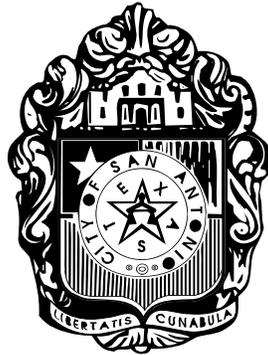


CITY OF SAN ANTONIO, TEXAS
Housing and Neighborhood Services Department



Westside
Tax Increment Reinvestment Zone
Number Thirty

Preliminary Finance Plan

Participation Levels:
City 90%

December 11, 2008

Westside Tax Increment Reinvestment Zone #30 – Preliminary Plan of Finance

Introduction

The Westside Tax Increment Reinvestment Zone(TIRZ) consists of approximately 1,531 acres of property located west of the central business district along: portions of area west of Flores Street and IH 35, portions extending east of Flores Street traversing along Peden Alley and Clay Street to Probandt and IH 10, portions extending from Martin Street to the north traversing Salado to the west then following Commerce to the north, Brazos and San Jacinto to the west with three areas extending out to Zarzamora traversing along Commerce, Montezuma, and Saltillo separately, and Ceralvo and Pendleton to the south. The zone is located in the San Antonio Independent School District. The tax year 2008 base value is \$609,671,319 and is subject to verification of certified assessed and taxable values. The projected captured value for tax year 2032 is \$517,057,086 net of exemptions. The project anticipates the construction of numerous commercial, retail and mixed use projects that will add value to the TIRZ. 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 24.82 years with the TIRZ being in existence through fiscal year 2033.

Public Infrastructure

The total public infrastructure capital costs are estimated to be over \$35 million. This TIRZ can reimburse costs such as: drainage, parks, sidewalks, streetscape enhancements, 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 Westside TIRZ is estimated to be \$609,671,319. 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 \$26,883,000 in tax year 2009 to \$517,057,086 in tax year 2032.

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 \$133,787 in fiscal year 2010 to \$2,573,214 in fiscal year 2033. 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, 2033 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 – Westside TIRZ Contributions | | |
|--|-------------------------------|-----------------------------|
| Participating Taxing Entities | Projected Dollar Contribution | Max. Length of Contribution |
| City of San Antonio | TBD | September 30, 2033 |
| Bexar County | TBD | TBD |
| San Antonio River Authority | TBD | TBD |
| Alamo Community College District | TBD | TBD |
| Total Contribution to TIRZ Fund | TDB | |

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 |
|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| \$19,597,800 | \$23,517,361 | \$27,436,922 | \$31,356,482 | \$35,276,044 | \$39,195,602 |

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 as follows:

| Bexar County Participation | Alamo Community College District Participation | San Antonio River Authority Participation |
|----------------------------|--|---|
| 50% = \$8,670,663 | 50% = \$4,694,537 | 50% = \$551,194 |
| 70% = \$12,138,930 | 70% = \$6,572,351 | 70% = \$771,671 |

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 Westside 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 Westside TIRZ collections for this project shall not extend beyond September 30, 2033, and may be terminated prior to September 30, 2033, 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 Westside 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 Westside 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 Westside TIRZ and any funds remaining in the Westside 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
Westside - TIF Reinvestment Zone
Summary Fact Sheet
December 11, 2008

| | | | | |
|-----------------|--|--|-------------|-------|
| Plan of Finance | Site Area | | 1,531 | Acres |
| | Base Value (2008) In City | \$ | 609,671,319 | |
| | Project | Tax Year | | |
| | | 2009 | | |
| | Texas State Branch | \$ | 500,000 | |
| | Judson Candy Lofts | \$ | 6,720,000 | |
| | Flores St. Development | \$ | 8,333,000 | |
| | CPS Redevelopment Project | \$ | 11,330,000 | |
| | | 2010 | | |
| | First National Bank | \$ | 3,000,000 | |
| | Walgreens Building | \$ | 2,500,000 | |
| | Judson Candy Lofts | \$ | 6,720,000 | |
| | Flores St. Development | \$ | 8,333,000 | |
| | Bill Miller | \$ | 1,000,000 | |
| | CPS Redevelopment Project | \$ | 11,330,000 | |
| | | 2011 | | |
| | Vaquero Development | \$ | 45,000,000 | |
| | Judson Candy Lofts | \$ | 6,720,000 | |
| | Flores St. Development | \$ | 8,333,000 | |
| | CPS Redevelopment Project | \$ | 11,330,000 | |
| | Mixed Use Development | \$ | 11,666,000 | |
| | | 2012 | | |
| | Cevallos NRP | \$ | 14,034,333 | |
| | Snow White | \$ | 1,000,000 | |
| | Mixed Use Development | \$ | 11,666,000 | |
| | | 2013 | | |
| | Cevallos NRP | \$ | 14,034,333 | |
| | Mixed Use Development | \$ | 11,666,000 | |
| | | 2014-2015 | | |
| | Cevallos NRP | \$ | 14,034,333 | |
| | | 2016 | | |
| | Mixed Use Development | \$ | 11,666,000 | |
| | | 2017 | | |
| | Mixed Use Development | \$ | 11,666,000 | |
| | | 2018 | | |
| | Mixed Use Development | \$ | 11,666,000 | |
| | Total Value | \$ | 244,247,999 | |
| | Performance Bonds | Per Texas Government Code Chapter 2253 | | |
| | Payment Bonds | Per Texas Government Code Chapter 2253 | | |
| Assumptions | Captured Value | \$ | 517,057,086 | |
| | Assessed Value Growth Factor | | 2.00% | |
| | Participation Level | | 90.00% | |
| | Collection Rate | | 97.50% | |
| | Estimated Total TIF Revenues | \$ | 35,276,044 | |
| | Estimated TIF Life (12/11/2008 to 9/30/2033) | | 24.82 | Years |

Westside - Tax Increment Reinvestment Zone Sources and Uses

| | |
|-------------------------------|----------------------|
| Sources of Funds | |
| TIRZ Revenues | \$ 35,276,044 |
| Developer Contribution | \$ - |
| Total Sources of Funds | <u>\$ 35,276,044</u> |

| | | | | | | | | | |
|----------------------|---------|----------|-----------|----------|---------|----------|-----------|------------|--|
| Uses of Funds | | | | | | | | | |
| Begin Construction | Phase I | Phase II | Phase III | Phase IV | Phase V | Phase VI | Phase VII | Phase VIII | |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | |

- Water
- Sewer
- Drainage
- Parks
- Sidewalks
- Streetscape Enhancements
- Other public Improvements

| | | | | | | | | | |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Hard Costs Total | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Engineering/Surveying Fees | - | - | - | - | - | - | - | - | - |
| Contingency | - | - | - | - | - | - | - | - | - |
| Construction Management | - | - | - | - | - | - | - | - | - |
| Legal/Formation Expense | - | - | - | - | - | - | - | - | - |
| Soft Cost Total | <u>\$ -</u> |

| | |
|----------------------------------|---------------|
| Total Public Improvements | \$ - |
| Total Infrastructure | \$ 34,103,189 |

| | |
|-----------------------------------|---------------|
| Total Payments to Westside | \$ 34,103,189 |
|-----------------------------------|---------------|

| | |
|------------------------------|--------------|
| Total Admin. Expenses | \$ 1,172,855 |
|------------------------------|--------------|

| | |
|--------------------|----------------------|
| Grand Total | <u>\$ 35,276,044</u> |
|--------------------|----------------------|

| | |
|---|------|
| Project Financing Surplus (Shortage) | \$ - |
|---|------|

Sources of Funds

TIRZ Revenues
Developer Contribution

Total Sources of Funds

Uses of Funds

| | <u>Total Infrastructure Improvement</u> |
|---|---|
| Begin Construction | |
| Water | \$ - |
| Sewer | \$ - |
| Drainage | \$ - |
| Parks | \$ - |
| Sidewalks | \$ - |
| Streetscape Enhancements | \$ - |
| Other public Improvements | \$ - |
| Hard Costs Total | <u>\$ -</u> |
| Engineering/Surveying Fees | \$ - |
| Contingency | \$ - |
| Construction Management | \$ - |
| Legal/Formation Expense | \$ - |
| Soft Cost Total | <u>\$ -</u> |
| | \$ - |
| Total Public Improvements | <u><u>\$ -</u></u> |
| Total Infrastructure | |
| Total Payments to Westside | |
| Total Admin. Expenses | |
| Grand Total | |
| Project Financing Surplus (Shortage) | |

Westside - 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 | \$ 609,671,319 | \$ - | | \$ 609,671,319 | \$ - | \$ - | \$ 0.510426 | \$ - | \$ - | 2009 |
| 2009 | \$ 609,671,319 | \$ 26,883,000 | | \$ 636,554,319 | \$ 26,883,000 | \$ 26,883,000 | \$ 0.510426 | \$ 133,787 | \$ 133,787 | 2010 |
| 2010 | \$ 636,554,319 | \$ 32,883,000 | | \$ 669,437,319 | \$ 59,766,000 | \$ 59,766,000 | \$ 0.510426 | \$ 297,435 | \$ 297,435 | 2011 |
| 2011 | \$ 669,437,319 | \$ 83,049,000 | | \$ 752,486,319 | \$ 142,815,000 | \$ 142,815,000 | \$ 0.510426 | \$ 710,741 | \$ 710,741 | 2012 |
| 2012 | \$ 752,486,319 | \$ 26,700,333 | | \$ 779,186,652 | \$ 169,515,333 | \$ 169,515,333 | \$ 0.510426 | \$ 843,619 | \$ 843,619 | 2013 |
| 2013 | \$ 779,186,652 | \$ 25,700,333 | | \$ 804,886,985 | \$ 195,215,666 | \$ 195,215,666 | \$ 0.510426 | \$ 971,521 | \$ 971,521 | 2014 |
| 2014 | \$ 804,886,985 | \$ 14,034,333 | | \$ 818,921,318 | \$ 209,249,999 | \$ 209,249,999 | \$ 0.510426 | \$ 1,041,365 | \$ 1,041,365 | 2015 |
| 2015 | \$ 818,921,318 | \$ - | | \$ 818,921,318 | \$ 209,249,999 | \$ 209,249,999 | \$ 0.510426 | \$ 1,041,365 | \$ 1,041,365 | 2016 |
| 2016 | \$ 818,921,318 | \$ 11,666,000 | | \$ 830,587,318 | \$ 220,915,999 | \$ 220,915,999 | \$ 0.510426 | \$ 1,099,422 | \$ 1,099,422 | 2017 |
| 2017 | \$ 830,587,318 | \$ 11,666,000 | | \$ 842,253,318 | \$ 232,581,999 | \$ 232,581,999 | \$ 0.510426 | \$ 1,157,480 | \$ 1,157,480 | 2018 |
| 2018 | \$ 842,253,318 | \$ 11,666,000 | | \$ 853,919,318 | \$ 244,247,999 | \$ 244,247,999 | \$ 0.510426 | \$ 1,215,538 | \$ 1,215,538 | 2019 |
| 2019 | \$ 853,919,318 | \$ - | \$ 17,078,386 | \$ 870,997,704 | \$ 261,326,385 | \$ 261,326,385 | \$ 0.510426 | \$ 1,300,531 | \$ 1,300,531 | 2020 |
| 2020 | \$ 870,997,704 | \$ - | \$ 17,419,954 | \$ 888,417,658 | \$ 278,746,339 | \$ 278,746,339 | \$ 0.510426 | \$ 1,387,224 | \$ 1,387,224 | 2021 |
| 2021 | \$ 888,417,658 | \$ - | \$ 17,768,353 | \$ 906,186,012 | \$ 296,514,693 | \$ 296,514,693 | \$ 0.510426 | \$ 1,475,651 | \$ 1,475,651 | 2022 |
| 2022 | \$ 906,186,012 | \$ - | \$ 18,123,720 | \$ 924,309,732 | \$ 314,638,413 | \$ 314,638,413 | \$ 0.510426 | \$ 1,565,846 | \$ 1,565,846 | 2023 |
| 2023 | \$ 924,309,732 | \$ - | \$ 18,486,195 | \$ 942,795,926 | \$ 333,124,607 | \$ 333,124,607 | \$ 0.510426 | \$ 1,657,846 | \$ 1,657,846 | 2024 |
| 2024 | \$ 942,795,926 | \$ - | \$ 18,855,919 | \$ 961,651,845 | \$ 351,980,526 | \$ 351,980,526 | \$ 0.510426 | \$ 1,751,685 | \$ 1,751,685 | 2025 |
| 2025 | \$ 961,651,845 | \$ - | \$ 19,233,037 | \$ 980,884,882 | \$ 371,213,563 | \$ 371,213,563 | \$ 0.510426 | \$ 1,847,401 | \$ 1,847,401 | 2026 |
| 2026 | \$ 980,884,882 | \$ - | \$ 19,617,698 | \$ 1,000,502,580 | \$ 390,831,261 | \$ 390,831,261 | \$ 0.510426 | \$ 1,945,032 | \$ 1,945,032 | 2027 |
| 2027 | \$ 1,000,502,580 | \$ - | \$ 20,010,052 | \$ 1,020,512,631 | \$ 410,841,312 | \$ 410,841,312 | \$ 0.510426 | \$ 2,044,615 | \$ 2,044,615 | 2028 |
| 2028 | \$ 1,020,512,631 | \$ - | \$ 20,410,253 | \$ 1,040,922,884 | \$ 431,251,565 | \$ 431,251,565 | \$ 0.510426 | \$ 2,146,190 | \$ 2,146,190 | 2029 |
| 2029 | \$ 1,040,922,884 | \$ - | \$ 20,818,458 | \$ 1,061,741,341 | \$ 452,070,022 | \$ 452,070,022 | \$ 0.510426 | \$ 2,249,796 | \$ 2,249,796 | 2030 |
| 2030 | \$ 1,061,741,341 | \$ - | \$ 21,234,827 | \$ 1,082,976,168 | \$ 473,304,849 | \$ 473,304,849 | \$ 0.510426 | \$ 2,355,474 | \$ 2,355,474 | 2031 |
| 2031 | \$ 1,082,976,168 | \$ - | \$ 21,659,523 | \$ 1,104,635,692 | \$ 494,964,373 | \$ 494,964,373 | \$ 0.510426 | \$ 2,463,266 | \$ 2,463,266 | 2032 |
| 2032 | \$ 1,104,635,692 | \$ - | \$ 22,092,714 | \$ 1,126,728,405 | \$ 517,057,086 | \$ 517,057,086 | \$ 0.510426 | \$ 2,573,214 | \$ 2,573,214 | 2033 |
| | \$ 244,247,999 | | | | | | | \$ 35,276,044 | \$ 35,276,044 | |
| | Existing Annual Value Growth Factors | | | | | | | | | |
| | Years | | | | | | Participation Level | 90% | | |
| | Thereafter | | | | | | Tax Rate Growth Factor | 0.00% | | |
| | Combined Compound Growth Rate | | | | | | Tax Rate Collection Factor | 97.50% | | |

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

**Westside - TIF Reinvestment Zone
Reimbursement for Public Improvements**

| Fiscal Year Ending | TIF Revenue | Cumulative TIF Revenues | Admin. Exp. |
|--------------------------|----------------|-------------------------------|--------------|
| 2009 | \$ - | \$ - | \$ 75,000 |
| 2010 | \$ 133,787 | \$ 133,787 | \$ 6,689 |
| 2011 | \$ 297,435 | \$ 431,222 | \$ 14,872 |
| 2012 | \$ 710,741 | \$ 1,141,963 | \$ 35,537 |
| 2013 | \$ 843,619 | \$ 1,985,582 | \$ 42,181 |
| 2014 | \$ 971,521 | \$ 2,957,103 | \$ 48,576 |
| 2015 | \$ 1,041,365 | \$ 3,998,468 | \$ 50,000 |
| 2016 | \$ 1,041,365 | \$ 5,039,833 | \$ 50,000 |
| 2017 | \$ 1,099,422 | \$ 6,139,255 | \$ 50,000 |
| 2018 | \$ 1,157,480 | \$ 7,296,735 | \$ 50,000 |
| 2019 | \$ 1,215,538 | \$ 8,512,273 | \$ 50,000 |
| 2020 | \$ 1,300,531 | \$ 9,812,804 | \$ 50,000 |
| 2021 | \$ 1,387,224 | \$ 11,200,028 | \$ 50,000 |
| 2022 | \$ 1,475,651 | \$ 12,675,679 | \$ 50,000 |
| 2023 | \$ 1,565,846 | \$ 14,241,525 | \$ 50,000 |
| 2024 | \$ 1,657,846 | \$ 15,899,371 | \$ 50,000 |
| 2025 | \$ 1,751,685 | \$ 17,651,056 | \$ 50,000 |
| 2026 | \$ 1,847,401 | \$ 19,498,457 | \$ 50,000 |
| 2027 | \$ 1,945,032 | \$ 21,443,489 | \$ 50,000 |
| 2028 | \$ 2,044,615 | \$ 23,488,104 | \$ 50,000 |
| 2029 | \$ 2,146,190 | \$ 25,634,294 | \$ 50,000 |
| 2030 | \$ 2,249,796 | \$ 27,884,090 | \$ 50,000 |
| 2031 | \$ 2,355,474 | \$ 30,239,564 | \$ 50,000 |
| 2032 | \$ 2,463,266 | \$ 32,702,830 | \$ 50,000 |
| 2033 | \$ 2,573,214 | \$ 35,276,044 | \$ 50,000 |
| | \$ 35,276,044 | | \$ 1,172,855 |