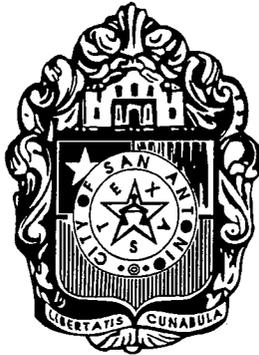


FINAL

**FINAL PROJECT AND FINAL FINANCING PLANS
FOR**

**REINVESTMENT ZONE NUMBER FIFTEEN
CITY OF SAN ANTONIO, TEXAS**

“NORTH EAST CROSSING”



**Prepared by:
City of San Antonio**

August 8, 2002

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I. EXECUTIVE SUMMARY

A. City Departmental Analysis

NORTH EAST CROSSING

I. EXECUTIVE SUMMARY

The City of San Antonio's proposed Tax Increment Reinvestment Zone No. Fifteen ("TIRZ" or "Zone"), can help facilitate the development of an approximately 444 acres of land, of which will contain approximately 1,364 affordable and market-rate single-family homes with current estimated sales prices ranging between \$77,000 to \$110,000 with a current average price of \$89,000. The residential community will be known as North East Crossing. Of the planned residential development, houses will range approximately in size from 965 to 2,334 square feet and lot sizes ranging approximately from 5,000 to 6,000 square feet.

The proposed North East Crossing development is located outside Loop 410 and north of U.S. Highway 90 with boundaries of Eisenhower to the north, Woodlake Parkway to the east, Gibbs Sprawl Road to the south, and Midcrown Drive to the west in the northeastern portion of the city. The developer of the property is Neighborhood Revitalization Initiative, Ltd., and is requesting the City of San Antonio, along with other taxing entities, to participate in the TIF.

The proposed cost of the public infrastructure improvements and related capital costs for North East Crossing plus applicable qualified project costs, which are estimated at \$31,452,165. The proposed cost for administrative expenses is \$270,000, totaling \$31,722,165. The proposed public infrastructure improvements for this project include: site work, street & approaches, drainage, utilities, drainage detention, water/sewage impact & platting fees, engineering, sidewalks, construction management, street lights, street signs/traffic signals, pedestrian linkages, open space improvements, neighborhood park improvements, storm water pollution prevention and legal and formation fees. The financing for this project has been arranged through Broadway National Bank by Neighborhood Revitalization Initiative, Ltd., for all infrastructure and site improvements.

Participation from the City of San Antonio, Bexar County, and Alamo Community College District is being requested.

The Board of Directors for North East Crossing Tax Increment Reinvestment Zone No. Fifteen met on Monday, July 1, 2002, and approved the attached final project and financing plans. The life of the Tax Increment Reinvestment Zone (TIRZ) is projected to be 24.3 years with the TIRZ being in existence through fiscal year 2026.

In summary, the proposed North East Crossing TIRZ will enable the developer to provide approximately 1,364 affordable and market-rate single-family homes. Additionally, the TIRZ will bring about the construction of a new elementary school by the Judson Independent School District and could enhance the quality of life for the residents of the neighborhood. As such, the City will gain a self-sustaining, single-family neighborhood in the spirit of the initiatives set by the Community Revitalization Action Group (CRAG).

NORTH EAST CROSSING

I. EXECUTIVE SUMMARY - A. City Departmental Analysis

Each Application for Redevelopment submitted to the City expressing interest in TIF funding is evaluated by a team of various departments to analyze the viability and feasibility of a proposed project. To ensure the developer criteria set forth in the City's Tax Increment Financing and Reinvestment Zone Guidelines & Criteria has been met along with other City policies, the respective departments review and coordinate with the developer and TIF coordinating department, information related to the project that assists in the analysis from their perspective. Upon final analysis, each participating department submits a narrative review of the proposed project. The City departments that comprise the team for analysis of the North East Crossing project are: City Attorney's Office; Development Services; Environmental Services; Finance; Fire; Neighborhood Action; Office of Management & Budget; Parks & Recreation; Planning; and Public Works. The Planning Department's narrative is styled under Section II – Project Plan and the Finance Department's analysis is styled under Section III – Finance Plan. As such, the following departments have provided their analysis for the North East Crossing project:

Development Services Department

The North East Crossing TIF Reinvestment Zone is located in the northeast quadrant of the City; it lies in City Council District Two and is bounded by Eisenhower Road, Midcrown Drive, Gibbs Sprawl Road and Woodlake Parkway. The project site involves 443.9 acres and 1,364 single-family housing units are projected for the area. Also proposed is non-single family development along Eisenhower Road. It is estimated that ultimate development will be finished out in approximately sixteen years.

As it relates to zoning, the development is subject to C-2 Commercial District, R-5 and R-4 Residential Single-family Zoning Districts standards. In addition, the Director of Planning approved this property under the name of the New World master development plan # 304 D on October 10, 2001. As such, the master development plan, as approved, is subject to plat approval and Major Thoroughfares Plan street dedication requirements.

Upon receiving revisions by the developer's engineer (W.F. Castella & Associates), related to Unit 3A, which includes an inflation factor (5%) in future years and additional water impact fees required by Bexar Metropolitan Water Company, for the construction of Midcrown Drive and drainage detention during 2002, the following are some facts resulting from the estimate re-adjustment:

- There are 48,263 linear feet of new street being provided at a cost of \$149.00 per linear foot average not considering installation of utilities.
- Total developer's cost per lot for 1,364 homes is \$17,650 per lot not including utilities.
- The 17 units of development during the next 14 years (2002-2016) for the 1,364 homes will average 97.5 lots per year placed into the market.
- Detention cost over the life of the project will average \$44,550 per acre-foot for the 33.6 acre-foot of storage being provided.
- The surface area of the proposed four ponds is approximately 16.7 acres.

Environmental Services Department

Neighborhood Revitalization Initiative, Ltd. has submitted an application for designating approximately 444 acres as a reinvestment zone in City Council District Two. The reinvestment zone will facilitate the development of approximately 1,364 new homes and approximately 30.7 acres of new commercial development. The reinvestment zone is referred to as "North East Crossing", and is located near the intersection of Woodlake Parkway and Eisenhower Road.

As part of the application process, the developer is required to perform due diligence on the subject site. At a minimum, the developer is responsible for conducting a Phase I Environmental Site Assessment (ESA) on the subject site. Additionally, the developer is also responsible for addressing recognized environmental conditions associated with the subject site to the City's Environmental Management Division's (EMD) satisfaction.

The EMD received the Phase I ESA, prepared by Integrated Testing and Engineering Company (InTEC), in January 2002 and provided comments EMD in February 2002. As such, InTEC identified numerous recognized environmental conditions associated with the subject site, but did not indicate whether these concerns required further environmental action or not. Additionally, the EMD identified an additional environmental concern (potential pesticide/herbicide contamination) not noted in the report. Based on our review, the EMD requested additional information to address the following concerns:

- Numerous waste stockpiles consisting of construction debris, furniture, and appliances on site.
- Transite pipe and roofing shingles potentially containing asbestos.
- 30-gallon drum containing motor oil that appeared to be cracking, resulting in leakage into the ground.
- Two water line easements leaking into the ground.
- Potential Pesticide/Herbicide Contamination from past farmland operations.

In March 2002, the EMD received additional information from InTEC regarding our comments. In response, InTEC provided a chain of title to address the pesticide contamination and indicated that the water line leaks had been repaired. Based on the information provided, the pesticide contamination is not a relevant environmental concern, however, the other concerns were not addressed at that time.

On Monday, May 13, 2002, the Neighborhood Action Department conducted a meeting with the developer and other City Departments to discuss outstanding issues, including environmental. At that time, EMD apprised the developer on the remaining outstanding issues. EMD requested that the developer submit a letter indicating that the outstanding environmental issues would be addressed prior to and during construction.

On Thursday, May 30, 2002, the EMD received a letter from InTEC concerning the outstanding environmental issues. In the letter, the developer committed to removing and disposing of the waste oil drum and affected media, transite pipe and waste debris stockpiles within a specified timeframe.

Based on our review of the Phase I ESA and supplemental information, the subject site is a moderate environmental concern. However, upon removal and disposal of the noted waste debris, the subject site is considered to be a low environmental concern. Since the developer has committed to addressing these environmental concerns, no further environmental action is warranted for this project at this time.

Fire Department

The San Antonio Fire Department has, through its planning efforts, attempted to maintain a satisfactory level of emergency response across the entire city. The goal is to locate facilities so as to position the first arriving pumper within 4.25 minutes travel time to 90% of all city blocks. Travel time is defined as the time from when the fire unit leaves the station until its arrival at the scene. The station location criterion also identifies areas throughout the city that fall into Extended Response Areas (ERA's). Utilizing this criterion, the Department has established the following summary for the North East Crossing project.

The San Antonio Fire Department has the current capability to cover approximately 50% of the North East Crossing TIF project within the 4.25-minute time criteria with existing resources. The remaining 50% of the development falls into an Extended Response Area with response times increasing an additional 2 to 3 minutes.

The first due in Fire Company is from Fire Station #38, located at 6000 Distribution Drive off of the 4900 block of Rittiman Road. This fire station houses a pumper truck, a ladder truck, a squad first responder and a fire district chief. It also houses a peak hour EMS unit.

Office of Management & Budget

Operating Fiscal Impact

A cost-benefit analysis relevant to the City of San Antonio must be completed prior to any action on a reinvestment zone requested to support proposed redevelopment projects. The City conducts the analysis in a manner reflective of the current incremental cost-benefit analysis being used by the City in the annexation process. The City may choose not to approve the designation of a project or area as a reinvestment zone for the purpose of TIF for which the analysis shows that the costs exceed the benefits.

In order to prevent the dilution of City services, residential TIFs will require additional City resources. The cost-benefit analysis assumes revenues such as: base property tax, CPS revenue, SAWS revenue, permit revenue, plan review fee revenue, telecommunication fee per line and sales tax, cable franchise fee and sales tax, EMS revenue and residential alarm permit fees. City service costs in the analysis include: building inspections, police, EMS, street maintenance, code compliance, traffic operations, animal control, vector control, elections and tax collection. Other municipal services, such as Fire and Parks and Recreation, are addressed based on the specific location and details of the proposed development.

The cost-benefit analysis of the proposed Northeast Crossing TIF assumes the construction of 1,364 single-family homes, with an average home value of \$89,000, within the 24.3-year life of the TIF. The service costs include the maintenance involved with the dedication of parkland in 2007 (30.5 acres) and 2016 (67.2 acres). The net cost

to the City for the North East Crossing TIF over the 24.3-year period is projected to be \$7.5 million.

Parks and Recreation Department

Review of TIF Projects

Any development applying for TIF must meet the minimum requirements for park dedication as outlined in the Unified Development Code. Developments proposing the dedication of parkland to the City as a public park will have additional requirements to include the installation of park facilities. All improvements are to be coordinated with and approved by the Parks and Recreation Department.

Two park sites have been proposed within the North East Crossing TIF, both proposed for dedication to the City.

Site One is approximately 30.5 acres and is adjacent to Lou Karden Park. \$175,000 is budgeted for a pedestrian trail and an additional \$100,000 for park improvements. Dedication of Site One to the City is proposed for 2007. Site Two is approximately 67.2 acres and runs along Rosillo Creek. \$350,000 is budgeted for a pedestrian trail. Dedication of Site Two is proposed for the completion of the development or 2016. An additional \$200,000 is set aside for general park improvements within both sites.

Public Works Department

The Public Works Department staff has reviewed the proposed TIRZ and offers the following comments.

Storm Water Utility

Requests the following language be added to the Development Agreement in the "Obligations of the Developer" section or other appropriate section of the agreement:

"4.20 DEVELOPER shall comply with Chapter 35-504 and Appendix F of the City of San Antonio Unified Development Code regarding the development of the Project.

4.21 DEVELOPER understands that no Available Tax Increment Funds will be paid to Developer until a master drainage plan of the Project has been received and approved by CITY."

In the future, if a TIRZ is approved for an existing POADP or MDP that does not conform with Chapter 35-504 and Appendix F of the City of San Antonio Unified Development Code, then a new MDP should be submitted and approved prior to platting.

Infrastructure

Since no detail construction plans are provided for review, the proposed development must be designed and constructed in accordance with the requirements of UDC.

Cost Estimate

We have reviewed the infrastructure costs provided by the Developer and we are in agreement with the cost.

II. PROJECT PLAN

- A. Overview
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- G. Non-project Costs

II. PROJECT PLAN – NORTH EAST CROSSING

A. Overview

The North East Crossing TIRZ will provide the financing needed to develop 1,364 single-family homes, open space enhancements, pedestrian linkages and regional park improvements. The development will help to increase area population, provide additional housing and create a customer base for future commercial development.

The Project Plan and the Financing Plan provide for the funding of utilities (electric, gas, water and sewer), streets with curb and gutter, streetlights, street signs, traffic signal devices, sidewalks, drainage improvements including detention ponds, open space enhancements, pedestrian linkages and regional park improvements.

The proposed TIRZ is not located within a proposed or adopted neighborhood planning area.

Single-Family Residential Development

The majority of the 443.9-acre tract will be dedicated for 1,364 single-family residences. The single-family houses in the zone will range in sales price from \$77,000 to \$110,000 and range in size from 965 square feet to 2,334 square feet. The projected completion date for the project is 2016. The East Village Neighborhood is located to the south of the TIRZ, the Park Village Neighborhood is located to the west and the Camelot 1 Neighborhood is located to the northwest of the TIRZ. The TIRZ also includes an 18-acre tract that has been conveyed to Judson ISD for a new school.

The Master Plan calls for the need to “ensure that proposed land uses and development are compatible in their use, character and size to the site and the surrounding areas” (Growth Management: Policy 1b). The proposed TIRZ uses take into account the uses and character of the surrounding development.

The Master Plan calls for efforts to facilitate the provision of choice in housing for special needs populations (Neighborhoods: Policy 4d). Efforts to meet this policy could include ensuring homes are accessible or easily adaptable to disabled persons. Policy 4i requires the community to explore the full range of options to allow people to remain in their homes throughout their lives. Legislation requires that all single family affordable housing funded in whole or in part by state or federal funds must be designed to be universally usable to all people regardless of age or disability. The necessary design guidance to achieve this part of the legislation became effective September 1999.

Commercial Development

About 30 acres of the TIRZ will be dedicated for commercial uses. The Master Plan calls for the development of “neighborhood centers, which include schools, libraries, stores, transit centers, and community service facilities in accessible, pedestrian friendly environments” (Urban Design: Policy 1a). The commercial development should incorporate the neighborhood center concepts including the provision of a pedestrian

friendly environment offering sensory appeal, safety, street amenities such as planting and furniture, good lighting, easy visual and physical access to buildings, and diverse activities.

The City has worked with developers in past projects to create design guidelines for appropriate infill development. The development of design guidelines for the commercial component of the project to address character and signage would be in keeping with Master Plan Urban Design Policy 1b.

Open Space/Pedestrian Linkages/Park/Drainage

Pedestrian linkages are planned along Rosillo Creek and Rittiman Creek within the TIRZ boundary. The pedestrian linkages will provide an easy path of travel between the residential uses located along both sides of Rosillo Creek. The pedestrian linkage along Rittiman Creek should provide an easy path of travel between the commercial use proposed for the location near the intersection of Gibbs Sprawl Road and Woodlake Parkway and the nearby residential uses as well as Lou Kardon Memorial Park. The Rittiman Creek pedestrian linkage also should connect to the new school site located within the TIRZ boundary. The open space and park enhancements are supported by the City's Master Plan which calls for the development of a system of linear parks and hike and bike trails to link parks, schools, institutions and neighborhoods (Urban Design: Policy 1e).

Community Involvement

As part of project development, input was received from area stakeholders, including neighborhood and Judson ISD representatives. Meetings were not held with the East Village Neighborhood Association or the Park Village Neighborhood Association. The need for community involvement in the development of infill projects is stressed in the City's Master Plan (Urban Design: Policy 1d).

Summary

The use of the TIRZ will enable the developer to create a single-family housing development that will help to increase area population, provide additional housing, and attract additional private development. Without the creation of the TIRZ, the development would not be financially feasible.

B. Boundaries

The TIRZ is located about nine miles east of downtown San Antonio and a little more than one mile outside Loop 410. The TIRZ is roughly bound by Eisenhower Road to the north, Woodlake Parkway to the east, Gibbs Sprawl Road to the south, and heading north near Castle Rose along the western boundary to Midcrown Drive and following Midcrown Drive to its intersection with Eisenhower Road. The TIRZ is located within the North East and Judson Independent School Districts. The general location of the zone and the school district boundaries shown in Exhibit A. The boundaries of the zone, along with the location of the floodplain, are shown in Exhibit B.

C. Land Use and Existing Conditions

Area Land Use

The land uses surrounding the TIRZ are primarily residential and vacant land with limited commercial uses. To the north of the site, the land uses include the Camelot I residential subdivision, apartments, vacant land, limited commercial uses and a residential subdivision located outside the City Limits in Bexar County. Along Woodlake Parkway to the east, the land uses include vacant land and a mobile home development. To the south of the TIRZ, the land uses include vacant land, the East Village residential subdivision and Lou Kardon Memorial Park. To the west of the TIRZ, the land uses include vacant land and the Park Village residential subdivision.

According to the 1990 Census, the median housing value for the census tract where the zone is located is \$42,400. The 1990 citywide median housing value is \$49,700. According to the 2000 Census, about 65 percent of the housing in the tract is owner-occupied compared to 58 percent for the city as a whole.

Current Site Conditions

The zone includes about 443.9 acres of undeveloped land. Access to the property is provided from Eisenhower Road, Woodlake Parkway, Gibbs-Sprawl Road and Midcrown Drive. Eisenhower Road, Woodlake Parkway and Gibbs-Sprawl Road are identified as Type A Secondary Arterials in the Major Thoroughfare Plan.

The development of the property will require funding of utilities (electric, gas, water and sewer), streets with curb and gutter, streetlights, street signs, traffic signal devices, sidewalks, drainage improvements including detention ponds, open space enhancements, pedestrian linkages and regional park improvements associated with the proposed development. A portion of the property is located within the 100 year FEMA floodplain (see Exhibit B: Boundary/Floodplain Map and Exhibit D: Site Plan). The floodplain will be developed as a linear open space with pedestrian linkages.

Current Economic Conditions

The TIRZ is located in Census Tract 1214.02. The population of this census tract decreased slightly between the 1990 Census (3,035) and the 2000 Census (3,002). The tract decreased by one percent between 1990 and 2000 while the city as a whole grew by 22 percent (from 935,933 to 1,144,646).

The 1990 median household income in the Census tract is \$28,432 compared to a 1990 citywide median household income of \$23,584.

A breakdown of the 2000 population, based on Census data, follows:

<i>Ethnicity</i>	<i>Census Tract 1214.02 % of 2000 Population</i>	<i>Citywide % of 2000 Population</i>
Anglo	21%	32%
Black	17%	7%
Hispanic	59%	59%
Other	3%	2%

The TIRZ is bound on the north, east and south by streets that serve as transportation arteries. Public transit stops will need to be accommodated as a part of the TIRZ development.

D. Project Plan Objective

The objective of the plan is to develop the majority of 443.9 acres of land into 1,364 single-family homes, open space enhancements, pedestrian linkages and regional park improvements. The development would not occur without the TIRZ. The TIRZ funds will provide for the difference between development costs and the market price.

E. Relocation

The Plan does not call for the relocation or displacement of residents.

F. Municipal Ordinances

In addition to compliance with ordinances directly associated with the development of a TIRZ, the proposed development will comply with local codes and ordinances.

The TIRZ must comply with the City's Master Plan. The guidelines for complying with the City's Master Plan are outlined in the Overview Section of the Project Plan.

The property currently is zoned R-4 (Residential Single-Family District), R-5 (Residential Single-Family District), and C-2 (Commercial District). A portion of the TIRZ between Rosillo Creek and Eisenhower Road will need to be rezoned in compliance with the uses proposed in the site plan (Exhibit D).

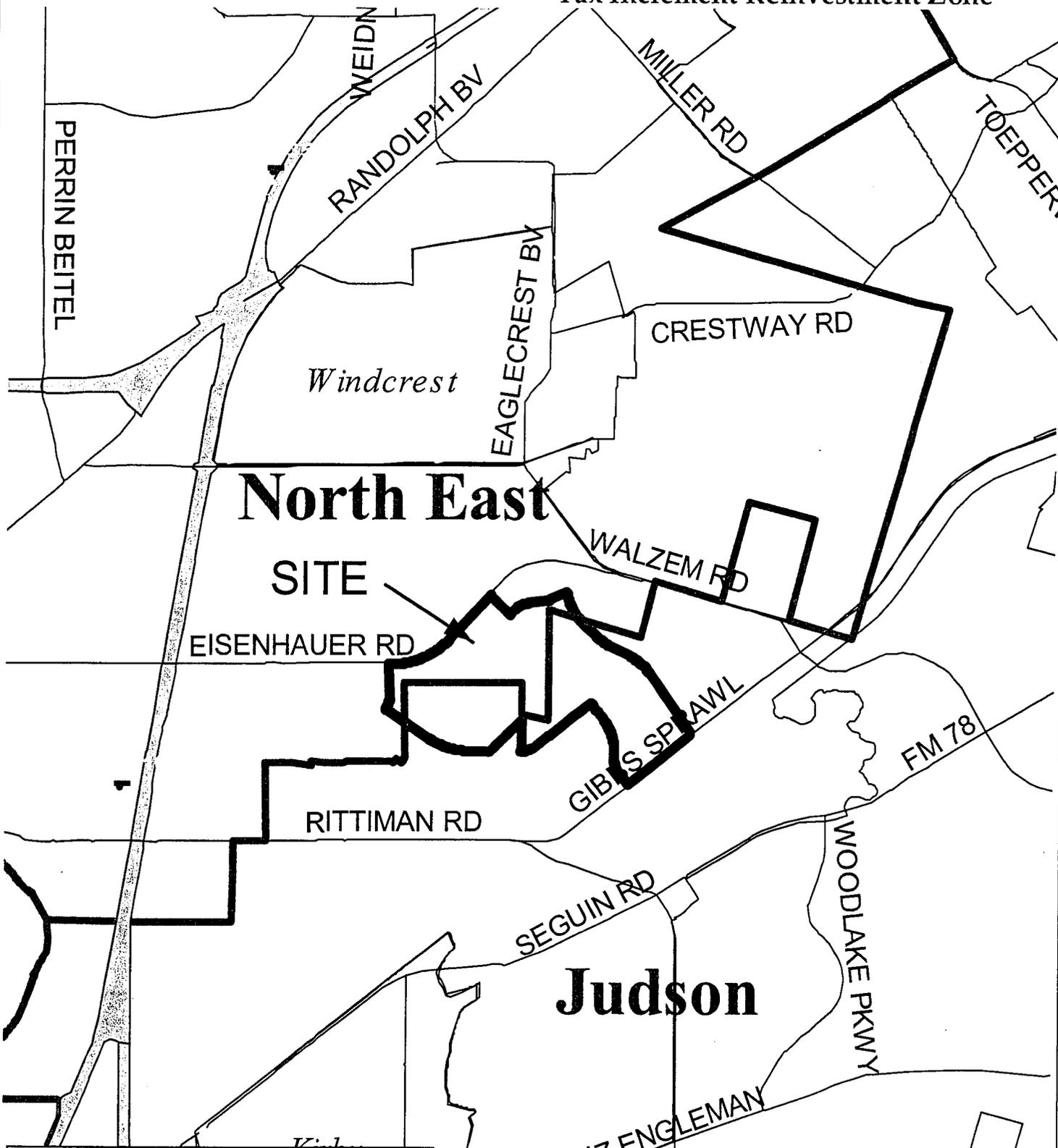
The project developer also will continue to provide for community involvement in the development of the proposed infill project (Urban Design: Policy 1d).

The proposed project is consistent with the Major Thoroughfare Plan.

G. Non-Project Costs

Not applicable.

North East Crossing
Tax Increment Reinvestment Zone



North East

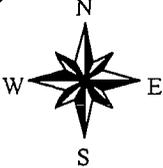
SITE

Judson

EXHIBIT A

LEGEND

-  TIF Boundary
-  Schools District Boundary
-  City of San Antonio



SCALE: 1" = 3,500'

North East Crossing Tax Increment Reinvestment Zone

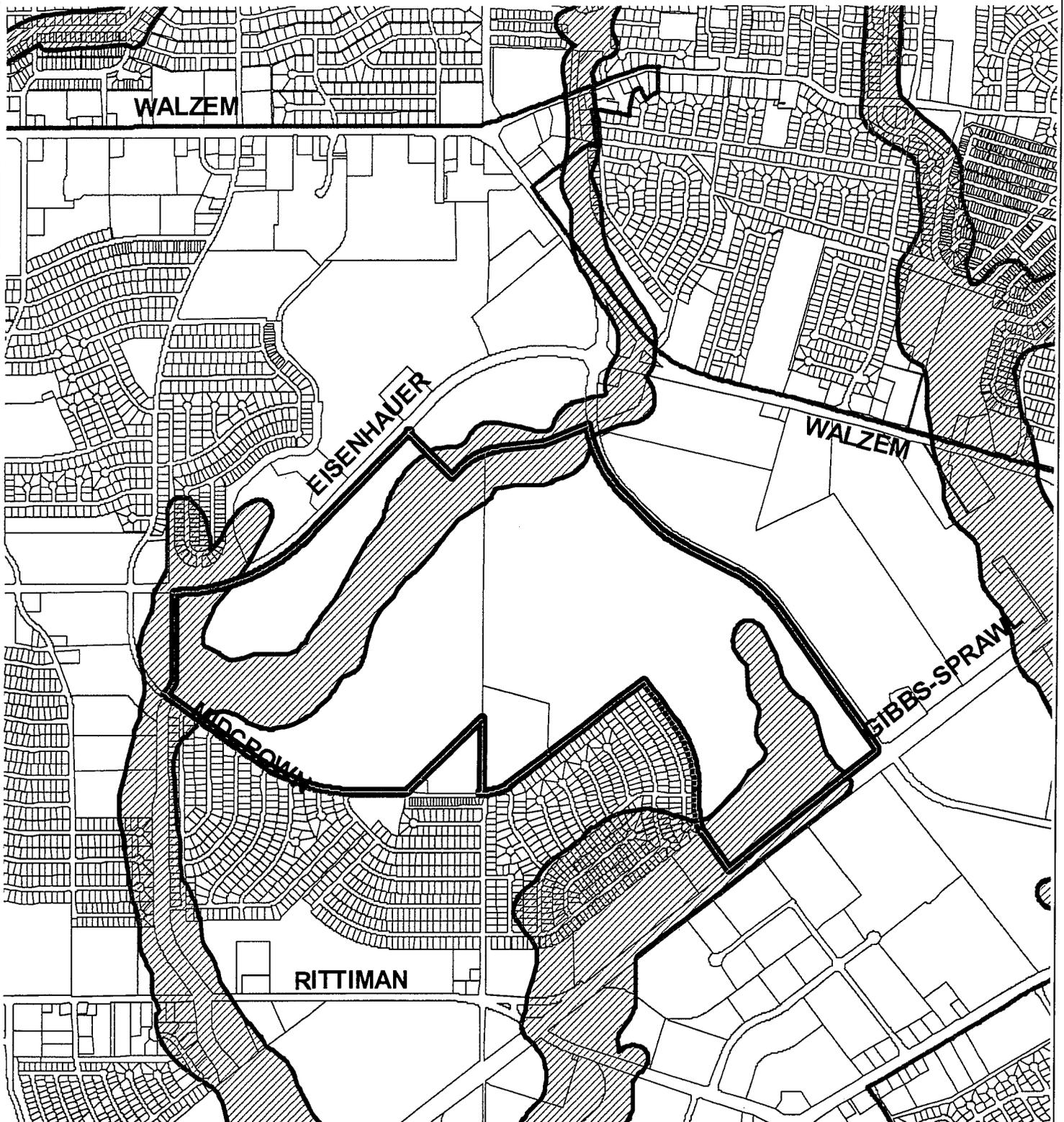
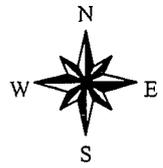


EXHIBIT B

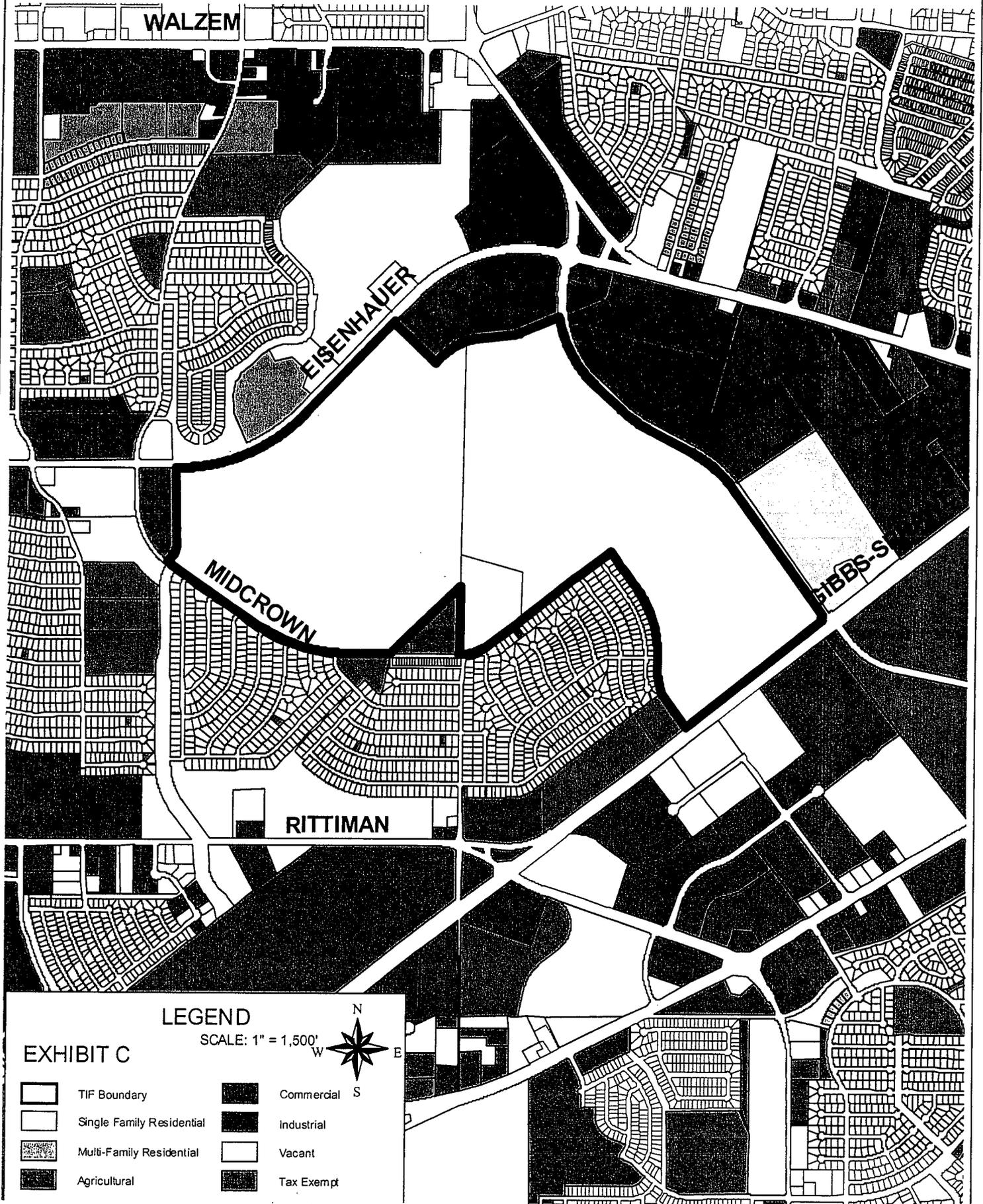
LEGEND

-  TIF Boundary
-  Flood Plan
-  City of San Antonio

COA 15-41-2-500



North East Crossing Tax Increment Reinvestment Zone



LEGEND

SCALE: 1" = 1,500'

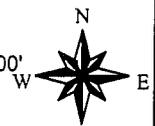


EXHIBIT C

- | | | | |
|---|---------------------------|---|------------|
|  | TIF Boundary |  | Commercial |
|  | Single Family Residential |  | Industrial |
|  | Multi-Family Residential |  | Vacant |
|  | Agricultural |  | Tax Exempt |

III. REINVESTMENT ZONE FINANCING PLAN

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CITY OF SAN ANTONIO, TEXAS
Department of Finance



North East Crossing
TIF Reinvestment Zone Fifteen

Final Reinvestment Zone Financing Plan

**Participation Level of City (100%), Bexar County (100%),
and ACCD (100%)**

July 31, 2002

North East Crossing Subdivision Tax Increment Reinvestment Zone – Final Plan of Finance

Introduction

The proposed North East Crossing Development is located in the northeast quadrant of the City of San Antonio. The property is bounded generally to the southwest by the East Village and Park Village Subdivisions, to the north by Eisenhower Road, to the east by Woodlake Parkway and to the south by Gibbs Sprawl Road. The development is in the Judson and North East Independent School Districts and encompasses 443.9 acres. The 2002 base value is \$2,936,773 and the projected captured tax incremental value is \$162,625,475. The project includes 1,364 single-family homes with sales prices ranging between \$77,000 to \$110,000 on 280.4 acres, 30.5 acres of park, 67.2 acres of flood plain/park, 16.7 acres of detention ponds, 18.4 for a school site and 30.7 acres for commercial development. The total public infrastructure capital cost is estimated at \$24,073,416. Gordon Hartman Enterprises, Inc. transferred its right to participate as the developer of the North East Crossing development to Neighborhood Revitalization Initiative, Ltd. The construction manager for the project is Gordon Hartman Enterprises, Inc. Performance and payment bonds will be provided in connection with public infrastructure improvements associated with the single-family portion of the project. The life of the Tax Increment Reinvestment Zone (TIRZ) is projected to be 24.30 years with the TIRZ being in existence through fiscal year 2026.

Public Infrastructure

The public infrastructure improvements and related capital costs include storm water pollution prevention, site work, streets and approaches, drainage, utilities, sidewalks, drainage detention, street signs/traffic signals, street lights, water/sewage impact and platting fees, engineering surveying expenses, pedestrian linkages, construction management, open space improvements, park improvements, and geo-technical testing. The capital cost is estimated at \$24,073,416.

Plan of Finance

The base value of the TIRZ is \$2,936,773. 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 2002 with collections commencing in tax year 2003 (fiscal year 2004). Captured values grow from \$6,237,047 in tax year 2003 to \$162,625,475 in tax year 2017 to 2025.

The taxing jurisdictions and tax rate per \$100 valuation utilized in the analysis include: City of San Antonio at \$0.5785400; Bexar County at \$0.3207560 and the Alamo Community College District at \$0.1046000. This produces annual revenues of \$61,048 in fiscal year 2004 to \$1,591,776 in fiscal years 2018 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.) first, to the payment of initial costs associated with the creation of the TIRZ incurred by the governmental entities participating in the TIRZ; (ii.) second, all other on-going 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 \$24,073,416. Revenues from the TIRZ are used to pay this amount plus financing costs if any on the unpaid balance at a rate of 5.48%. It is projected that the developer would not receive any payments until fiscal year 2004. Any negative carry by the developer would add additional interest to be paid to the developer at an interest rate of 5.48%. The earliest projected payoff of the capital cost would occur in fiscal year 2026 and the project includes as estimated developer contribution of \$7,116,953.

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 Contribution	Max. Length of Contribution
City of San Antonio	\$18,281,317.23	September 30, 2026
Bexar County	\$10,135,586.46	September 30, 2026
Alamo Comm. College District	\$3,305,261.14	September 30, 2026
Maximum Reimbursable Amt.	\$31,722,164.83	

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 \$24,073,416 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 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) working 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.

City of San Antonio
North East Crossing - TIF Reinvestment Zone
Summary Fact Sheet
July 31, 2002

Agenda 1. Final Finance Plan

Plan of Finance

Site Area	443.90	Acres	
Single Family Development	280.40	Acres	
Park	30.50	Acres	
Flood Plain/Park	67.20	Acres	
Detention Ponds	16.70	Acres	
School Site	18.40	Acres	
Commercial Development	30.70	Acres	
Base Value (2002) In City	\$ 2,936,773		
*Average Single Family Home Price	\$ 89,000	Per home	Initial Range (Phases 1 & 2): \$77,000 - \$110,000
Project Year:			
Single Family Development	Phases 1 & 2	72	Single Family Homes
	Phases 3	105	Single Family Homes
	Phases 4	109	Single Family Homes
	Phases 5	53	Single Family Homes
	Phases 6	92	Single Family Homes
	Phases 7	89	Single Family Homes
	Phases 8	120	Single Family Homes
	Phases 9	99	Single Family Homes
	Phases 10	88	Single Family Homes
	Phases 11	122	Single Family Homes
	Phases 12	91	Single Family Homes
	Phases 13	88	Single Family Homes
	Phases 14	84	Single Family Homes
	Phases 15	104	Single Family Homes
	Phases 16	48	Single Family Homes
Total		<u>1,364</u>	

Experience of Project Developer
 Neighborhood Revitalization Initiative, Ltd

Gordon Hartman Enterprises transferred its right to participate as the developer of the project to Neighborhood Revitalization Initiative, Ltd.

Construction Manager
 Gordon Hartman Enterprises, Inc.
 San Antonio, Texas

Gordon Hartman Enterprises, Inc. was incorporated in 1984 and is the land development segment of Gordon Hartman Homes, Ltd. Gordon V. Hartman is an experienced builder and has been in the San Antonio market since 1986. Gordon Hartment Enterprises has built over 25 single-family subdivisions in San Antonio. Current development spans 14 subdivisions. Previous experience has been with smaller scale projects. The size of the subdivisions developed range from 44 lots to 423 lots.

Housing Development Team
 Gordon Hartman Homes, Ltd

Gordon V. Hartman
 Experience in the development of affordable and market rate subdivisions

W.F. Castella & Associates, Inc.

Paul W. Denham P.E.	21 Years Experience
Engineering Principal	
Tom Bates R.P.L.S.	30 Years Experience
Surveying Principal	
Luis Ramones	21 Years Experience
Operations Principal	

Performance Bonds:

As required by City Code.

Payment Bonds:

As required by City Code.

Assumptions:	Captured Value	\$ 162,625,475
	Assessed Value Growth Factor	0.00%
	Collection Rate	97.50%
	Estimated Total TIF Revenues	\$ 24,605,212
	Estimated TIF Life (6/13/02 to 9/30/26)	24.30 Years
	Estimated Average Life	17.72 Years

* Average single family home price provided by developer

Sources & Uses

Sources of Funds
 TIF Revenues at
 Developer Contribution
 Total Sources of Funds

Uses of Funds

Begin Construction
 Single Family

Public Improvements

Hard Cost

	Unit 11 2011	Unit 12 2012	Unit 13 2013	Unit 14 2014	Unit 15 2015	Unit 16 2016	Total Infrastructure Improvements
Storm Water Pollution Prevention	10,859	11,402	11,972	12,571	13,200	13,860	158,944
Site Work	66,768	51,866	49,296	52,111	68,671	33,160	759,410
Street & Approaches	445,681	346,209	329,058	347,845	458,385	221,349	4,785,335
Drainage	137,137	106,530	101,252	107,033	141,047	68,110	1,496,826
Drainage Detention	-	-	-	-	300,000	-	1,437,500
Sewer	308,544	239,680	227,806	240,812	317,339	153,239	3,146,411
Water	308,544	239,680	227,806	240,812	317,339	153,239	3,246,180
Sidewalks	158,498	123,122	117,023	123,704	163,016	78,718	1,645,853
Street Signs/Traffic Signal	1,800	1,800	1,800	1,800	1,800	1,800	25,000
Street Lights	20,250	20,250	20,250	20,250	20,250	20,250	281,250
CPSB Electrical	42,700	31,850	30,800	29,400	36,400	16,800	477,400
Parks/Open Space Improvements	-	100,000	-	-	-	-	200,000
Pedestrian Linkages	-	-	-	350,000	-	-	525,000
Neighborhood Park Improvements	-	-	-	-	200,000	-	200,000
Hard Cost Total	\$ 1,500,780	\$ 1,272,389	\$ 1,117,063	\$ 1,526,339	\$ 2,037,446	\$ 760,524	\$ 18,385,109

Soft Cost

Platting Fees	8,506	6,522	6,330	6,074	7,354	3,770	97,766
Water Impact Fees	82,106	61,243	59,224	56,532	69,992	32,304	885,050
Sewer Impact Fees	61,976	46,228	44,704	42,672	52,832	24,384	925,168
Engineering-Surveying	180,094	140,687	134,048	141,161	220,493	91,263	2,095,213
Geo-Technical/Testing/FEMA Submittal	-	-	-	-	-	-	13,700
Contingency	75,039	58,620	55,853	58,817	91,872	38,026	873,006
Construction Management	60,031	46,896	44,683	47,054	73,498	30,421	698,404
Soft Cost Total	\$ 467,752	\$ 360,195	\$ 344,841	\$ 352,309	\$ 516,042	\$ 220,168	\$ 5,588,307

Total Public Improvements

	\$ 1,968,532	\$ 1,632,584	\$ 1,461,904	\$ 1,878,648	\$ 2,553,487	\$ 980,693	\$ 23,973,416
Legal and Formation Fees	-	-	-	-	-	-	100,000
Grand Total	\$ 1,968,532	\$ 1,632,584	\$ 1,461,904	\$ 1,878,648	\$ 2,553,487	\$ 980,693	\$ 24,073,416

Total Infrastructure

Financing Cost @ 5.48%

Total Payments to North East Crossing

Total Admin. Expenses

Grand Total

Project Financing Surplus (Shortage)

North East Crossing - TIF Reinvestment Zone Projected Tax Increment Revenue

Tax Year	Tax Increment Zone			City of San Antonio			Bexar County			Alamo Community College District			Combined TIF Collections	Fiscal Year Ending
	Beginning Assessed Value	Annual Value of New Development	Projected Year-End Assessed 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		
2000	2,936,773	-	2,936,773	-	0.5797900	-	-	0.3394578	-	0.1069000	-	2001	-	2001
2001	2,936,773	-	2,936,773	-	0.5785400	-	-	0.3207560	-	0.1046000	-	2002	-	2002
2002	2,936,773	6,408,000	2,936,773	-	0.5785400	-	-	0.3207560	-	0.1046000	-	2003	-	2003
2003	2,936,773	9,812,250	9,173,820	6,237,047	0.5785400	35,181.72	19,505.56	6,237,047	0.3207560	0.1046000	6,360.85	2004	61,048.13	2004
2004	9,173,820	10,671,100	18,986,070	16,049,297	0.5785400	90,530.32	50,192.11	16,049,297	0.3207560	0.1046000	16,367.88	2005	157,090.30	2005
2005	18,986,070	5,424,550	29,657,170	26,720,397	0.5785400	150,723.48	83,564.60	26,720,397	0.3207560	0.1046000	27,250.80	2006	261,538.88	2006
2006	9,173,820	9,825,600	35,081,720	32,144,947	0.5785400	181,322.09	100,529.18	32,144,947	0.3207560	0.1046000	32,783.02	2007	314,034.30	2007
2007	35,081,720	9,901,250	44,623,948	41,687,175	0.5785400	235,147.56	130,371.26	41,687,175	0.3207560	0.1046000	42,514.67	2008	408,033.48	2008
2008	44,623,948	13,884,000	54,525,198	51,588,425	0.5785400	290,998.18	161,336.14	51,588,425	0.3207560	0.1046000	52,612.46	2009	504,946.78	2009
2009	54,525,198	11,894,850	68,409,198	65,472,425	0.5785400	369,314.56	204,756.56	65,472,425	0.3207560	0.1046000	66,772.05	2010	640,843.18	2010
2010	68,409,198	10,964,800	80,304,048	77,367,275	0.5785400	436,410.62	241,956.17	77,367,275	0.3207560	0.1046000	78,903.02	2011	757,269.80	2011
2011	80,304,048	15,744,100	91,268,848	88,332,075	0.5785400	498,260.48	276,247.17	88,332,075	0.3207560	0.1046000	90,085.47	2012	864,593.11	2012
2012	91,268,848	12,148,500	107,012,948	104,076,175	0.5785400	587,069.25	325,484.81	104,076,175	0.3207560	0.1046000	106,142.09	2013	1,018,696.14	2013
2013	107,012,948	12,139,600	119,161,448	116,224,675	0.5785400	655,596.08	363,477.68	116,224,675	0.3207560	0.1046000	118,531.73	2014	1,137,605.49	2014
2014	119,161,448	11,961,600	131,301,048	128,364,275	0.5785400	724,072.71	401,442.71	128,364,275	0.3207560	0.1046000	130,912.31	2015	1,256,427.73	2015
2015	131,301,048	15,272,400	143,262,648	140,325,875	0.5785400	791,545.28	438,851.07	140,325,875	0.3207560	0.1046000	143,111.34	2016	1,373,507.70	2016
2016	143,262,648	7,262,400	158,535,048	155,598,275	0.5785400	877,693.30	486,613.53	155,598,275	0.3207560	0.1046000	158,686.90	2017	1,522,993.74	2017
2017	158,535,048	-	165,562,248	162,625,475	0.5785400	917,332.09	508,590.19	162,625,475	0.3207560	0.1046000	165,853.59	2018	1,591,775.87	2018
2018	165,562,248	-	165,562,248	162,625,475	0.5785400	917,332.09	508,590.19	162,625,475	0.3207560	0.1046000	165,853.59	2019	1,591,775.87	2019
2019	165,562,248	-	165,562,248	162,625,475	0.5785400	917,332.09	508,590.19	162,625,475	0.3207560	0.1046000	165,853.59	2020	1,591,775.87	2020
2020	165,562,248	-	165,562,248	162,625,475	0.5785400	917,332.09	508,590.19	162,625,475	0.3207560	0.1046000	165,853.59	2021	1,591,775.87	2021
2021	165,562,248	-	165,562,248	162,625,475	0.5785400	917,332.09	508,590.19	162,625,475	0.3207560	0.1046000	165,853.59	2022	1,591,775.87	2022
2022	165,562,248	-	165,562,248	162,625,475	0.5785400	917,332.09	508,590.19	162,625,475	0.3207560	0.1046000	165,853.59	2023	1,591,775.87	2023
2023	165,562,248	-	165,562,248	162,625,475	0.5785400	917,332.09	508,590.19	162,625,475	0.3207560	0.1046000	165,853.59	2024	1,591,775.87	2024
2024	165,562,248	-	165,562,248	162,625,475	0.5785400	917,332.09	508,590.19	162,625,475	0.3207560	0.1046000	165,853.59	2025	1,591,775.87	2025
2025	165,562,248	-	165,562,248	162,625,475	0.5785400	917,332.09	508,590.19	162,625,475	0.3207560	0.1046000	165,853.59	2026	1,591,775.87	2026
2026	165,562,248	-	165,562,248	162,625,475	0.5785400	917,332.09	508,590.19	162,625,475	0.3207560	0.1046000	165,853.59	2027	1,591,775.87	2027
2027	165,562,248	-	165,562,248	162,625,475	0.5785400	917,332.09	508,590.19	162,625,475	0.3207560	0.1046000	165,853.59	2028	1,591,775.87	2028
Existing Annual Value Growth Factors													\$ 24,605,211.61	
Years 2000-2003 Thereafter Combined Compound Growth Rate													Participation Level	100%
Participation Level													Tax Rate Growth Factor	0.00%
Tax Rate Growth Factor													Tax Rate Collection Factor	97.50%
Tax Rate Collection Factor													Participation Level	100%
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North East Crossing - 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
2001	-	-	-	-	-	-
2002	-	-	12,387	30,000	-	(42,387)
2003	-	-	59,458	10,000	(2,323)	(114,168)
2004	61,048	61,048	59,458	10,000	(6,256)	(128,834)
2005	157,090	218,138	59,458	10,000	(7,060)	(48,262)
2006	261,539	479,677	59,458	10,000	(2,645)	141,174
2007	314,634	794,312	324,458	10,000	-	121,350
2008	408,033	1,202,345	402,936	10,000	-	116,448
2009	504,947	1,707,292	503,683	10,000	-	107,712
2010	640,843	2,348,135	602,716	10,000	-	135,838
2011	757,270	3,105,405	754,521	10,000	-	128,587
2012	864,593	3,969,998	855,228	10,000	-	127,953
2013	1,018,696	4,988,694	936,480	10,000	-	200,169
2014	1,137,605	6,126,300	1,015,321	10,000	-	312,453
2015	1,256,428	7,382,727	1,274,534	10,000	-	284,347
2016	1,373,508	8,756,235	1,419,489	10,000	-	228,365
2017	1,522,994	10,279,229	1,464,833	10,000	-	276,526
2018	1,591,776	11,871,005	1,524,554	10,000	-	333,747
2019	1,591,776	13,462,781	1,582,577	10,000	-	332,947
2020	1,591,776	15,054,556	1,587,681	10,000	-	327,042
2021	1,591,776	16,646,332	1,598,442	10,000	-	310,375
2022	1,591,776	18,238,108	1,610,367	10,000	-	281,784
2023	1,591,776	19,829,884	1,623,182	10,000	-	240,378
2024	1,591,776	21,421,660	1,640,614	10,000	-	181,540
2025	1,591,776	23,013,436	1,660,168	10,000	-	103,148
2026	1,591,776	24,605,212	1,683,461	10,000	-	1,463
2027						
2028						
	\$ 24,605,211.61		\$ 24,315,464.28	\$ 270,000.00	\$ (18,284.08)	\$ 1,463.25

**North East Crossing - TIF Reinvestment Zone Combined
 Participation**

Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Project	TIF Revenues	TIF Expenses
San Antonio	0.5785400	100%	0.5785400	57.63%	\$ 14,179,854.41	\$ 18,281,317.23
Bexar County	0.3207560	100%	0.3207560	31.95%	\$ 7,861,640.30	\$ 10,135,586.46
Alamo Community College District	0.1046000	100%	0.1046000	10.42%	\$ 2,563,716.89	\$ 3,305,261.14
TOTAL	1.0038960		1.0038960	100.00%	\$ 24,605,211.61	\$ 31,722,164.83

North East Crossing - TIF Reinvestment Zone
 Projected New Value of Tax Increment

Tax Year	Units 1 & 2 2002	Unit 3 2003	Unit 4 2004	Unit 5 2005	Unit 6 2006	Unit 7 2007	Unit 8 2008	Unit 9 2009	Unit 10 2010	Unit 11 2011	Unit 12 2012	Unit 13 2013	Unit 14 2014	Unit 15 2015	Unit 16 2016	Total
2000																\$ -
2001																\$ -
2002	6,408,000															\$ 6,408,000
2003		9,812,250														\$ 9,812,250
2004			10,671,100													\$ 10,671,100
2005				5,424,550												\$ 5,424,550
2006					9,825,600											\$ 9,825,600
2007						9,901,250										\$ 9,901,250
2008							13,884,000									\$ 13,884,000
2009								11,894,850								\$ 11,894,850
2010									10,964,800							\$ 10,964,800
2011										15,744,100						\$ 15,744,100
2012											12,148,500					\$ 12,148,500
2013												12,139,600				\$ 12,139,600
2014													11,961,600			\$ 11,961,600
2015														15,272,400		\$ 15,272,400
2016															7,262,400	\$ 7,262,400
2017																\$ -
2018																\$ -
2019																\$ -
2020																\$ -
2021																\$ -
2022																\$ -
2023																\$ -
2024																\$ -
2025																\$ -
2026																\$ -
	\$ 6,408,000	\$ 9,812,250	\$ 10,671,100	\$ 5,424,550	\$ 9,825,600	\$ 9,901,250	\$ 13,884,000	\$ 11,894,850	\$ 10,964,800	\$ 15,744,100	\$ 12,148,500	\$ 12,139,600	\$ 11,961,600	\$ 15,272,400	\$ 7,262,400	\$ 163,315,000

* Developer does not anticipate tax exemptions during the life the Zone based on the demographics of targeted homebuyers

Assumption:

- Commercial development not anticipated during the construction of single family units.

\$ -	* Commercial New Value
\$ 163,315,000	Residential New Value
\$ -	Multi-family New Value
\$ 163,315,000	Total New Value

North East Crossing - TIF Reinvestment Zone

Projected Uses of Tax Increment
 Construction Completed Cost

Tax Year	Units 1 & 2 2002	Collector st. Unit 3A 2002	Unit 3 2003	Unit 4 2004	Unit 5 2005	Unit 6 2006	Unit 7 2007	Unit 8 2008	Unit 9 2009	Unit 10 2010	Unit 11 2011	Unit 12 2012	Unit 13 2013	Unit 14 2014	Unit 15 2015	Unit 16 2016	Total
2001																	\$ -
2002	\$ 998,069	\$ 744,464															\$ 1,742,533
2003			\$ 1,444,400														\$ 1,444,400
2004				\$ 1,355,123													\$ 1,355,123
2005					\$ 681,881												\$ 681,881
2006						\$ 1,357,528											\$ 1,357,528
2007							\$ 1,623,358										\$ 1,623,358
2008								\$ 1,721,860									\$ 1,721,860
2009									\$ 1,443,045								\$ 1,443,045
2010										\$ 2,227,839							\$ 2,227,839
2011											\$ 1,968,532						\$ 1,968,532
2012												\$ 1,632,584					\$ 1,632,584
2013													\$ 1,461,904				\$ 1,461,904
2014														\$ 1,878,648			\$ 1,878,648
2015															\$ 2,553,487		\$ 2,553,487
2016																\$ 980,693	\$ 980,693
2017																	\$ -
2018																	\$ -
2019																	\$ -
2020																	\$ -
2021																	\$ -
2022																	\$ -
	\$ 998,069	\$ 744,464	\$ 1,444,400	\$ 1,355,123	\$ 681,881	\$ 1,357,528	\$ 1,623,358	\$ 1,721,860	\$ 1,443,045	\$ 2,227,839	\$ 1,968,532	\$ 1,632,584	\$ 1,461,904	\$ 1,878,648	\$ 2,553,487	\$ 980,693	\$ 24,073,416

Assumptions:
 - Construction costs apply to residential public improvements.

North East Crossing - TIF Reinvestment Zone
Projected Tax Increment Revenue

Principal and Interest Requirements

Date	Principal	Interest Rate	Interest	Semi-annual Debt Service	Annual Debt Service
03/01/01	-		-	-	-
09/01/01	-	5.48%	-	-	-
03/01/02	-		-	-	-
09/01/02	-	5.48%	12,387	12,387.08	12,387.08
03/01/03	-		29,729	29,729.00	
09/01/03	-	5.48%	29,729	29,729.00	59,458.00
03/01/04	-		29,729	29,729.00	
09/01/04	-	5.48%	29,729	29,729.00	59,458.00
03/01/05	-		29,729	29,729.00	
09/01/05	-	5.48%	29,729	29,729.00	59,458.00
03/01/06	-		29,729	29,729.00	
09/01/06	-	5.48%	29,729	29,729.00	59,458.00
03/01/07	-		29,729	29,729.00	
09/01/07	265,000	5.48%	29,729	294,729.00	324,458.00
03/01/08	-		22,468	22,468.00	
09/01/08	358,000	5.48%	22,468	380,468.00	402,936.00
03/01/09	-		59,842	59,841.60	
09/01/09	384,000	5.48%	59,842	443,841.60	503,683.20
03/01/10	-		88,858	88,858.20	
09/01/10	425,000	5.48%	88,858	513,858.20	602,716.40
03/01/11	-		138,260	138,260.40	
09/01/11	478,000	5.48%	138,260	616,260.40	754,520.80
03/01/12	-		179,114	179,113.80	
09/01/12	497,000	5.48%	179,114	676,113.80	855,227.60
03/01/13	-		210,240	210,240.20	
09/01/13	516,000	5.48%	210,240	726,240.20	936,480.40
03/01/14	-		236,161	236,160.60	
09/01/14	543,000	5.48%	236,161	779,160.60	1,015,321.20
03/01/15	-		272,767	272,767.00	
09/01/15	729,000	5.48%	272,767	1,001,767.00	1,274,534.00
03/01/16	-		322,745	322,744.60	
09/01/16	774,000	5.48%	322,745	1,096,744.60	1,419,489.20
03/01/17	-		328,416	328,416.40	
09/01/17	808,000	5.48%	328,416	1,136,416.40	1,464,832.80
03/01/18	-		306,277	306,277.20	
09/01/18	912,000	5.48%	306,277	1,218,277.20	1,524,554.40
03/01/19	-		281,288	281,288.40	
09/01/19	1,020,000	5.48%	281,288	1,301,288.40	1,582,576.80
03/01/20	-		253,340	253,340.40	
09/01/20	1,081,000	5.48%	253,340	1,334,340.40	1,587,680.80
03/01/21	-		223,721	223,721.00	
09/01/21	1,151,000	5.48%	223,721	1,374,721.00	1,598,442.00
03/01/22	-		192,184	192,183.60	
09/01/22	1,226,000	5.48%	192,184	1,418,183.60	1,610,367.20
03/01/23	-		158,591	158,591.20	
09/01/23	1,306,000	5.48%	158,591	1,464,591.20	1,623,182.40
03/01/24	-		122,807	122,806.80	
09/01/24	1,395,000	5.48%	122,807	1,517,806.80	1,640,613.60
03/01/25	-		84,584	84,583.80	
09/01/25	1,491,000	5.48%	84,584	1,575,583.80	1,660,167.60
03/01/26	-		43,730	43,730.40	
09/01/26	1,596,000	5.48%	43,730	1,639,730.40	1,683,460.80
03/01/27	-				
09/01/27	-				
03/01/28	-				
	<u>16,955,000</u>		<u>7,360,464</u>	<u>24,315,464</u>	<u>24,315,464</u>

IV. ECONOMIC FEASIBILITY

IV. ECONOMIC FEASIBILITY – NORTH EAST CROSSING

Important to the success of this particular residential development is its ability to capture a share of the local and regional growth as well as effectively compete with comparable product on a number of attributes. Reviewing the components of a project's economic feasibility includes trends that effect short and long term demand for this product. Economic and market factors reviewed include demographic and housing data, including existing housing conditions, sales, and new construction as well as population mobility. The scope of the analysis includes an analysis of these factors for the market area against the larger community. Data provided has been aggregated the census tract, submarket, and citywide level. Throughout most of its history, the San Antonio area has seen consistent expansion, based primarily on the natural growth of its population. However, in-migration became an increasingly important contributor of population growth during the 1970s and 1980s, as residents from the Midwest and Northeast moved to the area to capitalize on job opportunities. Growth peaked during the late 1970s and early 1980s, and then slowed beginning in 1986 and slow growth continued until 1992. Growth has been increasing since that time.

The city has historically exhibited an aggressive attitude toward annexation, which increased the population for the city. In 1995, San Antonio was ranked third most popular in-migration destination for Americans relocating to large cities of 300,000 or more.

Population trends for San Antonio, Bexar County and the Metropolitan Area are presented below.

Population Growth For
The San Antonio Area:
1970-2000

	4/70	4/80	12/90	12/95	1/00	Compound Project Net Change 1990-2000	Annual Growth Rate 1990-2000
San Antonio	654,153	786,023	941,700	1,092,300	1,144,646	202,946	1.97%
Bexar County	830,460	988,800	1,195,000	1,310,500	1,392,931	197,931	1.54%
Metropolitan Area	901,220	1,088,881	1,335,600	1,472,700	1,592,392	256,792	1.77%

Source: San Antonio
Chamber of Commerce;
U.S. Bureau of the Census

Since the 1970s, San Antonio's expansion has almost exclusively been to the north. The compound annual growth rate has remained stable for the City of San Antonio from 1.97% for the period of 1980 to 1990 to a current indicator of 1.97% as of 2000, which are the most recent figures available. The Bexar County compound growth rate decreased from 1.91% to 1.54% during the same time period reflecting the city's aggressive annexation policy.

As projected by the Texas State Data Center, the San Antonio MSA is expected to grow to 1,787,667 in 2005, 1,948,741 in 2010, 2,089,053 in 2015 and to 2,227,399 by 2020.

ECONOMIC FEASIBILITY – North East Crossing - continued

In February 2001, the City of San Antonio through J-Quad & Associates of Dallas, Texas, engaged the firm of SA Research Corporation to prepare a market analysis for the City's Housing Master Plan. Some of their findings are presented forthwith (*in italics*)

	<u>Annual Avg</u> 2001-2005	<u>Five-yr Total</u> 2001-2005
<i>New Households Added Annually</i>		
<i>City of San Antonio New Households</i>	10,158	50,790
<i>Single Family</i>	6,806	34,029

Demographics

Population and household data for this report obtained in February 2001 are estimates and projections prepared by CACI/National Decision Systems based on 1990 Census data as well as periodic and recent updates from the U.S. Bureau of the Census. Characteristics of the population and households are of keen interest in a housing market study to assist in estimating the parameters of both the demand and need for housing. However, the current estimates were prepared just prior to the release of 2000 Census data, and therefore should be considered as an approximate snapshot of the characteristics needed to describe San Antonio's population.

- *San Antonio is a city of 1,160,299 people as of January 1, 2001, of which 63.1% are of Hispanic origin and 6.5% are estimated to be Black. At the beginning of 2001, San Antonio included 82.2% of Bexar County population and 90.5% of the Hispanic population.*
- *Annual population growth in the 1990s in San Antonio was 2.3%, with household growth at 2.6% annually. San Antonio's growth rate has been higher than Bexar County due to aggressive annexation of growing subdivisions within the County.*
- *In the City of San Antonio, the number of households at the beginning of 2001 is estimated to be 412,297, with an average household income of \$44,991. Almost 134,000 households have incomes between \$15,000 and \$35,000, representing 32.5%.*
- *Median age of the population in the City increased from 29.8 to 32.1 years between 1990 and 2000, while the dependency factor of children and seniors has decreased from 43.1% to 42.9%.*
- *The percentage of population in the City under age 20 declined from 32.6% in 1990 to 32% in 2000 while the percentage of population over age 65 increased from 10.5% to 10.9%.*
- *San Antonio's Median Household Income for 1999 reported in 2000 was estimated to be \$33,966, up from \$23,584 in 1989, reported in the 1990 Census. This was less than 92% of the Bexar County Median.*
- *Almost 19% of households within the City of San Antonio had 1999 incomes less than \$15,000 annually, compared to 16.6% in Bexar County and 25.3% in the Inner City.*
- *There are an estimated 173,165 renter households in the City of San Antonio in 2000, up by 22,826 households from 1990, an average annual increase of 1.4%.*
- *Within the City of San Antonio, an estimated 51.5% of all households are small 1-2 persons, and 33.5 are medium 3-4 persons, while 57.4% of renter household are small and 29.5% are medium size. Overall, only 13% of San Antonio renter households are large with 5+ persons*
- *Although an estimated 58.2% of all San Antonio households are homeowners, 56.5% of Hispanic households and 47% of African-American households are homeowners.*
- *Population growth rate within the City of San Antonio was higher than the County because of an aggressive annexation policy, increasing by 224,366 (2.3% annually) since the 1990 Census, and is expected to add another 129,373 persons over the next five years.*
- *San Antonio added 85,536 households from 1990-2000 and is expected add another 50,790 households over the next 5 years. Annual household growth in the City from 1990-2000 was 2.4%, and is expected to be 2.5% over the next 5 years.*

ECONOMIC FEASIBILITY – North East Crossing - continued

Demand for Housing

Demand for housing in San Antonio is measured by the increase in the number of units sold or newly occupied (absorbed) by geographic location. The quantity of demand is driven by job growth and household growth within the region. Location of demand, especially demand for single family housing, is driven by place of employment, schools and money (household incomes & financing). From year 2001 to 2005, market demand is projected to exceed 36,500 units in Bexar County for all price ranges, an average of 7,318, 16% above the 1996-2000 average and reflecting a higher relative demand for single family over multi-family housing.

In recent years, financing has been the primary determinant of demand for multi-family housing. Annual demand for single family housing in San Antonio is being measured by the number of new homes sold by sector. The sector not only reflects the amount of demand but also the price level.

- *Characteristics of a geographic area determine its attractiveness to both homebuyers and lenders. Lenders are part of the demand equation because they are involved in acquisition of raw land, development of subdivisions, construction financing of homes, and mortgage financing.*
- *Since the market for new single family and the resale of existing single family housing is demand- driven, City housing policy can be more effective if it addresses demand.*
- *Overall demand for market rate single family housing in Bexar County has averaged 6,311 units annually over the past five years, with an overall demand of 7,134 in 2000.*
- *Within the City of San Antonio overall demand for single-family housing has averaged approximately 68% of demand in the county at 4,314. However, demand for single family housing in the City was lower in 2000, at 3,542, approximately 50% of the County total.*
- *The highest price level of demand within Bexar County over the last five years was for homes priced between \$100,000 and \$200,000 at a 45.2% share of total demand. Although a household with the median family income should be able to afford it, single-family homes priced under \$100,000 captured only a 39.5% share.*
- *SA Research Corporation estimates that 451 housing units have been sold in Bexar County using housing assistance programs since 1996, an average of 90 new homebuyers annually.*

NEW SINGLE FAMILY ABSORPTION BY PRICE RANGE IN BEXAR COUNTY: 1996-2000

Price Range	1996	1997	1998	1999	2000	Tot Abs		Percent
						1996-2000	1996-2000	
<u>of Total</u>								
Less than \$60,000	148	150	117	244	293	952	190	3.0%
\$60,000 to \$79,999	690	563	562	741	647	3203	641	10.2%
\$80,000 to \$99,999	1402	1515	1670	1922	1798	8307	1661	26.3%
\$100,000 to \$124,999	885	922	1103	1100	1093	5103	1021	16.2%
\$125,000 to \$199,999	1893	1817	1769	1781	1896	9156	1831	29.0%
\$200,000 and over	<u>685</u>	<u>711</u>	<u>975</u>	<u>1057</u>	<u>1407</u>	<u>4835</u>	<u>967</u>	<u>15.3%</u>
BEXAR COUNTY TOTAL	5703	5678	6196	6845	7134	31556	6311	100.0%
Numerical Change		-25	518	649	289			
Percent Change		-0.4%	9.1%	10.5%	4.2%			

Source: Surveys by SA Research Corporation.

ECONOMIC FEASIBILITY – North East Crossing - continued

The City of San Antonio has adopted a position to encourage the provision of safe, decent, comfortable, and affordable housing as a reality for all the citizens of San Antonio. The TIF provides a mechanism that promotes the city's housing goals by providing reimbursement to the developer for public improvements related to the construction of residential or commercial developments that meet delineated criteria as set forth in the application. It is hoped that utilization of a TIF would buy down costs for the developer encouraging development that might otherwise would not have happened given existing conditions.

The Northeast Crossing Tax Increment Reinvestment Zone (TIRZ) proposed development will take place on the south east side of San Antonio, outside Loop 410, south of Eisenhower Road and north of Gibbs Sprawl Road. This tract encompasses approximately a 444-acre tract of land, where the developer will build an estimated total of 1,500+ single-family units of which 25.9 acres will be developed for commercial uses. The estimated sales price per home is \$70,000 - \$100,000+ contingent on implementation of the TIRZ.

The surrounding area remains largely undeveloped. To the west is East Village and Park Village, while to the north is Camelot. These are established mature neighborhoods, with some areas having a high percentage of rental housing.

It is the expectation of the developer to provide long-term improvements to the area via the provision of quality affordable housing bringing to the community, increased property values, and an injection of new homeowners in the area. Secondary benefits are expected from a proposed 30.7-acre commercial component of the development providing local employment opportunities to area residents. It is expected that the creation of jobs within the area could also provide environmental benefits through the reduction of airborne pollution including ozone by reducing the commute to and from work. Proposed improvements include infrastructure improvements for water and sewer lines, streets and drainage, overhead electric, sidewalks, and approximately 95 acres of greenbelt areas.

ECONOMIC FEASIBILITY – North East Crossing - continued

MARKET AREA PROFILE

Population

	1990	2000	2005
TIRZ	11,241	11,234	Unknown
East	54,416	60,302	63,306
City	935,933	1,144,646	1,510,127

The city of San Antonio has been experiencing consistent growth in population of the past 30 years as well as a significant increase since 1990, and further, is projected to increase by another 24.2% by the year 2005. The east market area as designated by the SA Research Corporation has a projected population increase of 4.6% from 2001 to 2005, which is slightly down from the 9.8% experienced from 1990 to 2000. With the availability of new housing product in this market, this population projection should be more than the 9.8% experienced from 1990 to 2000.

Change in Population Percentages

	1990-2000	2001-2005
TIRZ	- 0 -	NA
East	9.8%	4.6%
City	18.2%	24.2%

The area for the proposed Northeast Crossing development has experienced no increase (11,246 in 1990 versus 11,234 in 2000), in part due to lack of available housing product. Recent investment in this area could promote an increase in population.

Age

	TIRZ	City
0-17 yrs	34%	28%
18 - 64 yrs	57%	62%
65+ yrs	9%	10%
Median Age	30.7 yrs	31.8 yrs

Figures indicate that more than half of the population is eligible members of an active workforce with income earning potential between the ages of 18 and 64 years of age. The table also indicates an increasing number of persons under the age of 17 years with approximately 9% of the population age 65 years or older.

Educational Attainment

	East	City
Less than 12 th grade	12%	26%
H.S. Graduate	88%	63%
Bachelor Degree	22%	14%
Graduate + Degree	8%	6%

The area surrounding the proposed development has a population where it is estimated greater than half of all adults have achieved at least some secondary education.

Median Household Income

	East	City
2000	\$33,900	\$46,200

Educational attainment is considered a direct factor in determining subsequent income potential. This is evidenced in the median household income for this area in 2000 being at \$33,900, which is less than the median income for the city of San Antonio for that same year. Typically, the lower the educational level, the lower the median income. As the existing housing stock is older, due to lack of available developable land, the median income is lower due to the age of the existing housing stock.

ECONOMIC FEASIBILITY – North East Crossing - continued

The number of households in the TIRZ area is approximately 4,070 with an average household size of 2.76. Of the 1,701 families in the market area 42% are married couples, which is less than the city's.

Current Housing Stock

Of the 35,032 single-family housing units located on the east side, 7,395 were built between 1960 and 1969, 8,415 were built between 1970 and 1979, 10,540 were built between 1980 and 1989 and 7,784 were built between 1990 and 2000.

According to resale activity obtained from the San Antonio Board of Realtors, sales for 2000 are reflected below. These figures reflect sales of existing housing stock. Figures indicate that there may be a demand for housing product in this location and price range as evidenced by the days on market.

YTD Sales Closed for Market Area

	Median Sales Price	Sales Price per sq ft	Less than \$59,999	\$60,000 to \$79,999	\$80,000 to \$99,999	\$100,000+
2000 YTD	\$ 75,217	\$49.32	383	483	347	312

According to the City of San Antonio, the following is new home production for the TIRZ. The lack of available vacant land for development is the reason for the low numbers when compared to the number of SFR built on the East as reflected previously.

1990 --2001 HOUSING PRODUCTION SUMMARY

<u>SUMMARY</u>	MOBILE	SINGLE	MULTI-	TOTAL
<u>TRACT</u>	HOMES	UNITS	UNITS	UNITS
1214.01	26	4	194	224

The proposed Northeast Crossing subdivision would be providing home prices estimated between \$70,000 and \$100,000+ and would slightly deviate from current market activity promoting the development of mixed income housing.

The primary reason for change of residence listed is job opportunity followed closely by the desire to establish own household. The remaining considerations can be related to improvements in personal finances and good general economic conditions.

ECONOMIC FEASIBILITY – North East Crossing - continued

Commercial Trends

Approximately 25.9 acres are designated for commercial development in the TIRZ. Within the TIRZ, no commercial building permits have been issued since 1990. Commercial development occurs after there is support for this type of development from surrounding developments. As there has not been land available for development in the TIRZ for close to twenty years, the lack of commercial activity is reflected. As more houses are developed, more commercial activity occurs. Although the mall at the edge of this TIRZ is losing tenants, this is not a case of lack of demand from the area residents, but that retail trends have shifted northward to Loop 1604 and IH 35 with the development of “Box” retail type stores. This is a national trend and is reflected by other developments in the City of San Antonio, such as The Quarry, Bandera Crossing, and a proposed development at the intersection of IH 35 and SW Military. Commercial demand can be gauged by the number of commercial permits issued over the past ten years in the City of San Antonio and compared to its population growth. Full statistics are not available, but from 1992 to 2000, 5,697 commercial building permits were issued or an average of 633 per year for this nine year period. During this same time period, San Antonio grew from 941,700 to 1,144,646, while Bexar County grew from 1,195,000 to 1,392,931. Thus for an average growth of 20,295 people for San Antonio, a commercial permit was issued for every 32 people. In Bexar County, a commercial permit was issued for every 31-person increase in population. The absorption of the commercial land will easily be accomplished. As the TIRZ is developed with 1,500 homes, in addition to adjacent growth, there will be a need for commercial growth for office, retail, convenience stores, day care centers, etcetera.

Mobility

Within the TIRZ and census tract 57% of the persons have resided in their homes for over 5 years. The 1995 American Housing Survey of the San Antonio Metropolitan Area cites the following as primary reasons for relocation and choice of residence.

Reasons for Leaving Previous Residence	
	% of Total Surveyed
New job or job transfer	19%
To establish own household	15%
Needed larger house	13%
Other, family/person related	10%
Wanted better home	10%
Change from renter to owner	7%
Other	33%

Respondents surveyed indicated the primary reason for selecting a particular neighborhood for their current residence is convenience to job. This is followed closely by proximity to support groups defined as friends and relatives. Quality of schools did not rank in the top 3 reasons. Convenience to leisure activities and public transportation was considered less important.

ECONOMIC FEASIBILITY – North East Crossing - continued

Choice of Present Neighborhood	TTL Surveyed
Convenient to job	25%
Convenient to friends/relatives	20%
Looks/design of neighborhood	19%
House was most important decision	18%
Good schools	10%
Convenient to leisure activities	4%
Convenient to public transportation	3%
Other	1%

This area is highly mobilized and active in matters concerning the community. There is abundant access to public transportation in the area as well a supportive school district. A new school site is proposed adjacent to the TIRZ.

Conclusion

There is significant demand for the proposed TIRZ, which has been well documented through multiple sources and analyses. This type of property has a significant absorption rate forecast, based upon lack of similar product and existing demand. There has been no land available for development within the market area for approximately 20 years. Thus the existing housing product is older, and because of lack of land available for development, single-family development has occurred outside the market area boundaries. This is reflected by the numerous single-family residential development. Among these subdivisions are Woodlake Gardens, Woodlake Highlands, Woodlake Park, Brentfield, Highland Farms, Northampton and Dover Fields among others. These subdivisions are farther away from employment centers and major highways than is the proposed subject TIRZ. These subdivisions have averaged over 550 closings annually over the last three years according to the American METRO/STUDY Corporation.

The subject has superior locational attributes, as it is located in closer proximity to employment centers and major highways, in addition to having new schools in the immediate area. Schools follow growth, which reflects the feasibility of the subject.

The SFR product price range is one of the highest capture rates in the City of San Antonio, which is 39.5%. Due to increased fees and developmental constraints, the housing product under \$100,000 is rapidly diminishing. Due to the long-term improvements proposed by the developer, not only will more affordable housing be introduced into the market area, but also the average home values will increase, along with educational levels and income levels. This growth of housing in the market area will spur the development of commercial zoned tracts for support services such as retail strip centers, day care centers, insurance offices, convenience stores, automobile service related facilities, office users etcetera.

In conclusion, the property as proposed is well situated, with superior locational attributes, and in an area that has been under served with single family housing and commercial development due to lack of available land for development. The project is economically feasible.

V. BOARD OF DIRECTORS

North East Crossing TIRZ Board Members

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