods have traditionally followed state highways but today the State will have no money for new highways after 2012. In addition, proposed and existing EPA regulations and environmental laws are getting more difficult to meet.

While I realize that some people will continue to move out to the fringes of the city we need to do everything we can to encourage our citizens to live closer together. We are not such bad people that we need to continue to spread out, separating ourselves from each other.

Together with the City we have embarked upon a plan to encourage inner city growth and in particular in the immediate downtown area. We want to create a way of life that would be attractive to people to live and work in the inner city. Together we have developed an increased level of tax incentives for jobs and housing.

The County has made substantial investments in the downtown area. The Performing Arts Center, the Briscoe Museum, the Alameda Theater, the San Antonio River, County office buildings, parking garages, and the \$130 million expansion of University Health System's Robert B. Green campus.

The private sector is also investing. Hundreds of apartments are going up along Broadway.

We are in the very early stages of investigating the possibility of a downtown baseball park for UTSA and the San Antonio Missions. UTSA has proven they can draw large crowds downtown. The Missions are a great organization. They are the best team in minor league baseball. The ballpark would provide an additional great amenity for downtown.

Mayor Castro, I look forward to working with you on an education initiative to improve inner-city schools. We are working with the San Antonio School District on a Health Careers High School at Fox Tech. I hope we are able to develop a downtown performing arts school to complement the Performing Arts Center. Additional education choices should be developed through public and private charter schools.

The second strategy is to integrate Bexar Met with SAWS to create one regional utility that will be able to continue to expand and secure our water resources.

Mayor Castro, Senator Uresti, Representative Menendez and I are leading the campaign to dissolve the Bexar Met Water District and merge it with SAWS. Election day is November 8th. The vote turn out will be small and that's always a danger in an election.

We need your help to get the word out as well as campaign donations. SAWS has a well-developed plan to absorb the district. In the long run it will save a substantial amount of money in eliminating duplicated pipelines and services. We need to support SAWS in seeking rate increases to continue to develop water resources outside of the Edwards Aquifer. Canyon Lake water, Carrizo Springs underground storage, treating of brackish water, reuse of water, buying Edwards water rights, are all strategies under way.

Thank you Mayor Castro, Senator Uresti, Representative Menendez, and SAWS CEO Robert Puente.

The third strategy is for our new public/private partnership — the expanded Economic Development Foundation — to continue aggressively pursuing economic development projects that will create good paying jobs.

Just recently *Forbes* magazine named San Antonio one of the best cities in the nation for employment, and most recently, the 4th biggest “boom town” in the Country. Strong economic generators have propelled us into one of the fastest growing regions in the country with diversified industries – each of them strong in their own rights. We continue our economic growth with the announcements of companies establishing roots in San Antonio and promising prospects on the horizon.

Our new partnership between the County, City, and private sector is underway. The City and County are contributing \$1 million dollars each year to the partnership's budget. Former mayor Henry Cisneros is the new chairman and he is already picking up the pace.

We have incredible economic growth happening to the south of us with the Eagle Ford Shale that has a ripple effect to the southern reaches of Bexar County.

Henry and I recently went to Houston to meet with Halliburton officials. We believe the company will create up to 1400 jobs in south Bexar County. We had lunch two weeks ago with Marathon Oil CEO Clarence Cazalot and other company officials. They have established an office in San Antonio along with oil industry giants Weatherford, Schlumberger, Baker, Hughes and NRG. The play in the Eagle Ford Shale south of us will create thousands of jobs over time.

Thank you Henry Cisneros.

The military has long been a substantial segment of our local economy and it will continue to be for years. Instead of relying just on that aspect, we have used the various Missions here as a catalyst for building our civilian economies in medicine and biomedical research, aerospace and most recently, cybersecurity.

The transformation of Brooke Army Medical Center and Wilford Hall into San Antonio Military Medical Center, the tens of thousands of military medics who will train here, the cutting edge rehabilitation happening at the Center for the Intrepid — all of these will continue to play a role in the healthcare and biomedical industries.

On the civilian side we have strong private and public healthcare systems that continue to grow. The Bexar County Hospital District operating under the assumed name, University Health System, is a nationally-recognized hospital district and was named the best regional hospital in San Antonio. The Commissioners Court authorized a \$1 billion investment in our hospital system. Construction is underway downtown and in the Medical Center. In fact just two hours ago, the last piece of steel on the Robert B. Green Medical Tower was put into place.

I am confident our partnership with Santa Rosa will take us to the next level by establishing a stand-alone, top notch children's hospital that will be yet another catalyst for attracting world-renowned physicians and researchers to San Antonio. The hospital Board recently had a retreat to discuss the project. Santa Rosa President Pat Carrier and University Hospital President George Hernandez are working diligently to move the partnership forward. I have encouraged officials with both systems to expedite this collaboration.

Thank you George Hernandez and Pat Carrier.

Brooks City Base and Port San Antonio continue to expand. Toyota is back running at full capacity. We will continue to work with them as opportunities for expansion arise.

A fourth strategy is to continue the City-County effort to protect sensitive land, expand parks, wildlife preserves, and our creeks and watersheds.

Just as our great community opens us to these successes in economic development, we cannot sustain them without continuing to make Bexar County a better place. That comes in the way that we approach our natural resources.

The Commissioners Court three weeks ago agreed to acquire some 2,024 acres of land that will be set aside permanently for endangered species. The Nature Conservancy, with a grant from the County, will purchase and manage the land. The land also connects to a SAWS easement providing 3,000 contiguous acres of protected land. While this action was a major step in preserving land, it relieved a threat to Camp Bullis's mission to train all military medics there. Federal protection of the Golden Cheeked Warbler and explosive development threatened that mission. Commissioner Kevin Wolff led the effort to acquire the land we set aside as habitat for the Warbler to allow the military to use Camp Bullis to its fullest extent.

Thank you Commissioner Wolff.

The County is building 13 amateur sports parks that already are providing various new recreational opportunities for our citizens. We also are improving one of our most treasured parks — Mission County Park — that serves as the grand entrance from the river to Mission San Jose. It will primarily be a music and cultural venue.

Thank you Commissioner Rodriguez.

The County is also investing some \$200 million to bring back the jewel of the southside, the Mission Reach of the San Antonio River. This is the largest urban ecosystem restoration of a river in the United States. It will stretch eight miles, linking all four south side missions. Two miles are finished. The next mile will open next summer. We are in the process of working with our partners for a management plan for the Mission Reach of the river when it is completed.

The final six miles will be completed in 2013. The National Park Service, San Antonio River Authority, the River Foundation, Army Corps of Engineers, and the City have all been great partners.

The County is seeking Federal support to expand the boundaries of the San Antonio Missions National Historical Park. We met again this week with Interior Secretary Salazar on this issue and to further support our effort for the Missions to become a World Heritage site.

The City continues to purchase land over the aquifer through conservation easements and outright purchases. They have also established jogging and biking trails along the Salado and Leon creeks, providing a great recreational outlet and a healthy way to traverse the city.

City public service under the leadership of President Doyle Beneby is making great strides in obtaining renewable energy sources. And so is the County, thanks to Commissioner Tommy Adkisson's leadership. Just recently we installed solar panels on our new downtown Paul Elizondo Tower — the first major downtown office building to do so — and atop the newest County parking garage.

The fifth strategy is to develop a balanced transportation policy that enhances the role of public transportation.

The State is responsible for our highways and has demonstrated a total lack of leadership in addressing transportation needs. Each year we have gone to the Legislature asking for funding options because they refuse to address the problem. And each year we are told "No." And then we are told the State has no funding for new highways after 2012.

Consequently, the County had to issue debt in the amount of \$53 million to build Blanco and Culebra roads. With the State reimbursement capped at \$37.5 million, we had to use local funds from the Advanced Transportation District to make up the difference.

In order to build Potranco and Highway 211, two badly needed projects on the west side, the County will need to issue \$75 million of debt. The difference on these

projects will be made up with private sector funding and revenue from a Public Improvement District.

The City is proposing to provide \$30 million to build an interchange at 281 and 1604. Commissioner Wolff is working to provide additional funding. We will continue to press the Legislature to meet their obligations but I do not have any confidence in them.

Other major Texas cities have focused on public transportation by building multi-modal systems that have attracted large Federal grants while we have, up to this year, wasted our time pleading with the Legislature for highway money.

When VIA Chairman Henry Muñoz and the VIA Board hired Keith Parker as CEO a new day dawned at VIA. He took the reins along with the board to build a multi-modal system. A comprehensive long-term plan was developed that includes a five-year short-term plan to get started.

The County, the City, and VIA made an historic step forward when we all voted on a joint venture to provide a \$180 million investment in public transit. The plan will reduce bus traffic in the downtown area by 40 percent. It will create two intermodal terminals east and west of downtown. A bus Rapid Transit will link downtown, the Medical Center, and UTSA's main campus. Two outlying park-and-ride facilities will be located north and south. And to top it off a street car system with a circulator bus will be built downtown.

We just returned from Washington where we visited with Transportation Secretary LaHood, who was very impressed with all three entities coming together to support the plan.

We feel good about our chances of securing the Tiger Grant for the West Side Multi Modal Center, that decision will be made sometime next year. In our discussions with the Secretary it became clear that for the streetcar system to be successful we have to demonstrate ridership along with economic development, and that the starter system as laid out by VIA should be completed with local funds. This would give us the greatest opportunity to secure Federal funding for the build out of the whole plan.

Consequently I'm asking Commissioner Paul Elizondo to work with Henry Muñoz and Keith Parker to develop a joint plan with the County and VIA coming up with additional resources. The City has already demonstrated its commitment by using bond savings and a Special Improvement District to provide funding.

Thank you Commissioner Elizondo.

Then we will be in better position to expand the proposed streetcar system to move east and west breaking the barriers of Highway 35 and Highway 37. It will go from the AT&T Center on the east side to our Lady of the Lake University on the west side. We also want to take the north-south route down to Southtown.

And then finally, the day will come when a light rail system will be built connecting downtown and the airport.

The sixth strategy is to work to help those in our community who need it most — specifically those who are suffering from addiction, mental illness or both.

How we treat those citizens who have fallen on hard times is a reflection of our values. Jails and prisons should be places where we keep people who are a threat to society, not those who are sick.

I am very proud of the County's commitment and success in addressing our incarceration numbers by using alternative strategies calculated to keep the public safe while providing treatment to our veterans and people with mental illness and addictions.

We are in our third year of operating the Mental Health Court. Through the Commissioners' financial support of this Court and the Center for Health Care Services, 188 people have been enrolled in the program. An additional 846 people have been linked to treatment.

Of those we see in the Mental Health Court, a mere three to six percent have returned to jail. Judge Scott Roberts, Judge Oscar Kazen, and the Mental Health Court team have worked tirelessly to make this a model program.

The Commissioners established a Veterans Treatment Court in September of last year. Aurora Sanchez, Executive Director of our Community Resources Department, convened a planning group of more than 40 community leaders and members of veterans support groups to form this special court. Since January, thirty-six veterans have been served by this Court.

We have seen more than 900 individuals pull their lives and families from the grips of drug and alcohol addiction with the help of the Drug Courts. With each graduating class from the Drug Court programs we are putting self-sustaining, eager individuals back on the streets to be productive members of this wonderful community.

I have attended several of the graduation ceremonies — what an uplifting feeling it is to see families reunited and potential realized. Less than 20 percent of the graduates slip back into drug abuse.

We have invested \$14 million in the Haven for Hope. Under the leadership of Bill Greehey, the Haven is saving hundreds of lives and, just as we are doing with our specialty courts, they are transforming these individuals into self-sustaining, successful people.

Caring for those around us who need our help is not just a way to say we are a conscientious or moral community; it also helps grow our economy when we give people the support they need to overcome obstacles, become productive members of society and provide potential companies with a viable workforce.

In closing, this community has demonstrated its willingness to work together to take our County to new heights. I ask for your help to move our County forward by working with us on these six strategies, as well as with Mayor Castro on his SA 2020 Vision.