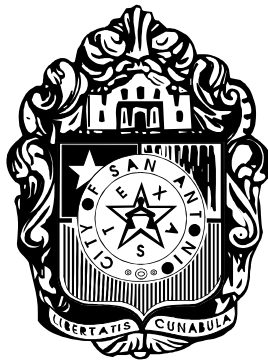


CITY OF SAN ANTONIO, TEXAS
Housing and Neighborhood Services Department



Lackland Hills
Tax Increment Reinvestment Zone Thirteen
FY 2007 Annual Report

Participation Levels of City (100%), and Bexar County
(100% of Operation and Maintenance portion of tax rate)

December 31, 2007

Lackland Hills Subdivision Final Reinvestment Zone Financing Plan

Introduction

The Lackland Hills Subdivision is located in the west section of the City of San Antonio; south of Highway 90 and within Loop 410 at Medina Base Road and Palm Valley Drive. The development is in the South San and Southwest Independent School Districts and encompasses 39.006 acres. The 2001 base value is \$120,000 and the new value to be added is estimated at \$15,075,320. The project includes 184 single-family homes with an average sales price of \$90,250. Average sales prices range between \$87,000 and \$94,000. The total public infrastructure capital cost is estimated at \$1,696,850. The Developer is Lackland Hills Joint Venture, a partnership formed October 1, 2000 to develop this project. The venture has limited experience developing small-scale projects in San Antonio. Performance and payment bonds will be provided in connection with public infrastructure improvements associated with the project. The life of the Tax Increment Reinvestment Zone (TIRZ) is projected to be 24.81 years with the TIRZ being in existence through fiscal year 2026.

Public Infrastructure

The public infrastructure improvements and related capital costs include site work, streets and approaches, drainage, sewer, water, electric, street lights, platting fees, engineering/surveying fees, geo-technical, contingency, construction management, and site security. The capital cost is estimated at \$1,696,850.

Plan of Finance

The base value of the TIRZ is \$120,000. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements commences in tax year 2004 with collections commencing in tax year 2006 (fiscal year 2007). Captured values grow from \$102,900 in tax year 2004 to \$15,075,320 in tax year 2025.

The taxing jurisdictions and tax rate per \$100 valuation utilized in the analysis include: City of San Antonio at \$0.572300 and Bexar County at \$0.265594. This produces annual revenue of \$35,153 in fiscal year 2007; \$101,038 in fiscal year 2008; \$123,157 in fiscal years 2009 through 2026. No growth in tax rate or values is assumed.

The cost of the public infrastructure improvements is incurred by the Developer and paid over time from revenues produced by the TIRZ. In addition to the capital costs, other costs to be paid from TIRZ revenues include the City's financial advisor and certain City of San Antonio and/or Administrator fees. Revenues derived from the TIRZ will be used

to pay costs in the following order of priority of payment: (i.) to the payment of initial costs associated with the creation of the TIRZ incurred by the governmental entities participating in the TIRZ; (ii.) to all other ongoing administrative fees pertaining to the City and to Bexar County; and (iii.) to the Developer, on an annual basis, as TIRZ revenues are available for such payments.

The Developer’s capital cost incurred for public infrastructure improvements is \$1,696,850. Revenues from the TIRZ are used to pay this amount plus financing costs if any on the unpaid balance at a rate of 4.54%. Developer payments are scheduled to begin in fiscal year 2006. Any negative carry by the Developer would add additional interest to be paid to the Developer at an interest rate of 4.54%. The earliest projected payoff of the capital cost would occur in fiscal year 2026 and includes an estimated Developer contribution of \$648,669.

The TIRZ collections for this project shall not extend beyond September 30, 2026, and may be terminated earlier once each taxing entity has deposited its respective amount described in the table below.

TABLE – TIRZ Contributions		
Participating Taxing Entities	Maximum Dollar Contributions	Max. Length of Contribution
City of San Antonio	\$ 2,113,444	September 30, 2026
Bexar County	\$ 1,028,407	September 30, 2026
Maximum Reimbursable Amt.	\$ 3,141,851	

* Maximum Dollar Contributions are based on Original Finance Plan dated November 22, 2005.

Limited Obligation of the City or Participating Governmental Entities

The City and Participating Governmental Entities shall have a limited obligation to impose, collect taxes, and deposit such tax receipts into a TIRZ fund so long as the project is viable and capital costs incurred by the Developer have not been fully paid. The TIRZ collections for this project shall not extend beyond September 30, 2026, and may be terminated prior to September 30, 2026, upon payment of public improvements capital costs incurred by the Developer totaling \$1,696,850 or for the failure of the Developer to perform, or for any other reason deemed statutorily appropriate by the City and the Participating Governmental Entities.

Any costs incurred by the Developer 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 the Developer shall be paid solely from the 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.

Developer’s Risk

All financing, developmental costs, construction costs, improvements, damages, or other costs incurred with respect to this project are at the sole risk of the Developer. Neither the City nor any Participating Governmental Entity shall incur any risk whatsoever associated with the development, construction, completion or failure of the project. In the event that the project fails, is abandoned by the Developer or for any reason is not completed, the City shall have the right to terminate the TIRZ and any funds remaining in the TIRZ account shall be distributed to the City and Participating Governmental Entities on a pro rata basis in accordance with each entity's participation level.

Compliance

The Developer shall comply with all federal, state and local laws, rules and regulations.

Reporting

The Developer shall submit a project status report and financial report on a quarterly basis to the City.

Inspection

The City, Participating Governmental Entities, or Administrator shall have the right to inspect the project site or sites and the premises of the Developer without notice.

City of San Antonio
Lackland Hills - TIF Reinvestment Zone
Summary Fact Sheet
November 22, 2005

Agenda: Preliminary Finance Plan

Plan of Finance:	Site Area	39.006	Acres
	Single Family Development	29.326	Acres
	Flood Right-of-Way	8.991	Acres
	Drainage Detention	0.689	Acres
	Base Value (2001) In City	\$ 120,000	
	* Average Single Family Home Price	\$ 90,250	Per home
	Annual average range	\$87,000 - \$94,000	

Project Year:			
	Single Family Development	2005	62 Single Family Homes
		2006	92 Single Family Homes
		2007	30 Single Family Homes
	Total		<u>184</u>

Experience of Developer:
 Lackland Hills Joint Venture
 San Antonio, Texas

The Lackland Hills Joint Venture was created October 1, 2000 to develop this project. The venture has limited experience developing small scale projects in San Antonio. Famco Construction built 45 homes during 1999 to 2003

Francisco D. Moreno	49.5%
Gordon A. Woods	49.5%
FAMCO Construction	<u>1.0%</u>
	100.0%

Rosin-Johnson, Inc
 San Antonio, Texas

A civil engineering firm that has experience with subdivision planning, design and construction.

Performance Bonds: See Development Agreement

Payment Bonds: See Development Agreement

Assumptions:	Captured Value	\$ 15,075,320	
	Assessed Value Growth Factor	0.00%	
	Collection Rate	97.50%	
	Estimated Total TIF Revenues	\$ 2,353,023	
	Estimated TIF Life (12/13/2001 to 9/30/2026)	24.81	Years

* Average single family home price is determined as the total value of new development divided by the number of single family homes.

Lackland Hills - TIF Reinvestment Zone

Sources and Uses

Sources of Funds

TIF Revenues	\$ 2,353,023
Developer Contribution	\$ 648,669
Total Sources of Funds	<u>\$ 3,001,691</u>

Uses of Funds

	Phase I 2004	Phase II 2005	Phase III 2006	Phase IV 2007	Total Infrastructure Improvements
Begin Construction	0	62	92	30	184
Single Family Units					
Public Improvements					
Hard Cost					
Site Work	\$ 178,000	\$ 12,000	\$ -	\$ -	\$ 190,000
Streets & Approaches	\$ 236,000	\$ 274,000	\$ -	\$ -	\$ 510,000
Drainage	\$ 16,000	\$ 89,000	\$ -	\$ -	\$ 105,000
Sewer	\$ 231,000	\$ 29,000	\$ -	\$ -	\$ 260,000
Water	\$ 197,000	\$ 48,000	\$ -	\$ -	\$ 245,000
Electric	\$ 46,216	\$ -	\$ -	\$ -	\$ 46,216
Street Lights	\$ 21,756	\$ -	\$ -	\$ -	\$ 21,756
Platting Fees	\$ 15,044	\$ 9,715	\$ -	\$ -	\$ 24,759
Hard Cost Total	\$ 941,016	\$ 461,715	\$ -	\$ -	\$ 1,402,731
Soft Cost					
Engineering-Surveying	\$ 175,000	\$ 20,000	\$ 6,000	\$ 3,000	\$ 204,000
Geo-technical Testing	\$ 4,119	\$ 20,000	\$ -	\$ -	\$ 24,119
Contingency	\$ -	\$ 15,000	\$ 10,000	\$ 5,000	\$ 30,000
Construction Management	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000
Site Security	\$ -	\$ 8,000	\$ 12,000	\$ 4,000	\$ 24,000
Soft Cost Total	\$ 191,119	\$ 63,000	\$ 28,000	\$ 12,000	\$ 294,119
Grand Total	<u>\$ 1,132,135</u>	<u>\$ 524,715</u>	<u>\$ 28,000</u>	<u>\$ 12,000</u>	<u>\$ 1,696,850</u>
Total Infrastructure	\$ 1,696,850				
Financing Cost @ 4.54%	\$ 869,841				
Total Payments to Lackland Hills	\$ 2,566,691				
Total Admin. Expenses	\$ 435,000				
Grand Total	<u>\$ 3,001,691</u>				
Project Financing Surplus (Shortage)	\$ -				

Lackland Hills - TIF Reinvestment Zone
Projected Tax Increment Revenue

Tax Year	Tax Increment Zone				City of San Antonio**			Bexar County**			Combined TIF Collections	Fiscal Year Ending	
	Beginning Assessed Value	Annual Value of New Development	Projected Year-End Assessed Value	Projected Captured Value	Captured Taxable Value	Tax Rate Contribution	Tax Increments	Captured Taxable Value	Tax Rate Contribution*	Tax Increments			
2001	120,000	-	120,000	-	-	0.578540	-	-	0.320756	-	-	2002	
2002	120,000	-	120,000	-	-	0.578540	-	-	0.317571	-	-	2003	
2003	120,000	-	120,000	-	-	0.578540	-	-	0.320952	-	-	2004	
2004	120,000	102,900	222,900	102,900	102,900	0.578540	-	102,900	0.281519	-	-	2005	
2005	222,900	-	222,900	102,900	102,900	0.578540	-	102,900	0.287407	-	-	2006	
2006	222,900	3,961,920	4,184,820	4,064,820	4,064,720	0.578540	23,515	4,064,720	0.286301	11,637	35,153	2007	
2007	4,184,820	8,303,000	12,487,820	12,367,820	12,367,820	0.572300	69,012	12,367,820	0.265594	32,027	101,038	2008	
2008	12,487,820	2,707,500	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2009	
2009	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2010	
2010	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2011	
2011	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2012	
2012	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2013	
2013	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2014	
2014	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2015	
2015	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2016	
2016	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2017	
2017	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2018	
2018	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2019	
2019	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2020	
2020	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2021	
2021	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2022	
2022	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2023	
2023	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2024	
2024	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2025	
2025	15,195,320	-	15,195,320	15,075,320	15,075,320	0.572300	84,119	15,075,320	0.265594	39,038	123,157	2026	
	\$	15,075,320					\$	1,606,672		\$	746,351		<u>2,353,023</u>
Existing Annual Value Growth Factors					Participation Level			100%	Participation Level			100%	
Years 2001-2003				0.00%	Tax Rate Growth Factor			0.00%	Tax Rate Growth Factor			0.00%	
Thereafter				0.00%	Tax Rate Collection Factor			97.50%	Tax Rate Collection Factor			97.50%	
Combined Compound Growth Rate				0.00%									

* Bexar County Participation is only the Operation and Maintenance tax rate not the total tax rate.
** Captured Taxable Value for each Participating Taxing Entity differ due to exemptions of each Taxing Entity.
*** Revenue projections are subject to fluctuate annually with future tax rates.

Lackland Hills - TIF Reinvestment Zone
Reimbursement for Public Improvements

Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Expenses for Pub. Imp. Infrastructure	Admin. Exp.*	Interest on Deficit	TIF Fund Balance
1-Sep-02	2002	-	-	75,000	-	(75,000)
1-Sep-03	2003	-	-	15,000	(3,405)	(93,405)
1-Sep-04	2004	-	11,361	15,000	(4,241)	(124,007)
1-Sep-05	2005	-	35,117	15,000	(5,630)	(179,754)
1-Sep-06	2006	-	47,511	15,000	(8,161)	(250,426)
1-Sep-07	2007	35,153	47,511	15,000	(11,369)	(289,154)
1-Sep-08	2008	101,038	78,011	15,000	(13,128)	(294,254)
1-Sep-09	2009	123,157	91,126	15,000	(13,359)	(290,582)
1-Sep-10	2010	123,157	90,083	15,000	(13,192)	(285,700)
1-Sep-11	2011	123,157	88,995	15,000	(12,971)	(279,509)
1-Sep-12	2012	123,157	87,861	15,000	(12,690)	(271,903)
1-Sep-13	2013	123,157	87,682	15,000	(12,344)	(263,772)
1-Sep-14	2014	123,157	86,412	15,000	(11,975)	(254,002)
1-Sep-15	2015	123,157	85,097	15,000	(11,532)	(242,472)
1-Sep-16	2016	123,157	84,736	15,000	(11,008)	(230,059)
1-Sep-17	2017	123,157	83,284	15,000	(10,445)	(215,631)
1-Sep-18	2018	123,157	82,787	15,000	(9,790)	(200,050)
1-Sep-19	2019	123,157	81,199	15,000	(9,082)	(182,175)
1-Sep-20	2020	123,157	80,566	15,000	(8,271)	(162,854)
1-Sep-21	2021	123,157	79,842	15,000	(7,394)	(141,933)
1-Sep-22	2022	123,157	78,027	15,000	(6,444)	(118,247)
1-Sep-23	2023	123,157	77,167	15,000	(5,368)	(92,625)
1-Sep-24	2024	123,157	76,216	15,000	(4,205)	(64,889)
1-Sep-25	2025	123,157	75,174	15,000	(2,946)	(34,852)
1-Sep-26	2026	123,157	70,042	15,000	(1,582)	1,681
	<u>\$ 2,353,023</u>		<u>\$ 1,705,810</u>	<u>\$ 435,000</u>	<u>\$ (210,531)</u>	

* Annual Administrative Expenses from FY 2003 - FY 2026 includes a \$2,000 annual administrative expense for Bexar County.

**Lackland Hills - TIF Reinvestment Zone
 Participation**

Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Project	TIF Revenues	TIF Expenses
San Antonio	0.572300	100%	0.5723000	68.30%	\$ 1,606,672	\$ 2,050,221
Bexar County	0.265594	100%	0.2655940	31.70%	\$ 746,351	\$ 951,470
Total	0.837894		0.8378940	100.00%	\$ 2,353,023	\$ 3,001,691

Lackland Hills - TIF Reinvestment Zone
Projected New Value of Tax Increment

Tax Year	2004	2005	Phase I 2006	Phase II 2007	Phase III 2008	Total	Cumulative Total
2004	\$ 102,900					\$ 102,900	\$ 102,900
2005		\$ -				\$ -	\$ 102,900
2006			\$ 3,961,920			\$ 3,961,920	\$ 4,064,820
2007				\$ 8,303,000		\$ 8,303,000	\$ 12,367,820
2008					\$ 2,707,500	\$ 2,707,500	\$ 15,075,320
2009						\$ -	\$ 15,075,320
2010						\$ -	\$ 15,075,320
2011						\$ -	\$ 15,075,320
2012						\$ -	\$ 15,075,320
2013						\$ -	\$ 15,075,320
2014						\$ -	\$ 15,075,320
2015						\$ -	\$ 15,075,320
	<u>\$ 102,900</u>	<u>\$ -</u>	<u>\$ 3,961,920</u>	<u>\$ 8,303,000</u>	<u>\$ 2,707,500</u>	<u>\$ 15,075,320</u>	

\$ -	Commercial New Value
\$ 15,075,320	Residential New Value
\$ -	Multi Family New Value
<u>\$ 15,075,320</u>	<u>Total New Value</u>

Lackland Hills - TIF Reinvestment Zone
Projected Uses of Tax Increment
Construction Completed Cost

Tax Year	Phase I 2004	Phase II 2005	Phase III 2006	Phase IV 2007	Total
2004	\$ 1,132,135				\$ 1,132,135
2005		\$ 524,715			\$ 524,715
2006			\$ 28,000		\$ 28,000
2007				\$ 12,000	\$ 12,000
2008					\$ -
2009					\$ -
	<u>\$ 1,132,135</u>	<u>\$ 524,715</u>	<u>\$ 28,000</u>	<u>\$ 12,000</u>	<u>\$ 1,696,850</u>

Lackland Hills - TIF Reinvestment Zone

Projected Tax Increment Revenue

November 22, 2005

Principal and Interest Requirements

Date	Principal	Interest Rate	Interest	Semi-annual Debt Service	Annual Debt Service
03/01/02	-		-	-	
09/01/02	-	4.54%	-	-	-
03/01/03	-		-	-	
09/01/03	-	4.54%	-	-	-
03/01/04	-		-	-	
09/01/04	-	4.54%	11,361	11,361	11,361
03/01/05	-		11,361	11,361	
09/01/05	-	4.54%	23,756	23,756	35,117
03/01/06	-		23,756	23,756	
09/01/06	-	4.54%	23,756	23,756	47,511
03/01/07	-		23,756	23,756	
09/01/07	-	4.54%	23,756	23,756	47,511
03/01/08	-		23,756	23,756	
09/01/08	30,500.00	4.54%	23,756	54,256	78,011
03/01/09	-		23,063	23,063	
09/01/09	45,000.00	4.54%	23,063	68,063	91,126
03/01/10	-		22,042	22,042	
09/01/10	46,000.00	4.54%	22,042	68,042	90,083
03/01/11	-		20,998	20,998	
09/01/11	47,000.00	4.54%	20,998	67,998	88,995
03/01/12	-		19,931	19,931	
09/01/12	48,000.00	4.54%	19,931	67,931	87,861
03/01/13	-		18,841	18,841	
09/01/13	50,000.00	4.54%	18,841	68,841	87,682
03/01/14	-		17,706	17,706	
09/01/14	51,000.00	4.54%	17,706	68,706	86,412
03/01/15	-		16,548	16,548	
09/01/15	52,000.00	4.54%	16,548	68,548	85,097
03/01/16	-		15,368	15,368	
09/01/16	54,000.00	4.54%	15,368	69,368	84,736
03/01/17	-		14,142	14,142	
09/01/17	55,000.00	4.54%	14,142	69,142	83,284
03/01/18	-		12,894	12,894	
09/01/18	57,000.00	4.54%	12,894	69,894	82,787
03/01/19	-		11,600	11,600	
09/01/19	58,000.00	4.54%	11,600	69,600	81,199
03/01/20	-		10,283	10,283	
09/01/20	60,000.00	4.54%	10,283	70,283	80,566
03/01/21	-		8,921	8,921	
09/01/21	62,000.00	4.54%	8,921	70,921	79,842
03/01/22	-		7,514	7,514	
09/01/22	63,000.00	4.54%	7,514	70,514	78,027
03/01/23	-		6,084	6,084	
09/01/23	65,000.00	4.54%	6,084	71,084	77,167
03/01/24	-		4,608	4,608	
09/01/24	67,000.00	4.54%	4,608	71,608	76,216
03/01/25	-		3,087	3,087	
09/01/25	69,000.00	4.54%	3,087	72,087	75,174
03/01/26	-		1,521	1,521	
09/01/26	67,000.00	4.54%	1,521	68,521	70,042
	<u>\$ 1,046,500</u>		<u>\$ 659,310</u>	<u>\$ 1,705,810</u>	<u>\$ 1,705,810</u>