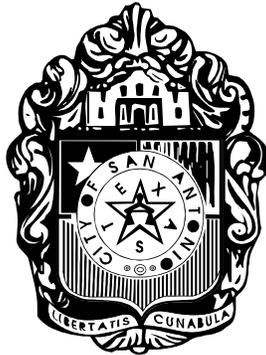


CITY OF SAN ANTONIO, TEXAS
Housing and Neighborhood Services Department



Mission Drive-In
Tax Increment Reinvestment Zone
Number Thirty-two

Preliminary Finance Plan

Participation Levels:
City 90%

December 11, 2008

Mission Drive-In Tax Increment Reinvestment Zone #32 – Preliminary Plan of Finance

Introduction

The Mission Drive-In Tax Increment Reinvestment Zone (TIRZ) consists of approximately 1,365 acres of property located south of the central business district along: area east of Yett Avenue, north of SE Loop 410, and west of Espada Road as southern boundaries; traversing on either side of Roosevelt Avenue north to H F McCarty Drive as a northern boundary, and traversing south along the western side of Presa Street to E. Pyron Avenue. The zone is located in the Harlandale, San Antonio and Southside Independent School Districts. The tax year 2008 base value is \$84,172,614 and is subject to verification of certified assessed and taxable values. The projected captured value is \$300,721,966 for tax year 2027 net of exemptions. The project anticipates the construction of 366 Single Family Units, over 1 million square feet of commercial/office/restaurant space, 600 apartments, 30,000 square feet of lofts, and 20 town homes. The total public infrastructure associated with the proposed developments will be determined after designation by the TIRZ Board. The term of the zone is projected to be 19.82 years with the TIRZ being in existence through fiscal year 2028.

Public Infrastructure

The total public infrastructure capital costs are estimated to be over \$19 million. This TIRZ can reimburse costs such as: drainage, parking, streetscape enhancements, historic preservation, parks, and other public improvements that are outlined in the anticipated Final Project and Finance Plans.

Plan of Finance

The tax year 2008 total assessed base value of the Mission Drive-In TIRZ is estimated to be \$84,172,614. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements commence in tax year 2009 with collections commencing in tax year 2009 (fiscal year 2010). Projected captured values grow from \$22,375,000 in tax year 2009 to \$300,721,966 in tax year 2027.

At the time of the development of this preliminary finance plan, the City is the only participating taxing entity identified. For this analysis, the City's tax rate per \$100 valuation is \$0.510426. This produces annual revenues of \$111,353 in fiscal year 2010 to \$1,496,589 in fiscal year 2028. A 2% growth factor after build out is assumed.

Revenues derived from the TIRZ will be used to pay costs in the following order of priority of payment: (i) reimburse eligible startup Administrative Costs incurred by each participating taxing entity, except if there are insufficient funds for the reimbursement of Administrative Costs to each Participating Entity, the Administrative Costs of each

Participating Taxing Entity shall be reimbursed on a pro rata basis based on each taxing entity’s level of participation in the Zone; (ii) to pay all other ongoing Administrative Costs to the Participating Taxing Entities, except that if there are insufficient funds for the full reimbursement of ongoing Administrative Costs to the Participating Taxing Entities, then the ongoing Administrative Costs of the Participating Taxing Entities shall be reimbursed on a pro-rata basis based on each taxing entity’s level of participation in the Zone; (iii) to reimburse the City for costs of the repair, replacement, and maintenance of public infrastructure and associated costs as described in any Development Agreements (if any); and (iv) to reimburse the developer(s), if any, and/or the City for public improvements, as provided in the anticipated Final Project and Finance Plans that will be developed after designation. These costs will be financed/reimbursed to the extent that funds in the Tax Increment Fund are available for these purposes.

TIRZ collections for this project shall not extend beyond September 30, 2028 and may be terminated earlier once each taxing entity has deposited its respective amount described in the table below or the amount approved in the Final Project and Final Finance Plans.

TABLE – Mission Drive-In TIRZ Contributions		
Participating Taxing Entities	Projected Dollar Contribution	Max. Length of Contribution
City of San Antonio	TBD	September 30, 2028
Bexar County	TBD	TBD
San Antonio River Authority	TBD	TBD
Alamo Community College District	TBD	TBD
Total Contribution to TIRZ Fund	TBD	

The following represents what the City’s potential contribution would be given the various participation levels:

50% Participation	60% Participation	70% Participation	80% Participation	90% Participation	100% Participation
\$10,920,144	\$13,104,170	\$15,288,201	\$17,472,228	\$19,656,260	\$21,840,287

If there are other taxing entities that participate in this TIRZ, the revenue could be higher. If Bexar County, the San Antonio River Authority, and the Alamo Community College District were to participate, their incremental contributions could be:

Bexar County	Alamo Community College District	San Antonio River Authority
50% = \$4,831,406	50% = \$2,615,858	50% = \$307,130
70% = \$6,763,965	70% = \$3,662,198	70% = \$429,984

Limited Obligation of the City or Participating Governmental Entities

The City and Participating Governmental Entities shall have a limited obligation to impose and collect taxes, and deposit such tax receipts into the Mission Drive-In TIRZ fund so long as the project is viable and capital costs incurred by the City and/or a developer (if any) have not been fully paid. The Mission Drive-In TIRZ collections for this project shall not extend beyond September 30, 2028, and may be terminated prior to September 30, 2028, upon payment of public improvement capital costs incurred by the City and/or a developer (if any), or for the failure of the TIRZ Project to perform as projected in the Final Project and Finance Plans. The City may elect to terminate the TIRZ if actual housing and commercial construction falls behind the projected construction schedule. Specifically, the City may terminate if at the end of the first three years, 50% or more of the non-infrastructure construction projected for each of those years is not complete. Furthermore, any default of the terms contained in the Interlocal and/or Development Agreements that is not cured within the timeframe contained in the Interlocal and/or Development Agreements will also result in Mission Drive-In TIRZ termination.

Any costs incurred by a Developer (if any) are not and shall never in any event become general obligations or debt of the City or any of the Participating Governmental Entities. The public improvement infrastructure costs incurred by a Developer shall be paid solely from the Mission Drive-In TIRZ revenues and shall never constitute a debt, indebtedness or a pledge of the faith and credit or taxing power of the State, the City, the Participating Governmental Entities, any political corporation, subdivision, or agency of the State.

In accordance with the 2008 TIF Manual, the City will negotiate a participation rate and maximum cap based on the following:

- Ensure the City’s ability to provide adequate municipal services such as police, fire, streets, libraries, parks, and other basic services through a comprehensive service analysis;
- Completion of a gap analysis that accounts for financial capacity of developer(s) (if any) and the minimum amount needed to meet the gap;
- Prioritization of public improvement needs such as the need for streets and sidewalks vs. the need for underground utilities;
- Factor a reasonable annual growth assumption; and

- Consider developer contribution (if any) of land for public use needs and/or minimum financial contribution.

Further, the City's participation rate and maximum contribution will be based on the participation of other taxing entities and the overall impact to the City's Operational Budget and Debt Plan (the final financing plan must not adversely impact the City's ability to deliver services or its debt management plan).

City and/or Developers' Risk

All financing, developmental costs, construction costs, improvements, damages, or other costs incurred with respect to this project are at the sole risk of a developer (if any). The City in conjunction with TIRZ Board will determine the costs that can be supported with future TIRZ revenue associated with this TIRZ through the development of the Final Project and Finance Plans. All costs will be reimbursed solely through TIRZ revenue. The City and any Participating Taxing Entities shall minimize any risk whatsoever associated with the development, construction, completion or failure of the project. In the event that the project fails, is abandoned or for any reason is not completed, the City shall have the right to terminate the Mission Drive-In TIRZ and any funds remaining in the Mission Drive-In TIRZ account shall be distributed to the Participating Taxing Entities on a pro rata basis in accordance with each entity's participation level.

Compliance

The development of this TIRZ shall comply with all federal, state and local laws, rules and regulations including the 2008 TIF Manual.

Reporting

City and/or Developers (if any) shall submit a project status report and financial report on a quarterly basis (January 15th, April 15th, July 15th and October 15th) to the City.

Inspection

The Participating Taxing Entities, and/or Administrator shall have the right to inspect the project site or sites and the premises of a developer without notice.

City of San Antonio
Mission Drive-In - TIF Reinvestment Zone
Summary Fact Sheet
December 11, 2008

Plan of Finance	Site Area		1,365.00	Acres
	Base Value (2008) In City	\$	84,172,614.00	
	Single Family	\$	150,000.00	
	Commercial/Resturant/Office	\$	125.00	
	Apartments	\$	65,000.00	
	Lofts	\$	85.00	
	Townhomes	\$	200,000.00	
	Project Year			
	Phase I	2009	14,000	Sq Ft of Comercial
	Phase II	2010	25	Single Family
			250	Apartments
			5,000	Restaurant
	Phase III	2011	75	Single Family
			125,000	Commercial
			10,000	Resturant
			10,000	Lofts
	Phase IV	2012	75	Single Family
			125,000	Commercial
			20,000	Office space
			20,000	Lofts
	Phase V	2013	75	Single Family
			125,000	Commercial
			20	Townhomes
	Phase VI	2014	75	Single Family
			125,000	Commercial
			350	Apartments
	Phase VII	2015	41	Single Family
			125,000	Commercial
	Phase VIII	2016	125,000	Commercial
	Phase IX	2017	125,000	Commercial
	Phase X	2018	125,000	Commercial
	Performance Bonds	Per Texas Government Code Chapter 2253		
	Payment Bonds	Per Texas Government Code Chapter 2253		
Assumptions	Captured Value	\$	300,721,966	
	Assessed Value Growth Factor		2.00%	
	Participation Level		90.00%	
	Collection Rate		97.50%	
	Estimated Total TIF Revenues	\$	19,656,260	
	Estimated TIF Life (12/11/2008 to 9/30/2028)		19.82	Years

Mission Drive In - Tax Increment Reinvestment Zone

Sources and Uses

Sources of Funds

TIRZ Revenues	\$ 19,656,260
Developer Contribution	\$ -

Total Sources of Funds

\$ 19,656,260

Uses of Funds

	Phase I 2009	Phase II 2010	Phase III 2011	Phase IV 2012	Phase V 2013	Phase VI 2014	Phase VII 2015	Phase VIII 2016	Phase IX 2017	Phase X 2018	Total Infrastructure Improvement
Begin Construction											
Drainage											\$ -
Parking											\$ -
Streetscape enhancements											\$ -
Historic Preservation											\$ -
Parks											\$ -
Other Public Improvements											\$ -
Hard Costs Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Engineering/Surveying Fees											\$ -
Contingency											\$ -
Construction Management											\$ -
Legal/Formation Expense		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Soft Cost Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Public Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Infrastructure	\$ 18,777,864										
Total Payments to Mission Drive-In	\$ -										
Total Admin. Expenses	\$ 878,396										
Grand Total	\$ 19,656,260										
Project Financing Surplus (Shortage)	\$ -										

Mission Drive In - TIF Reinvestment Zone

Projected Tax Increment Revenue

Tax Year	Tax Increment Zone					City of San Antonio			Combined TIF Collections	Fiscal Year Ending
	Beginning Assessed Value*	Annual Value of New Development	Growth	Projected Year-End Assessed Value	Projected Captured Value	Captured Taxable Value	Tax Rate Contribution	Tax Increments		
2008	\$ 84,172,614	\$ 1,750,000		\$ 85,922,614	\$ -	\$ -	0.510426	\$ -	\$ -	2009
2009	\$ 85,922,614	\$ 20,625,000		\$ 106,547,614	\$ 22,375,000	\$ 22,375,000	0.510426	\$ 111,353	\$ 111,353	2010
2010	\$ 106,547,614	\$ 28,975,000		\$ 135,522,614	\$ 51,350,000	\$ 51,350,000	0.510426	\$ 255,551	\$ 255,551	2011
2011	\$ 135,522,614	\$ 31,075,000		\$ 166,597,614	\$ 82,425,000	\$ 82,425,000	0.510426	\$ 410,201	\$ 410,201	2012
2012	\$ 166,597,614	\$ 30,875,000		\$ 197,472,614	\$ 113,300,000	\$ 113,300,000	0.510426	\$ 563,855	\$ 563,855	2013
2013	\$ 197,472,614	\$ 49,625,000		\$ 247,097,614	\$ 162,925,000	\$ 162,925,000	0.510426	\$ 810,821	\$ 810,821	2014
2014	\$ 247,097,614	\$ 21,775,000		\$ 268,872,614	\$ 184,700,000	\$ 184,700,000	0.510426	\$ 919,188	\$ 919,188	2015
2015	\$ 268,872,614	\$ 15,625,000		\$ 284,497,614	\$ 200,325,000	\$ 200,325,000	0.510426	\$ 996,948	\$ 996,948	2016
2016	\$ 284,497,614	\$ 15,625,000		\$ 300,122,614	\$ 215,950,000	\$ 215,950,000	0.510426	\$ 1,074,708	\$ 1,074,708	2017
2017	\$ 300,122,614	\$ 15,625,000		\$ 315,747,614	\$ 231,575,000	\$ 231,575,000	0.510426	\$ 1,152,469	\$ 1,152,469	2018
2018	\$ 315,747,614	\$ -	\$ 6,314,952	\$ 322,062,566	\$ 237,889,952	\$ 237,889,952	0.510426	\$ 1,183,896	\$ 1,183,896	2019
2019	\$ 322,062,566	\$ -	\$ 6,441,251	\$ 328,503,818	\$ 244,331,204	\$ 244,331,204	0.510426	\$ 1,215,952	\$ 1,215,952	2020
2020	\$ 328,503,818	\$ -	\$ 6,570,076	\$ 335,073,894	\$ 250,901,280	\$ 250,901,280	0.510426	\$ 1,248,649	\$ 1,248,649	2021
2021	\$ 335,073,894	\$ -	\$ 6,701,478	\$ 341,775,372	\$ 257,602,758	\$ 257,602,758	0.510426	\$ 1,282,000	\$ 1,282,000	2022
2022	\$ 341,775,372	\$ -	\$ 6,835,507	\$ 348,610,879	\$ 264,438,265	\$ 264,438,265	0.510426	\$ 1,316,018	\$ 1,316,018	2023
2023	\$ 348,610,879	\$ -	\$ 6,972,218	\$ 355,583,097	\$ 271,410,483	\$ 271,410,483	0.510426	\$ 1,350,716	\$ 1,350,716	2024
2024	\$ 355,583,097	\$ -	\$ 7,111,662	\$ 362,694,759	\$ 278,522,145	\$ 278,522,145	0.510426	\$ 1,386,108	\$ 1,386,108	2025
2025	\$ 362,694,759	\$ -	\$ 7,253,895	\$ 369,948,654	\$ 285,776,040	\$ 285,776,040	0.510426	\$ 1,422,208	\$ 1,422,208	2026
2026	\$ 369,948,654	\$ -	\$ 7,398,973	\$ 377,347,627	\$ 293,175,013	\$ 293,175,013	0.510426	\$ 1,459,030	\$ 1,459,030	2027
2027	\$ 377,347,627	\$ -	\$ 7,546,953	\$ 384,894,580	\$ 300,721,966	\$ 300,721,966	0.510426	\$ 1,496,589	\$ 1,496,589	2028
		\$ 231,575,000						\$ 19,656,260	\$ 19,656,260	
	Existing Annual Value Growth Factors									
	Years					-	Participation Level	90%		
	Thereafter					-	Tax Rate Growth Factor	0.00%		
	Combined Compound Growth Rate					2.00%	Tax Rate Collection Factor	97.50%		

*FY 2009 base values are subject to verification of certified assessed and taxable values.

**Mission Drive In - TIF Reinvestment Zone
Reimbursement for Public Improvements**

Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Admin. Exp.
2009	\$ -	\$ -	\$ 75,000
2010	\$ 111,353	\$ 111,353	\$ 5,568
2011	\$ 255,551	\$ 366,904	\$ 12,778
2012	\$ 410,201	\$ 777,105	\$ 20,510
2013	\$ 563,855	\$ 1,340,960	\$ 28,193
2014	\$ 810,821	\$ 2,151,781	\$ 40,541
2015	\$ 919,188	\$ 3,070,969	\$ 45,959
2016	\$ 996,948	\$ 4,067,917	\$ 49,847
2017	\$ 1,074,708	\$ 5,142,625	\$ 50,000
2018	\$ 1,152,469	\$ 6,295,094	\$ 50,000
2019	\$ 1,183,896	\$ 7,478,990	\$ 50,000
2020	\$ 1,215,952	\$ 8,694,942	\$ 50,000
2021	\$ 1,248,649	\$ 9,943,591	\$ 50,000
2022	\$ 1,282,000	\$ 11,225,591	\$ 50,000
2023	\$ 1,316,018	\$ 12,541,609	\$ 50,000
2024	\$ 1,350,716	\$ 13,892,325	\$ 50,000
2025	\$ 1,386,108	\$ 15,278,433	\$ 50,000
2026	\$ 1,422,208	\$ 16,700,641	\$ 50,000
2027	\$ 1,459,030	\$ 18,159,671	\$ 50,000
2028	\$ 1,496,589	\$ 19,656,260	\$ 50,000
	\$ 19,656,260		\$ 878,396

**Mission Drive- TIF Reinvestment Zone Combined
Participation**

Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Project	TIF Revenues
City of San Antonio	\$ 0.567140	90%	\$ 0.510426	100.00%	\$ 19,656,260
Total	\$ 0.567140	90%	\$ 0.510426	100.00%	\$ 19,656,260

**Mission Drive-In - TIF Reinvestment Zone
Projected New Value of Tax Increment**

Tax

Year	Single Family	Commercial/Resturant	Apartments	Lofts	Townhomes	Total
2008		\$ 1,750,000.00				\$ 1,750,000.00
2009	\$ 3,750,000.00	\$ 625,000.00	\$ 16,250,000.00			\$ 20,625,000.00
2010	\$ 11,250,000.00	\$ 16,875,000.00		\$ 850,000.00		\$ 28,975,000.00
2011	\$ 11,250,000.00	\$ 18,125,000.00		\$ 1,700,000.00		\$ 31,075,000.00
2012	\$ 11,250,000.00	\$ 15,625,000.00			\$ 4,000,000.00	\$ 30,875,000.00
2013	\$ 11,250,000.00	\$ 15,625,000.00	\$ 22,750,000.00			\$ 49,625,000.00
2014	\$ 6,150,000.00	\$ 15,625,000.00				\$ 21,775,000.00
2015		\$ 15,625,000.00				\$ 15,625,000.00
2016		\$ 15,625,000.00				\$ 15,625,000.00
2017		\$ 15,625,000.00				\$ 15,625,000.00
2018						\$ -
2019						\$ -
2020						\$ -
2021						\$ -
2022	\$ 54,900,000	\$ 131,125,000	\$ 39,000,000	\$ 2,550,000	\$ 4,000,000	\$ 231,575,000

Mission Drive-In TIF Reinvestment Zone

**Projected Uses of Tax Increment
Construction Completed Cost**

Tax Year	Phase I 2008	Phase II 2009	Phase III 2010	Phase IV 2011	Phase V 2012	Phase VI 2013	Phase VII 2014	Phase VIII 2015	Total	Cumulative Total
2008	\$ -								\$ -	- \$ -
2009		\$ -							\$ -	- \$ -
2010			\$ -						\$ -	- \$ -
2011				\$ -					\$ -	- \$ -
2012					\$ -				\$ -	- \$ -
2013						\$ -			\$ -	- \$ -
2014							\$ -		\$ -	- \$ -
2015								\$ -	\$ -	- \$ -
2016									\$ -	- \$ -
2017									\$ -	- \$ -
2018									\$ -	- \$ -
2019									\$ -	- \$ -
2020									\$ -	- \$ -
2021									\$ -	- \$ -
2022									\$ -	- \$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-