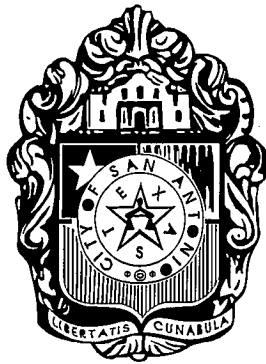


CITY OF SAN ANTONIO, TEXAS
Housing and Neighborhood Services Department



Plaza Fortuna
Tax Increment Reinvestment Zone Twelve
FY 2008 Annual Report

**Participation Levels of City (100%), Bexar County (100%
of Operation and Maintenance portion of tax rate), and
Alamo Community College District (50%)**

December 31, 2008

Plaza Fortuna Subdivision Tax Increment Reinvestment Zone – Plan of Finance

Introduction

The Plaza Fortuna subdivision is located in the west section of the City of San Antonio (“City”), on the northwest corner of Fortuna and Hortencia. The development is in the Edgewood Independent School District and encompasses approximately 9.82 acres. The tax year 2001 base value is \$76,700 and the projected captured tax incremental value is \$4,966,760 net of exemptions. The project includes 76 single-family homes with sales prices ranging between \$69,000 to \$85,600. The total public infrastructure capital cost is estimated at \$421,187. The Developer is HLH Development LP who has experience in the development and construction of such projects. 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 23.81 years with the TIRZ being in existence through fiscal year 2025.

Public Infrastructure

The public infrastructure improvements and related capital costs include site work, streets, drainage, utilities, drainage impact, water/sewage impact and platting/zoning fees, engineering expenses, sidewalks, construction management, CPS Energy (electricity), right of way landscaping and legal and formation fees. The capital cost is estimated at \$421,187.

Plan of Finance

The tax year 2001 base value of the TIRZ is \$76,700. 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 2002 with collections commencing in tax year 2005 (fiscal year 2006). Captured values grow from \$922,400 in tax year 2002 to \$5,054,230 in tax year 2005; then decreases to \$4,966,760 in tax years 2006 through 2024 due to the decrease in annual value of new development in tax year 2006.

The taxing jurisdictions and tax rate per \$100 valuation utilized in the analysis include: City of San Antonio at \$0.567140; Bexar County at \$0.250920 (participation at 100% of operation and maintenance portion of tax rate) and the Alamo Community College District at \$0.067928. This produces annual revenues of \$44,363 in fiscal year 2006, \$45,548 in fiscal year 2007, \$46,141 in fiscal year 2008, \$44,065 in fiscal year 2009, \$41,842 fiscal years 2010 through 2016 and \$39,553 in fiscal years 2017 through 2025. 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 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 Participating Governmental Entities in the TIRZ; (ii.) to all other ongoing administrative fees pertaining to the City; 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 \$421,187. 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 began in fiscal year 2006; inclusive are all collections since 2002. The earliest projected payoff of the capital cost would occur in fiscal year 2025 and includes an estimated Developer contribution of \$155,535.

The TIRZ collections for this project shall not extend beyond September 30, 2025 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 Contribution	Max. Length of Contribution
City of San Antonio	\$ 653,133	September 30, 2025
Bexar County	\$ 317,748	September 30, 2025
Alamo Comm. College District	\$ 37,591	September 30, 2016
Maximum Reimbursable Amt.	\$ 1,008,472	

* Maximum Dollar Contributions are based on Original Finance Plan dated July 26, 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, 2025, and may be terminated prior to September 30, 2025, upon payment of public improvements capital costs incurred by the Developer totaling \$421,187 or for the failure of the Developer to perform. The City may elect to terminate a TIRZ if 50% of the housing and/or commercial construction projected for years 1, 2, and 3 from date the TIRZ is created is not complete. Only housing and/or commercial components count towards completion of the construction schedule, infrastructure construction does not. 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 may also result in zone termination.

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 including the 2000 TIF Guidelines.

Reporting

The Developer 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 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
Plaza Fortuna - TIF Reinvestment Zone
Summary Fact Sheet
December 31, 2008 Update

Agenda: Final Finance Plan

Plan of Finance: Site Area- Single Family Development 9.82 Acres

Base Value (2001) In City \$ 76,700
 Average Initial Single Family Home Price \$69,000-\$85,600

Project Year:				
Single Family Development	Phase I	2001	25	Single Family Homes
	Phase II	2002	<u>51</u>	Single Family Homes
Total			<u><u>76</u></u>	

Experience of Housing Developer
 HLH Development LP,
 San Antonio, Texas

HLH Development LP was formed over 6 years ago.
 Harry Hausman is the principal operations officer of the partnership.
 SEDA Consulting Engineers, Inc. are the architect/engineers.
 HLH Development LP and SEDA Consulting Engineers, Inc. have completed
 the following projects:
 - La Coste Heights, 57 homes, La Coste, TX
 - Legend Oaks, 80 homes, San Antonio, TX
 - Hunters Oaks, 15 homes, San Antonio, TX

Multi Family Housing Development Team: N/A

Performance Bonds: See Development Agreement

Payment Bonds: See Development Agreement

Assumptions:	Captured Value	\$	4,966,760	
	Assessed Value Growth Factor		0.00%	
	Collection Rate		97.50%	
	Estimated Total TIF Revenues	\$	828,988	
	Estimated TIF Life (12/13/2001 to 9/30/2025)		23.81	Years

Plaza Fortuna - Tax Increment Reinvestment Zone

Sources and Uses

Sources of Funds

TIF Revenues	\$	828,988
Developer Contribution	\$	155,535
Total Sources of Funds	\$	<u>984,523</u>

Uses of Funds

	Phase I 2001	Phase II 2002	Total Infrastructure Improvements
Begin Construction			
Single Family	25	51	76
Public Improvements			
Hard Cost			
Site Work	\$ 721	\$ 600	\$ 1,321
Streets & Approaches	\$ 10,014	\$ 125,036	\$ 135,050
Drainage	\$ 3,169	\$ 8,609	\$ 11,778
Sewer	\$ 18,893	\$ 32,611	\$ 51,504
Water	\$ 10,156	\$ 36,276	\$ 46,432
Sidewalks	\$ -	\$ 32,040	\$ 32,040
Street Lights	\$ -	\$ 6,198	\$ 6,198
ROW Landscaping	\$ -	\$ -	\$ -
Park Improvements	\$ -	\$ -	\$ -
Sewer Impact Fees	\$ 10,675	\$ -	\$ 10,675
Water Impact Fees	\$ 9,000	\$ -	\$ 9,000
Platting/Zoning Fees	\$ 3,651	\$ 5,117	\$ 8,768
CPS Energy (Electricity)	\$ 7,896	\$ -	\$ 7,896
Mail Boxes	\$ 2,133	\$ 2,555	\$ 4,688
Hard Cost Total	\$ 76,308	\$ 249,042	\$ 325,350
Soft Cost			
Engineering-Surveying	\$ 9,920	\$ 32,375	\$ 42,295
Contingency	\$ 6,105	\$ 19,923	\$ 26,028
Construction Management	\$ 3,052	\$ 9,962	\$ 13,014
Soft Cost Total	\$ 19,077	\$ 62,260	\$ 81,337
Total Public Improvements	\$ 95,385	\$ 311,302	\$ 406,687
Legal and Formation Fees	\$ 14,500	\$ -	\$ 14,500
Grand Total	\$ 109,885	\$ 311,302	\$ 421,187
Total Infrastructure	\$ 421,187		
Financing Cost @ 4.54%	\$ 257,336		
Total Payments to Plaza Fortuna	\$ 678,523		
Total Admin. Expenses	\$ 306,000		
Grand Total	\$ 984,523		
Project Financing Surplus (Shortage)	\$ -		

Plaza Fortuna - 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
2002	\$ -	\$ -	\$ 11,995	\$ 30,000	\$ -	\$ (41,995)
2003	-	-	11,995	12,000	(1,907)	(67,896)
2004	-	-	11,995	12,000	(3,082)	(94,973)
2005	-	-	11,995	12,000	(4,312)	(123,280)
2006	44,363	44,363	12,995	12,000	(5,597)	(109,508)
2007	45,548	89,911	16,949	12,000	(4,972)	(97,881)
2008	46,141	136,052	15,922	12,000	(4,444)	(84,106)
2009	44,065	180,117	27,532	12,000	(3,818)	(83,391)
2010	41,842	221,959	26,805	12,000	(3,786)	(84,140)
2011	41,842	263,801	26,079	12,000	(3,820)	(84,197)
2012	41,842	305,643	26,352	12,000	(3,823)	(84,530)
2013	41,842	347,485	25,581	12,000	(3,838)	(84,106)
2014	41,842	389,327	24,809	12,000	(3,818)	(82,891)
2015	41,842	431,169	24,037	12,000	(3,763)	(80,849)
2016	41,842	473,011	22,265	12,000	(3,671)	(76,943)
2017	39,553	512,564	19,539	12,000	(3,493)	(72,422)
2018	39,553	552,117	17,903	12,000	(3,288)	(66,060)
2019	39,553	591,670	19,313	12,000	(2,999)	(60,819)
2020	39,553	631,223	18,632	12,000	(2,761)	(54,660)
2021	39,553	670,776	16,951	12,000	(2,482)	(46,539)
2022	39,553	710,329	16,315	12,000	(2,113)	(37,414)
2023	39,553	749,882	14,680	12,000	(1,699)	(26,240)
2024	39,553	789,435	13,090	12,000	(1,191)	(12,968)
2025	39,553	828,988	12,545	12,000	(589)	1,452
	<u>\$ 828,988</u>		<u>\$ 446,272</u>	<u>\$ 306,000</u>	<u>\$ (75,264)</u>	

* Annual Administrative Expenses from FY 2003 - FY 2025 includes a \$2,000 annual administrative expense for Bexar County.

**Plaza Fortuna - TIF Reinvestment Zone Combined
 Participation**

Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Combined Weight of Project	TIF Revenues*	TIF Expenses**
City of San Antonio	\$ 0.567140	100%	\$ 0.567140	64.76%	\$ 553,995	\$ 637,622
Bexar County ⁽¹⁾	\$ 0.250920	100%	\$ 0.250920	31.51%	\$ 249,712	\$ 310,203
Alamo Community College District	\$ 0.135855	50%	\$ 0.067928	3.73%	\$ 25,281	\$ 36,698
Total	\$ 0.953915		\$ 0.885988	100.00%	\$ 828,988	\$ 984,523

* TIF Revenues are the projected revenue amount collected by each taxing entity through the term of the zone.

** TIF Expenses are allocated by the share of the TIRZ project cost projected for each taxing entity based on participation levels.

¹Participation is at 100% of Operation and Maintenance portion of tax rate.

**Plaza Fortuna - TIF Reinvestment Zone
 Projected New Value of Tax Increment**

Tax Year	Phase I 2002	Phase II 2003	2004	2005-2012	Total	Cumulative Total
2002	\$ 922,400				\$ 922,400	\$ 922,400
2003		\$ 3,017,300			\$ 3,017,300	\$ 3,939,700
2004			\$ 1,016,400		\$ 1,016,400	\$ 4,956,100
2005				\$ 98,130	\$ 98,130	\$ 5,054,230
2006				\$ (87,470)	\$ (87,470)	\$ 4,966,760
2007					\$ -	\$ 4,966,760
2008					\$ -	\$ 4,966,760
2009					\$ -	\$ 4,966,760
2010					\$ -	\$ 4,966,760
2011					\$ -	\$ 4,966,760
2012					\$ -	\$ 4,966,760
<hr/>						
	\$ 922,400	\$ 3,017,300	\$ 1,016,400	\$ 10,660	\$ 4,966,760	

\$4,966,760 Residential New Value
\$4,966,760 Total New Value

Plaza Fortuna - TIF Reinvestment Zone
Actual Uses of Tax Increment
Construction Completed Cost

<u>Tax Year</u>	<u>Phase I 2001</u>	<u>Phase II 2002</u>	<u>Total</u>
2001	\$ 109,885		\$ 109,885
2002		\$ 311,302	\$ 311,302
2003			\$ -
2004			\$ -
2005			\$ -
2006			\$ -
2007			\$ -
2008			\$ -
2009			\$ -
	<u>\$ 109,885</u>	<u>\$ 311,302</u>	<u>\$ 421,187</u>

Plaza Fortuna - TIF Reinvestment Zone
Projected Tax Increment Revenue
July 26, 2005
Principal and Interest Requirements

Date	Principal	Interest Rate	Interest	Semi-annual Debt Service	Annual Debt Service
03/01/01	\$ -		\$ -	\$ -	\$ -
09/01/01	-	4.54%	-	-	-
03/01/02	-		5,997	5,997	
09/01/02	-	4.54%	5,997	5,997	11,995
03/01/03	-		5,997	5,997	
09/01/03	-	4.54%	5,997	5,997	11,995
03/01/04	-		5,997	5,997	
09/01/04	-	4.54%	5,997	5,997	11,995
03/01/05	-		5,997	5,997	
09/01/05	-	4.54%	5,997	5,997	11,995
03/01/06	-		5,997	5,997	
09/01/06	1,000	4.54%	5,997	6,997	12,995
03/01/07	-		5,975	5,975	
09/01/07	5,000	4.54%	5,975	10,975	16,949
03/01/08	-		5,861	5,861	
09/01/08	4,200	4.54%	5,861	10,061	15,922
03/01/09	-		5,766	5,766	
09/01/09	16,000	4.54%	5,766	21,766	27,532
03/01/10	-		5,403	5,403	
09/01/10	16,000	4.54%	5,403	21,403	26,805
03/01/11	-		5,039	5,039	
09/01/11	16,000	4.54%	5,039	21,039	26,079
03/01/12	-		4,676	4,676	
09/01/12	17,000	4.54%	4,676	21,676	26,352
03/01/13	-		4,290	4,290	
09/01/13	17,000	4.54%	4,290	21,290	25,581
03/01/14	-		3,904	3,904	
09/01/14	17,000	4.54%	3,904	20,904	24,809
03/01/15	-		3,519	3,519	
09/01/15	17,000	4.54%	3,519	20,519	24,037
03/01/16	-		3,133	3,133	
09/01/16	16,000	4.54%	3,133	19,133	22,265
03/01/17	-		2,769	2,769	
09/01/17	14,000	4.54%	2,769	16,769	19,539
03/01/18	-		2,452	2,452	
09/01/18	13,000	4.54%	2,452	15,452	17,903
03/01/19	-		2,157	2,157	
09/01/19	15,000	4.54%	2,157	17,157	19,313
03/01/20	-		1,816	1,816	
09/01/20	15,000	4.54%	1,816	16,816	18,632
03/01/21	-		1,476	1,476	
09/01/21	14,000	4.54%	1,476	15,476	16,951
03/01/22	-		1,158	1,158	
09/01/22	14,000	4.54%	1,158	15,158	16,315
03/01/23	-		840	840	
09/01/23	13,000	4.54%	840	13,840	14,680
03/01/24	-		545	545	
09/01/24	12,000	4.54%	545	12,545	13,090
03/01/25	-		272	272	
09/01/25	12,000	4.54%	272	12,272	12,545
	<u>\$ 264,200</u>		<u>\$ 182,072</u>	<u>\$ 446,272</u>	<u>\$ 446,272</u>