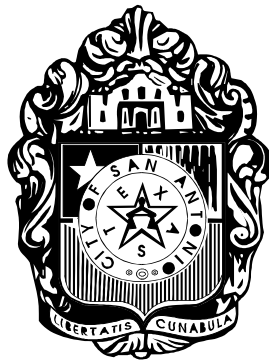


**AMENDED FINAL PROJECT PLAN  
FOR**

**REINVESTMENT ZONE NUMBER 6  
CITY OF SAN ANTONIO, TEXAS**

**“MISSION DEL LAGO”**



**City of San Antonio**

**Approved August 26, 1999  
Amended June 29, 2006**

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# I. EXECUTIVE SUMMARY

## MISSION DEL LAGO

### I. EXECUTIVE SUMMARY

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The City of San Antonio's Tax Increment Reinvestment Zone Number Six ("TIRZ" or "Zone"), known as the Mission del Lago project, was designated on August 19, 1999 to help facilitate the construction of 3,200 single family homes on approximately 812 acres. The development originally proposed the construction of 3,200 single-family homes with an average sale price of \$114,000, and range in size from 1,300 to over 1,500 square feet, with lot sizes of approximately 5,960 square feet. The amended plan proposes the construction of 2,734 single-family homes, 280 multi-family homes, and 287,600 square feet of retail, office and commercial space.

The Mission del Lago development is located south of Loop 410 along US Highway 281, adjacent to Mitchell Lake and surrounds the Mission del Lago Municipal Golf Course. The developer of the property is Mission del Lago, Ltd., comprised of Virginia Rogers, Mid-OHIO Securities, Jerry Mattox, and James Mattox, who is requesting the City of San Antonio, along with other taxing entities to participate in the TIRZ.

The proposed cost of the public improvements for Mission del Lago is estimated at \$75,912,316 which includes an interest cost of 4.54%. The proposed cost for administrative expenses is \$565,384, for a grand total of \$76,477,700. The proposed public improvements and related expenses for this project include: streets and approaches, sidewalks, drainage, water, sewer, utilities, street lights, on-site sewer outfall, Del Lago Parkway, gas, platting fees, drainage fees, sewer impact fees, engineering/survey fees, park improvements, contingency, project management, landscaping right-of-ways, land and developer formation legal costs. The financing for this project has been arranged through First State Bank of Central Texas by Mission del Lago, Ltd. for the first phase of infrastructure and site improvements.

Participation from the City of San Antonio, Bexar County, South Side Independent School District, University Health System, and Alamo Community College District is being requested. The Board of Directors for Mission del Lago Tax Increment Reinvestment Zone No. 6 met on Tuesday, August 24, 1999, and approved the final project and financing plans. On May 3, 2006 the TIRZ Board met and approved the amended Final Project and Finance Plan. Further the Board met on June 20, 2006 to approve other amendments to the Project and Finance Plans.

In summary, the proposed Mission del Lago TIRZ will enable the developer to construct 2,734 single-family homes, 280 multi-family homes, and 287,600 square feet of retail, office and commercial space. Additionally, the TIRZ will enhance the quality of life for the residents of the neighborhood, and the City will gain a self-sustaining, mixed-use neighborhood in the spirit of the Southside Initiative.

## II. PROJECT PLAN

### A. Overview

The Mission del Lago TIRZ will provide the financing needed to develop infrastructure necessary to facilitate the construction of 2,734 single-family homes, 280 multi-family homes, and 287,600 square feet of retail, office and commercial space. This development will help to increase area population, provide additional housing and encourage economic development.

The Project Plan and the Financing Plan provide for the funding of: streets and approaches, sidewalks, drainage, water, sewer, utilities, street lights, on-site sewer outfall, Del Lago Parkway, gas, platting fees, drainage fees, sewer impact fees, , engineering/survey fees, park improvements, contingency, project management, landscaping right-of-ways, land and developer formation legal costs. The majority of the 812 acre tract will be developed for single family residential uses. The primary use on the west side of the golf course is single-family housing. Single-family development also is proposed for the northeastern and southeastern corners of the zone. The houses in the zone will have an average sales price of \$114,000. Houses will range from 1,300 to 1,500 square feet for the homes priced in the mid to upper \$80s. Lot sizes will average about 6,000 square feet. A neighborhood center will be located north of the intersection of Mission Grande and US Highway 281. The design and layout of the neighborhood center should be directly related in design and layout to the neighborhood. The development of the center should not cater to traffic on US Highway 281 and should not feature a standard suburban highway-type development. The City's Master Plan calls for the definition and promotion of neighborhood centers that include schools, libraries, stores, transit centers, and community service facilities in accessible, pedestrian friendly environments (Urban Design: Policy 1a). The neighborhood center proposed for this TIRZ project includes a school site. If residential development creates the necessary demand, a second school site is proposed near the southwestern corner of the development. More defined site layouts will be determined as Plats are being submitted for future phases of development. Under current UDC provisions, the POADP for this project shall expire on September 25, 2007. In order to facilitate the project development, the Development Agreement extends the term of the Mission del Lago POADP to September 25, 2009. In accordance with current UDC requirements, in order for the POADP to extend past that date, by that date at least 50% of the developable land in the POADP must be platted, or the POADP expires on that date. This event will require the submission of a Master Development Plan under the development rules and regulations of the City as of that date.

Landscaping to enhance the pedestrian walks from adjacent residential areas to the commercial areas is encouraged. In keeping with the City's Master Plan, the proposed project will provide pedestrian linkages between any proposed park facilities and the hike/bike trails to area schools, institutions and neighborhoods (Urban Design: Policy

3b). The planning and design of the adjacent uses must complement the public property, the public's use of the park.

The area directly adjacent to US Highway 281 will be developed for multi-family, office, retail and other commercial services. Townhouses and/or single-family residences are proposed for the parcels located between the eastern border of the golf course and the proposed collector road. An 18 acre school site including a 750 student elementary school with athletic fields to be used by the public will be located at the corner of the proposed collector road and Del Lago Parkway.

In coordination with SAWS, environmental buffers, conservation easements or protection zones will be developed between Mitchell Lake (the western boundary of the TIRZ) and the proposed residential development. These buffers or zones will help to protect existing natural resources. The Master Plan encourages the conservation and protection of open space areas (Urban Design: Policy 3a).

The Major Thoroughfare Plan calls for the extension of the East-West Parkway near the northern boundary of the site; and the Kelly Parkway just south of the site. Both parkways will give greater access to the Zone, the new Toyota plant, and the proposed Texas A&M University Campus. In order to be eligible for TIRZ funding, the streets will need to be developed as public streets

The use of the TIRZ will enable the developer to create an attractive residential subdivision to encourage San Antonians to relocate to the south side. Without the TIRZ, the development would not be financially feasible.

## **B. Boundaries**

The TIRZ is located about 7 miles south of downtown San Antonio and about 1.3 miles south of Loop 410. The TIRZ is roughly bound by the San Antonio City Limit to the south, US Highway 281 to the east, northern parcel boundary of P-41 of NCB 11166 to the north, and Mitchell Lake to the west. An internal boundary is created by an existing municipal golf course. The location of the zone is shown in Exhibit A: Vicinity/School Districts Map. The boundaries of the zone are shown in Exhibit B: Boundary/Floodplain Map.

## **C. Land Use and Existing Conditions**

### *Area Land Use*

The primary land use south of the zone is agricultural. The land uses east of the zone include agricultural, single family residential, commercial and vacant properties. The primary land use north of the zone is agricultural. The western boundary of the zone is Mitchell Lake (see Exhibit C: Existing Land Use). The new A&M campus is proposed to be located immediately adjacent north of the Zone's boundary.

According to the 1990 Census, the median housing value for the census tract where the zone is located is \$26,400. The 1990 citywide median housing value is \$49,700. About

77 percent of the housing in the tract is owner-occupied compared to 54 percent for the city as a whole.

***Current Site Conditions***

The Mission del Lago Golf Course is located in the middle of the Zone. The zone includes about 812 acres of property, currently including 214 single-family home sites, and a 280 Unit multifamily complex. Access to the property is provided from US Highway 281. US Highway 281 is identified as a Primary Arterial Type A in the Major Thoroughfare Plan.

The development of the property will require utilities (gas and electricity), streets, street lighting, water, sewer, pedestrian malls and walkways, hike/bike trails, recreational facilities, drainage, monuments, educational facilities and parking facilities.

A portion of the property near Mitchell Lake is located within the 100 year FEMA floodplain (see Exhibit B: Boundary/Floodplain Map). Permanent development is not contemplated within the identified 100 year FEMA floodplain.

***Current Economic Conditions***

The TIRZ is located in Census Tract 1519. The population for this census tract increased slightly between the 1980 Census (2,598) and the 1990 Census (2,845). According to population estimates developed by Claritas Corporation, the tract is projected to have a 1998 population of 3,511 persons. This figure represents a 23.4 percent growth over the 1990 Census figure. In comparison, Claritas projected a 25 percent increase in population for the entire city of San Antonio.

According to Claritas data, the 1998 median household income in the Census tract is \$23,500 compared to a 1998 citywide median household income of \$30,585.

A breakdown of the 1998 population, based on projections provided by Claritas, follows:

	<b>Census Tract 1519</b>	<b>Citywide</b>
Ethnicity	% of 1998 Population	% of 1998 Population
<i>Anglo</i>	6%	30%
<i>Black</i>	1%	6%
<i>Hispanic</i>	92%	62%
<i>Other</i>	1%	2%

The eastern boundary of the zone is US Highway 281, which serves as a major transportation artery in the area. The property is located a little more than a mile south of

Loop 410. The zone is located near Brooks City Base and has easy access to downtown San Antonio.

## **D. Project Plan Objective**

The objective of the plan is to develop 812 acres of land into 2,734 single-family homes, 280 multi-family homes, and 287,600 square feet of retail, office and commercial space. This development will help to increase area population, provide additional housing and encourage economic development. The use of the TIRZ will enable the developer to create an attractive residential subdivision to encourage San Antonians to relocate to the south side. Without the creation of the TIRZ, the development would not be financially feasible.

## **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 all developments within the City of San Antonio, this TIRZ shall comply with current and future local codes and ordinances.

The property currently is zoned for the development of Single-family Residence District, Multiple-family Residence District, and Business Districts. Rezoning of portions of the TIRZ may be necessary in order for the districts to conform to the proposed land use pattern.

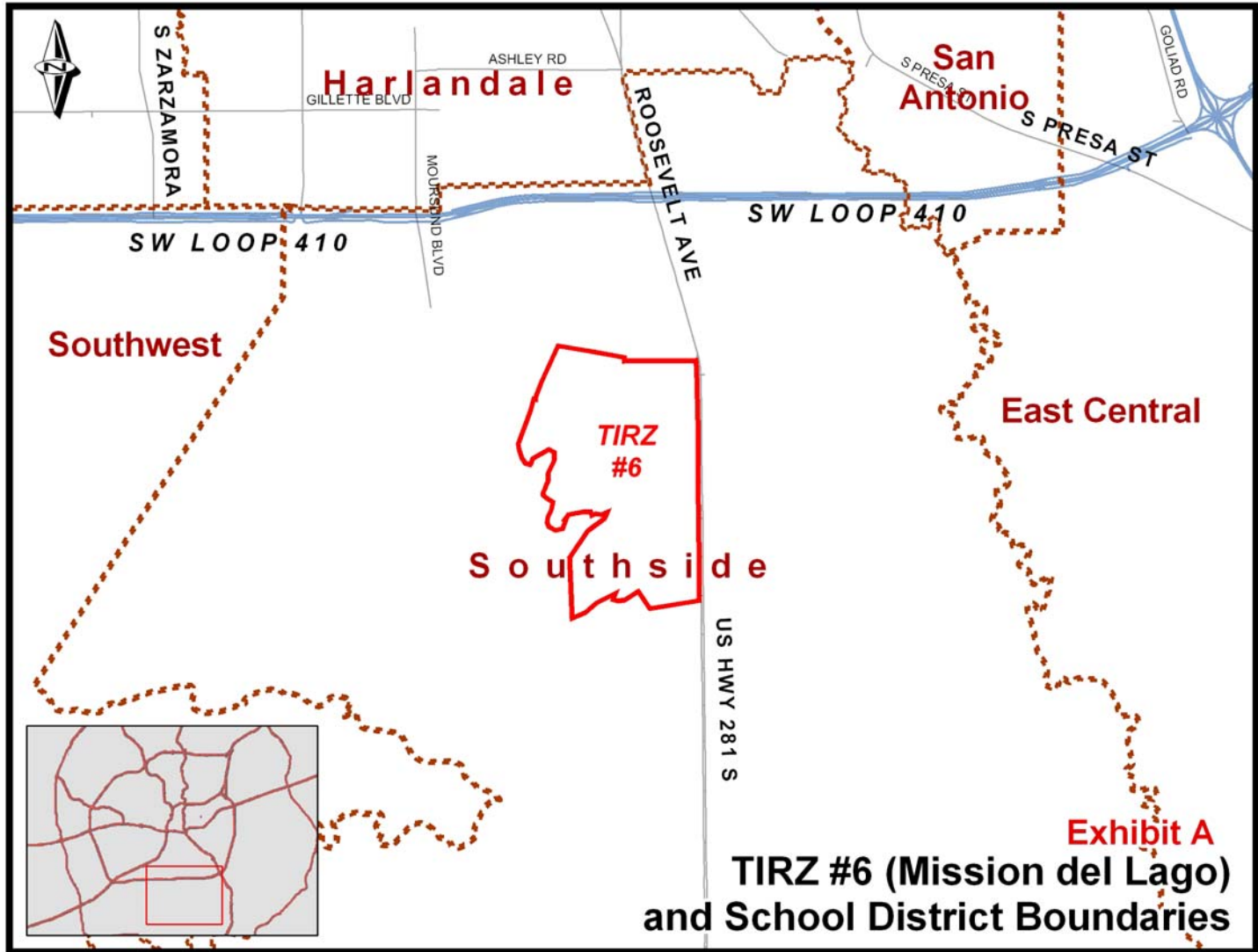
The City of San Antonio adopted a Universal Design Policy (Ord. No. 95641) on April 18, 2002, requiring that any person receiving financial assistance from city, state, or federal funds administered by the City of San Antonio for the construction of new single family homes, duplexes, or triplexes, shall construct the units in accordance with specific features including entrance with no steps, wider doorways (2' 8"), lever door handles, lever controls on kitchen and lavatory faucets, and light switches and electrical receptacles within reachable height. The Mission del Lago project is required to comply with the Universal Design Policy and all City Codes, regulations and ordinances . If the project fails to comply with the Universal Design Policy and/or all City Codes, regulations, and ordinances, the City will terminate the zone.

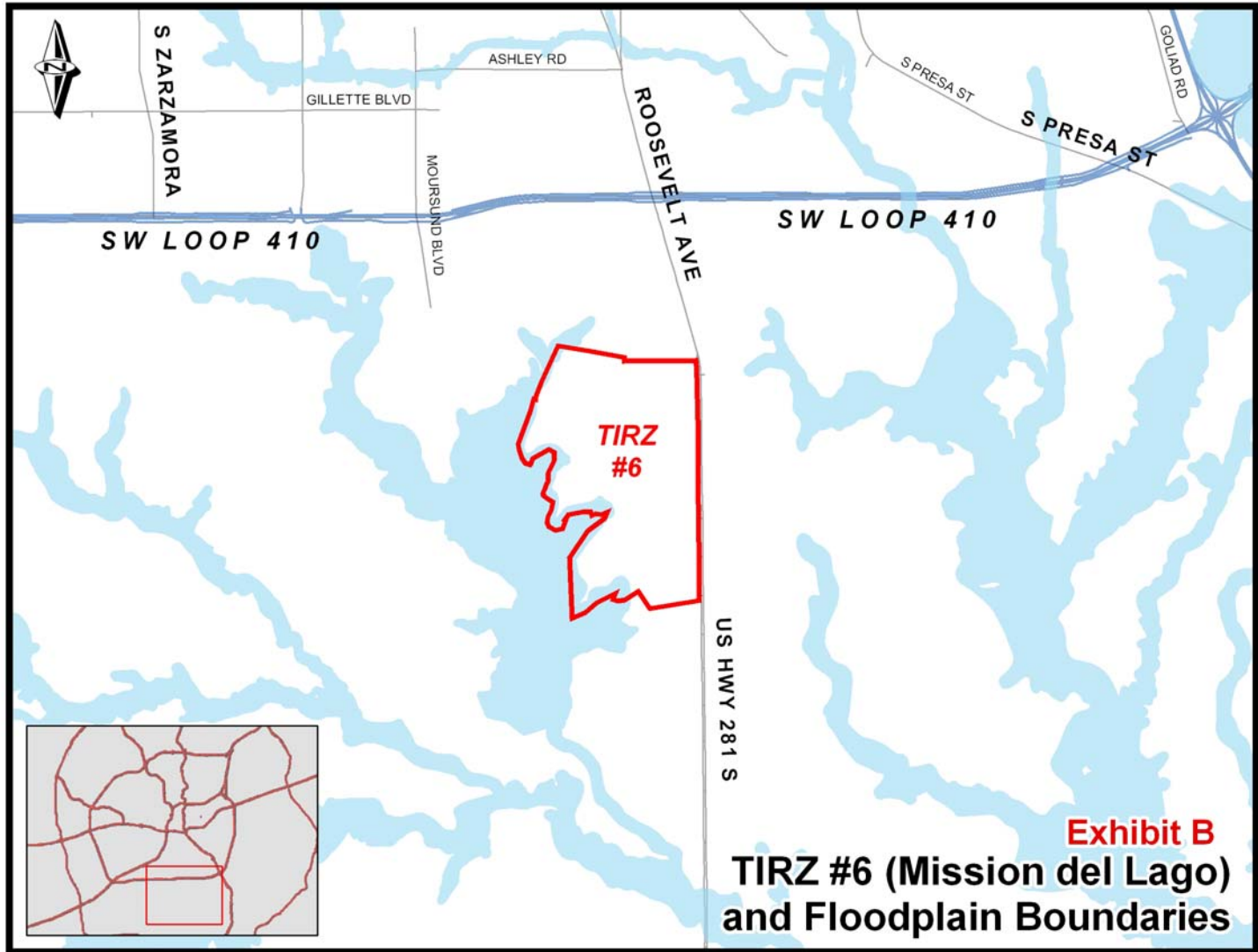
## **G. Non-Project Costs**

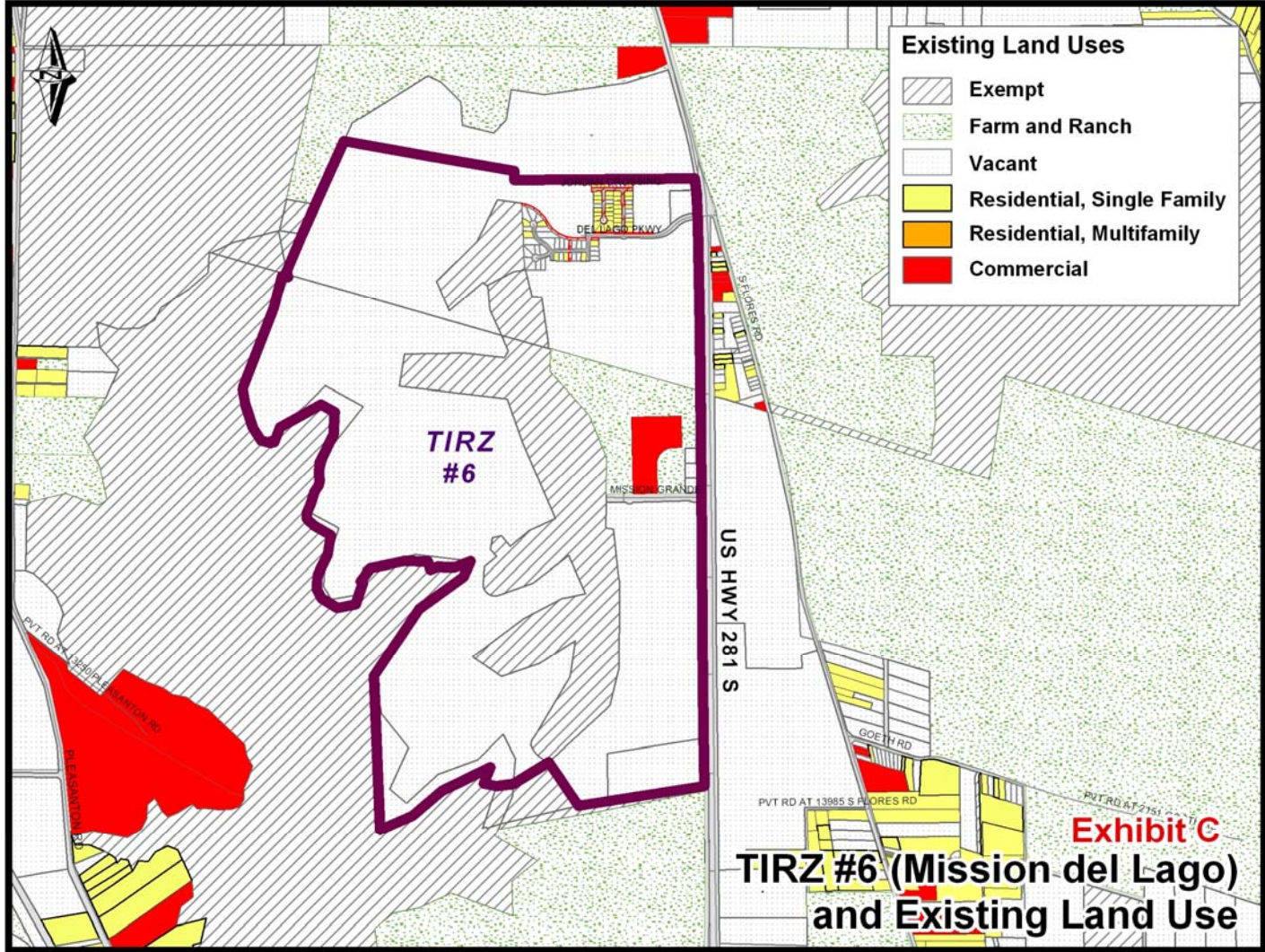
There are no non-project costs projected.

## **H. Exhibits**











### **III. ECONOMIC FEASIBILITY**

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 by census tract and Bexar County as the development is in a largely rural area.

A housing market study for San Antonio was conducted in 1995 and issued by the U.S. Department of Housing and Urban Development and the U.S. Department of Commerce entitled, American Housing Survey for the San Antonio Metropolitan Area. The study presents a collection of information that profiles the housing conditions for the City. According to the study, the median housing value for owner occupied units is approx. \$62,577. Median unit size is 1,593 sq. ft. with six (6) rooms, three (3) bedrooms/two (2) baths. Monthly housing costs, including all mortgages plus maintenance costs, are estimated to be \$502, roughly 20% of current household income.

The City of San Antonio has adopted a position to encourage the provision of safe, decent, comfortable affordable and market rate housing as a reality for all the citizens of San Antonio. The TIF provides a mechanism that promotes the city's housing goals by 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 not have happened given existing conditions.

The Mission Del Lago Tax Increment Reinvestment Zone (TIRZ) proposed development will take place on the south central side of San Antonio, outside Loop 410 and just west of Roosevelt Highway (State Highway 281) encompassing roughly a 812 acre tract of land, where the developer will build 2,734 single-family homes, 280 multi-family homes, and 287,600 square feet of retail, office and commercial space. The average sales price per home is \$114,000 contingent on implementation of the TIRZ.

The area surrounding the development is almost completely undeveloped. The primary property uses in the area are for auto reuse facilities. The project borders the western edge of Mitchell Lake, an international migratory flyway.

It is the expectation of the developer to provide long-term improvements to the area via the provision of quality market rate housing bringing to the community, increased property values, and an injection of new homeowners in the area. Secondary benefits include the addition of approximately 4,100 new students for the Southside ISD. The addition of these students will generate an additional \$38,000,000 annually in state ADA funds to the district. The district spends approximately 92% of its budget on operating expenses with the majority of these funds being spent on salaries.

The City of San Antonio and Bexar County have been experiencing consistent growth in population of the past 30 years as well as a significant increase since 1980, and further, is projected to increase by another 10% by the year 2007.

**MARKET AREA PROFILE**

	1990	2000	2007
TIRZ	2,845	3,059	3,365
County	1,185,394	1,392,931	1,532,224

The area for the proposed Mission Del Lago development has experienced very little growth in population over the last ten years, due in part due to the lack of available housing product. The rate of growth for Census tract 1519 was less than half of the county growth rate. Recent investment in this area could promote an increase in population.

**Change in Population**

	1190-2000	2000-2007
TIRZ	7.52%	10%
County	17.5%	10%

Figures indicate that 54.95% of the population, between the ages of 19 and 66 years of age, are eligible members of an active workforce with income earning potential. The table also indicates a dramatic increase in the number of persons under the age of 19 years with only 7.75% of the population age 66 years or older.

**Age**

	1990	2000
0-18	40.3%	37.3%
19-66	52.25%	54.95%
66+	7.45%	7.75%
Median Age	23.6%	30.1%

The area surrounding the proposed development has a population where more than half of all adults have not finished or completed a 12<sup>th</sup> grade education.

**Educational Attainment**

	TIRZ	County
Less than 12 <sup>th</sup> Grade	50.98%	23.07%
H.S. Graduate	28.53%	24.30%
Some College	12.81%	29.96%
Bachelor Degree	2.26%	14.33%
Graduate + Degree	1%	8.33%

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 \$25,301, which is 33% below the median income for Bexar County for that same year. As a percent of average household income, 20% is typical dedicated to mortgages and related expenses. This would result in the average homebuyer in this area being able to afford \$422 a month to be dedicated to housing.

**Median Household Income**

	TIRZ	County
2000	\$25,301	\$38,328

The number of families in the TIRZ area is approximately 715 with an average household size of 3.96. Approximately 33.8% of the persons living in the TIRZ development area were at or below poverty level in 1999.

**Current Housing Stock**

The average age of the housing stock in the area is approximately 29 years old and valued at \$32,500. These figures reflect median values for owner occupied units. The combined rental and vacant units comprise 25.89% of the area’s housing. Most of the area’s vacant units appear to be substandard, as they are not listed for sale or rent.

<b>YTD Sales Closed for Market Area</b>						
	Average Sales Price	Sales Price per Sq. Ft.	New Listings	Active Listings	Pending Sales	Days on Market
2003	\$56,864	\$35.06	0	2	1	72
2004 YTD	None	None	2	2		

According to resale activity obtained from the San Antonio Board of Realtors, there were 12 sales in the market area with an average sales price of \$56,864. Active listings as well as asking sales price per square foot have declined slightly. 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.

The proposed Mission Del Lago subdivision would be providing home prices with an average of \$114,000 and would deviate from current market activity promoting the development of mixed income housing.

**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%

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%

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.

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.

City services within the market area include the Mission Del Lago municipal golf course and Villa Coronado Park; there are no homeowners associations active within the market area. Southside ISD will begin construction a new elementary school contiguous to both the recently developed single-family units as well as the multi-family project under construction.

## IV. BOARD OF DIRECTORS

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