

VIA, Mayor Compromise: Voters Can Fund Pandemic Recovery and Transit With Sales Tax Shift

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Mayor Ron Nirenberg speaks at VIA Centro Plaza in June 2019. Credit: Bonnie Arbittier / San Antonio Report

This story has been updated.

VIA Metropolitan Transit and the mayor have reached a compromise on how to use a one-eighth-cent sales tax currently funding aquifer protection and linear creekway trails.

VIA and Mayor Ron Nirenberg have agreed to put two measures on the November ballot to seek voter approval for using hundreds of millions of dollars in tax revenue for separate purposes. One would ask voters to approve reallocating the sales tax revenue to the City of San Antonio to use for short-term coronavirus response initiatives, including funding workforce development programs. The second would ask voters to approve allocating that same sales tax revenue to VIA in perpetuity after the City has collected the maximum approved amount.

The compromise comes only two weeks after VIA's board of trustees [voted to move ahead](#) and call an election to reallocate the one-eighth-cent without the mayor's backing. The VIA board, in its dual role as the board of the Advanced Transportation District (ATD), has the power to call for such a sales tax revenue election.

The mayor originally withdrew his support for taking the reallocation matter to voters after VIA shelved its strategic plan, "VIA Reimagined," which included building an advanced rapid transit system. Earlier [in July](#), Nirenberg told the *Rivard Report* that the economic impact of the coronavirus showed that San Antonio needed to reevaluate its priorities.

"I have likened the trajectory of our city to a simple equation," Nirenberg said then. "Transit remains a variable in that equation, but we must talk about the order of operations in the wake of this virus."

Nirenberg also [questioned](#) VIA's financial forecast; the transit agency [most recently projected](#) a \$111.3 million deficit in five years.

But on Thursday, Nirenberg joined VIA in announcing a collaborative effort in reallocating the one-eighth-cent sales tax to first the City, and then to VIA.

"By working together, we have crafted a plan for recovering from the economic ravages of the COVID-19 pandemic, which has dramatically changed our community's employment landscape," Nirenberg said in a statement. "This approach will prepare San Antonians for jobs with a future while ensuring the long-term health of our transit system."

The one-eighth-cent tax is part of a one-cent tax originally set aside by the Texas Legislature to fund transportation. Unlike transit systems in the state's other major cities, VIA receives only a half-cent, with the rest allocated for other purposes.

Collection of the one-eighth-cent sales tax for the aquifer and trail system is currently projected to end in the summer of 2021; the City can collect up to \$180 million for that purpose. The maximum collection of the sales tax revenue for the mayor's new proposed workforce development and economic opportunity program has not yet been determined.

"Overall, the effort will be to prepare San Antonians for stable, high-paying jobs of the future while we equip them with skills to survive in a dramatically changed economic landscape," Nirenberg said Thursday.

VIA and the mayor are working on finalizing details and ballot language. If voters approve both ballot measures, then VIA would begin collecting the sales tax revenue after the City hits its revenue collection cap.

Details on the mayor's workforce development plan will be finalized in the coming weeks, according to a news release. The City has already [decided to spend \\$75 million](#) of its federal coronavirus relief funding on workforce development programs.

Nirenberg said that the City is working on a plan to provide both training and educational opportunities with the sales tax revenue if it is approved, so San Antonians can pursue a variety of career paths.

"In addition to the fact that we are working toward addressing the economic devastation of COVID-19, we're also doing so with a long-term vision of addressing the cracks in the city's economic foundation that we can't ignore any longer," Nirenberg said. "Our city can't thrive while accepting a high poverty rate as a fact of life."

VIA Board Chair Hope Andrade said she and the board of trustees appreciate Nirenberg and Bexar County Judge Nelson Wolff for their longtime support of VIA and public transit.

"This collaboration is a significant step toward making sure no San Antonian gets left behind," Andrade said in a statement. "It allows us to move together toward recovery and is a testament to what is possible when we work for a common goal. By asking voters to prioritize long-term funding for public transportation we can secure a viable resource that provides access to lifeline services our community needs and deserves."

VIA President and CEO Jeff Arndt expressed his enthusiasm for the compromise on Thursday, which he said ultimately serves essential workers, families, and businesses.

"A sustainable future funding source for VIA will ensure we can meet the growing transportation needs of the region, moving forward," Arndt said in a statement. "It means we can preserve vital connections and develop more equitable access to the opportunity that public transit can deliver."

The City and VIA have until Aug. 17 to call for an election.