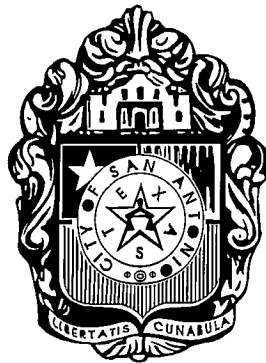


CITY OF SAN ANTONIO, TEXAS
Housing and Neighborhood Services Department



Nuevos Horizontes
Tax Increment Reinvestment Zone Five
FY 2008 Annual Report

**Participation Levels of City (100%), Bexar County
(100%), University Health System (100%), Edgewood
ISD (90%) and Alamo Community College District
(100%)**

December 31, 2008

Nuevos Horizontes Development Tax Increment Reinvestment Zone – Plan of Finance

Introduction

The Nuevos Horizontes Development is located in the west section of the City of San Antonio ("City"), on the corner of Hortencia and West Commerce. The development is in the Edgewood Independent School District and encompasses 10.03 acres. The tax year 1999 base value is \$53,500 and the projected captured tax incremental value is \$4,019,198. The project includes the construction of 63 single family homes with an average sales price of \$65,000. Construction was to be carried out in two phases with the values to be included in tax years 2000 and 2002. The total public improvement infrastructure capital cost is estimated at \$514,244. The Developers and builders are Reeves Engineering and Nuevos Horizontes, who have limited experience in the development and construction of such projects. The life of the Tax Increment Reinvestment Zone ("TIRZ") is projected to be 10.09 years with the TIRZ being in existence through fiscal year 2009.

Public Infrastructure

The public infrastructure improvements and related capital costs include engineering costs, sewer, water, paving and grading, engineering and surveying, platting application, tree affidavit fees, public works drainage fee, SAWS impact fee, site security, landscaping, and land. The capital cost is estimated at \$514,244. Included in the \$514,244 is \$30,000 for landscaping, \$10,000 for site security, and \$53,500 for land for a total of \$93,500.

Plan of Finance

The tax year 1999 base value of the TIRZ is \$53,500. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements commenced in tax year 2000 with collections commencing in tax year 2000 (fiscal year 2001). Captured values grow from \$555,500 in tax year 2000 to \$4,019,198 in tax year 2008.

The taxing jurisdictions and tax rate per \$100 valuation utilized in the analysis include: City of San Antonio at \$0.567140; Bexar County at \$0.289399; University Health System at \$0.261022; Edgewood Independent School District at \$1.264500 at 90% of \$1.405000; and the Alamo Community College District at \$0.135855. This produces annual revenues of \$95,000 in fiscal year 2006, \$85,547 in fiscal year 2007, \$97,564 in fiscal year 2008, and \$70,709 in fiscal year 2009. 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 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 eligible costs incurred by the Governmental Entities Participating in the TIRZ; (ii.) to administrative fees pertaining to the City or its administrator; 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 \$514,244 plus two years interest of \$95,135 calculated at the City's cost of funds rate of 9.25%, for a total reimbursable cost of \$609,379. Revenues from the TIRZ are used to pay this amount. The Developer began receiving payments in fiscal year 2001. The payout schedule is structured through the fiscal year 2009.

TABLE – TIRZ Contributions		
Taxing Entities	Maximum Dollar Contribution*	Max. Length of Contribution
City of San Antonio	\$138,112	10 years
Bexar County	\$ 81,446	10 years
University Health System	\$ 58,092	10 years
Edgewood ISD	\$350,168	10 years
Alamo Comm. College District	\$ 26,560	10 years
Maximum Reimbursable Amt.	\$654,378	10 years

* Maximum Dollar Contributions are based on Original Finance Plan dated August 26, 1999.

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, 2009, and may be terminated prior to September 30, 2009, upon payment of public improvement capital and interest costs incurred by the Developer totaling \$609,379, or for the failure of the Developer to perform, or for any other reason deemed 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 payable 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 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 at least annually to the City, Participating Governmental Entities and Administrator. The Developer shall also submit a project status report, financial report, or any other report as requested by the City, Participating Governmental Entities and Administrator, within thirty (30) days of such request.

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.

Nuevos Horizontes

Summary Fact Sheet December 31, 2008 Update

Plan of Finance:

Site Area		10.03	Acres		
Base Value (1999) in City	\$	53,500			
Average Home Price	\$	65,000			
Single Family Homes Built:				Actual	Year
Phase I	2000	31		31	2000 Single Family Homes
Phase II	2002	32		32	2002 Single Family Homes
Total Single Family Homes Built		63			
Experience of Housing Developer		Limited			
Performance Bonds:					
Universal Surety of America	\$	204,937			
Fidelity & Guaranty Insurance Underwriters	\$	131,436			
	\$	336,373			

Assumptions:	Captured Value	\$	4,019,198		
	Growth Factor		0.00%		
	Collection Rate		97.50%		
	Estimated Total TIF Revenues	\$	682,170		
	Estimated TIF Life		10.09	Years	
	August 26, 1999 to September 30, 2009				

Nuevos Horizontes - TIF Reinvestment Zone

Sources & Uses

Total TIF Proceed Funds	\$ 682,170.28
Developer Contributions	<u>-</u>
Total Sources of Funds	<u>\$ 682,170.28</u>
Uses of TIF Revenue	
Engineering Costs	
Sewer	\$ 106,112.00
Water	98,825.00
Paving and Grading	131,436.00
Engineering & Surveying	43,000.00
Platting Application	4,775.00
Tree Affidavit Fees	100.00
Public Works Drainage Fee	4,400.00
SAWS Impact Fee	<u>32,096.00</u>
Subtotal	<u>\$ 420,744.00</u>
Additional Uses of TIF Revenue	
Site Security	\$ 10,000.00
Landscaping	30,000.00
Land	<u>53,500.00</u>
Subtotal	<u>\$ 93,500.00</u>
Total Infrastructure	\$ 514,244.00
Interest Cost for 2 years @ 9.25%	\$ 95,135.00
Total Payments to Nuevos Horizontes	\$ 609,379.00
Total Administrative Expenses	<u>\$ 45,000.00</u>
Grand Total	<u>\$ 654,379.00</u>
Project Financing Surplus/Shortage	\$ 27,791.28

Nuevos Horizontes - TIF Reinvestment Zone
Tax Increment Revenue⁽¹⁾

Tax Year	Tax Increment Zone			City of San Antonio			Bexar County			University Health System			Edgewood ISD			Alamo Community College District			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	Captured Taxable Value*	Tax Rate Contribution	Tax Increments	Captured Taxable Value*	Tax Rate Contribution	Tax Increments	Captured Taxable Value*	Tax Rate Contribution			Tax Increments	
1999	53,500	-	53,500	-	-	0.339458	-	555,500	0.243869	-	540,500	1.387700	-	-	0.106900	-	555,500	0.106900	-	6,111	2000	
2000	609,000	555,500	609,000	555,500	2,014,000	0.339458	1,766	2,014,000	0.243869	1,766	1,834,900	1.407839	26,073	2,014,000	0.106900	-	2,014,000	0.106900	-	48,151	2001	
2001	2,067,500	1,458,500	2,067,500	1,458,500	3,478,830	0.339458	6,119	3,478,830	0.243869	6,119	3,158,830	1.470595	45,350	3,478,830	0.106900	6,238	3,478,830	0.106900	6,238	89,721	2002	
2002	3,603,200	1,534,700	3,603,200	1,534,700	4,068,100	0.339458	12,858	4,068,100	0.243869	12,858	3,660,600	1.467565	53,173	4,068,100	0.107050	4,311	4,075,600	0.107050	4,311	103,092	2003	
2003	4,203,500	601,300	4,203,500	601,300	3,331,500	0.339458	19,820	3,331,500	0.243869	19,820	2,840,328	1.564242	43,194	3,331,500	0.107050	3,695	3,335,300	0.107050	3,695	86,276	2004	
2004	4,203,500	757,000	4,203,500	757,000	3,620,660	0.339458	20,964	3,620,660	0.243869	20,964	3,160,362	1.470260	46,418	3,620,660	0.107050	4,988	3,629,840	0.107050	4,988	95,000	2005	
2005	3,446,500	358,980	3,446,500	358,980	3,620,660	0.339458	21,046	3,620,660	0.243869	21,046	3,121,280	1.470260	47,486	3,620,660	0.134550	4,988	3,629,840	0.134550	4,988	85,547	2006	
2006	3,805,480	(127,500)	3,805,480	(127,500)	4,072,688	0.339458	22,543	4,072,688	0.243869	22,543	3,544,376	1.264500	48,335	4,072,688	0.134550	5,316	4,029,387	0.134550	5,316	97,564	2007	
2007	3,677,980	394,718	3,677,980	394,718	4,072,688	0.339458	22,543	4,072,688	0.243869	22,543	3,752,646	1.264500	50,937	4,072,688	0.134550	5,562	4,299,788	0.134550	5,562	70,709	2008	
2008	4,072,688	-	4,072,688	-	4,302,963	0.367140	81,446	4,302,963	0.289399	81,446	3,752,646	1.264500	360,066	4,302,963	0.134550	5,562	4,299,788	0.134550	5,562	682,170	2009	
Existing Annual Value Growth Factors			4.019,198	0.00%	141,735	100%	81,446	100%	0.00%	61,221	100%	360,066	99%	100%	0.00%	37,702	100%	0.00%	0.00%	100%	682,170	2009
Years 1999-2003			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	682,170	2009
Thereafter			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	682,170	2009
Combined Compound Growth Rate			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	682,170	2009

⁽¹⁾ \$27,792 will be reimbursed to taxing entities based on maximum dollar contribution.

⁽²⁾ Edgewood ISD Captured Taxable value equals captured appraised value less homestead exemptions. Tax year 2000 captured value not allowed for Edgewood ISD.

*Captured Taxable Value for each Participating Taxing Entity differs due to the exemption by each Taxing Entity.

Nuevos Horizontes - TIF Reinvestment Zone
 Reimbursement for Public Improvements

Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Public Improvement Infrastructure	Admin. Exp.	Annual Variance	TIF Fund Balance
2000	\$ -	\$ -	\$ 609,379	\$ 18,000	\$ (627,379)	\$ (627,379)
2001	6,111	6,111		3,000	3,111	(624,268)
2002	48,151	54,262		3,000	45,151	(579,117)
2003	89,721	143,983		3,000	86,721	(492,396)
2004	103,092	247,075		3,000	100,092	(392,304)
2005	86,276	333,351		3,000	83,276	(309,028)
2006	95,000	428,351		3,000	92,000	(217,028)
2007	85,547	513,898		3,000	82,547	(134,481)
2008	97,564	611,462		3,000	94,564	(39,917)
2009	70,709	682,170		3,000	67,709	27,791
	<u>\$ 682,170</u>		<u>\$ 609,379</u>	<u>\$ 45,000</u>	<u>\$ 27,791</u>	

**Nuevos Horizontes - TIF Reinvestment Zone
 Participation***

Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Project	TIF Revenues	TIF Expenses
City of San Antonio	\$ 0.567140	100%	\$ 0.567140	22.52%	\$ 141,735	\$ 147,394
Bexar County	\$ 0.289399	100%	\$ 0.289399	11.49%	\$ 81,446	\$ 75,212
University Health System	\$ 0.261022	100%	\$ 0.261022	10.37%	\$ 61,221	\$ 67,837
Edgewood ISD	\$ 1.405000	90%	\$ 1.264500	50.22%	\$ 360,066	\$ 328,630
Alamo Community College District	\$ 0.135855	100%	\$ 0.135855	5.40%	\$ 37,702	\$ 35,307
Total	\$ 2.658416		\$ 2.517916	100.00%	\$ 682,170	\$ 654,379

* Participating taxing entities will be reimbursed for any amount over their maximum dollar contribution, see Plan of Finance.

Nuevos Horizontes - TIF Reinvestment Zone
New Value of Tax Increment

Tax Year	Phase I	Phase II	Annual Total
1996			\$ -
1997			\$ -
1998			\$ -
1999			\$ -
2000	\$ 555,500		\$ 555,500
2001	\$ 1,458,500		\$ 1,458,500
2002		\$ 1,534,700	\$ 1,534,700
2003		\$ 601,300	\$ 601,300
2004		\$ (757,000)	\$ (757,000)
2005		\$ 358,980	\$ 358,980
2006		\$ (127,500)	\$ (127,500)
2007		\$ 394,718	\$ 394,718
2008			\$ -
2009			\$ -
2010			\$ -
2011			\$ -
	\$ 2,014,000	\$ 2,005,198	\$ 4,019,198