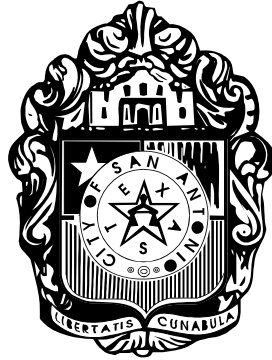


CITY OF SAN ANTONIO, TEXAS



**Northeast Corridor
Tax Increment Reinvestment Zone
Number Thirty-three**

Participation Levels:

City (100%)

PRELIMINARY FINANCE PLAN

December 4, 2014

Northeast Corridor Tax Increment Reinvestment Zone #33 Preliminary Plan of Finance

Introduction

The Northeast Corridor Tax Increment Reinvestment Zone (TIRZ) consists of approximately 1,056 parcel acres located in City Council Districts 10 and 2. The boundary is generally along both sides of Perrin Beitel road north of Loop 410 to Thousand Oaks road then continues to the northeast along both sides of Nacogdoches to O'Conner road. The western portion of the boundary extends southwest from the intersection of Perrin Beitel and Naco-Perrin Boulevard along both sides of Naco-Perrin to approximately Wurzbach Parkway then heads to the northwest along the northern edge of Wurzbach Parkway to Wetmore road. At the intersection of Wurzbach and Wetmore, the boundary heads northeast along the southern edge of Wetmore to Thousand Oaks then follows the southern edge of Thousand Oaks back to Nacogdoches road.

The tax year 2014 base taxable value is \$227,972,561. The projected captured value for tax year 2033 is \$83,332,878 net of exemptions. The project anticipates the construction of the SkyMine that will add value to the TIRZ, however, this property may be eligible for partial or total exemption from ad valorem taxation due to use. The term of the zone is projected to be approximately 20 years with the TIRZ being in existence through fiscal year 2034.

Public Infrastructure

This TIRZ can reimburse public infrastructure costs.

Plan of Finance

The tax year 2014 year-end market value of the Northeast Corridor TIRZ is \$255,137,464. Projected captured values that would produce revenues to pay for the capital costs of the public infrastructure improvements commence in tax year 2014. Projected captured values grow from \$15,247,160 in tax year 2014 to \$83,332,878 in tax year 2033.

At the time of the development of this preliminary finance plan, the City is the only participating taxing entity identified, with the City's tax rate per \$100 valuation at \$0.56569. This produces annual revenues of \$84,527 in fiscal year 2015 to \$461,978 in fiscal year 2034. A 1.05% growth in values is assumed based on analysis of historic and projected valuation growth.

The City and the TIRZ Board may use TIF funds to pay eligible expenditures in the following order of priority of payment:

1. To pay interest and principal should the City issue any debt instrument such as bonds, notes, certificates of obligation or other public debt to cover Project Costs directly or indirectly related to any non-City Public Infrastructure Improvements within the Zone;
2. To fully reimburse eligible startup Administrative Costs incurred by each Participating Taxing Entity;

3. To pay all ongoing Administrative Costs to the City for administering the TIF Fund and/or the Zone, except that if there are insufficient funds for the full reimbursement of ongoing Administrative Costs to the City, then the ongoing Administrative Costs to the City shall be reimbursed on a pro rata basis based on the level of participation in the Zone;
4. To reimburse the City for costs of the repair, replacement, or re-construction of Public Infrastructure and associated costs;
5. To reimburse the City under any reclaim of funds pursuant to any applicable development agreement; and
6. To reimburse developers for Public Improvements, as provided in the applicable Development Agreements and in the Project Plan to the extent that funds in the TIF Fund are available for this purpose.

TIRZ collections for this project shall not extend beyond September 30, 2034 and may be terminated earlier once the City has deposited its respective amount described in the table below or the amount approved in the Final Project and Final Finance Plans.

TABLE – TIRZ Contributions		
Participating Taxing Entities	Maximum Dollar Contribution	Maximum Length of Contribution
City of San Antonio	\$5,968,904	September 30, 2034

Limited Obligation of the City or Participating Governmental Entities

The City shall have a limited obligation to impose and collect taxes, and deposit such tax receipts into the Northeast Corridor TIRZ fund so long as the project is viable and capital costs incurred by the City and/or a developer (if any) have not been fully paid. The Northeast Corridor TIRZ collections for this project shall not extend beyond September 30, 2034, and may be terminated prior to September 30, 2034, upon payment of public improvement capital costs incurred by the City and/or a developer (if any), or for the failure of the TIRZ Project to perform as projected in the Final Project and Finance Plans. The City may elect to terminate the TIRZ if actual public infrastructure and commercial construction falls behind the projected construction schedule. Specifically, the City may terminate if at the end of the first three years, 50% or more of the public infrastructure construction projected for each of those years is not complete. Furthermore, any default of the terms contained in the Interlocal and/or Development Agreements that is not cured within the timeframe contained in the Interlocal and/or Development Agreements will also result in Northeast Corridor TIRZ termination.

Any costs incurred by a developer (if any) 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 a developer shall be paid solely from the Northeast Corridor 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.

The City’s participation rate and maximum contribution will be based on the overall impact to the City’s Operational Budget and Debt Plan (the final finance plan must not adversely impact the City’s ability to deliver services or its debt capacity).

City and/or Developers' Risk

All financing, developmental costs, construction costs, improvements, damages, or other costs incurred with respect to this project are at the sole risk of a developer (if any). The City in conjunction with TIRZ Board will determine the costs that can be supported with future TIRZ revenue associated with this TIRZ through the development of the Final Project and Finance Plans. All costs will be reimbursed solely through TIRZ revenue. The City shall minimize any risk whatsoever associated with the development, construction, completion or failure of the project. In the event that the project fails, is abandoned or for any reason is not completed, the City shall have the right to terminate the Northeast Corridor TIRZ and any funds remaining in the Northeast Corridor TIRZ account shall be distributed back to the City.

Compliance

The developer shall comply with all federal, state and local laws, rules and regulations including the 2014 TIF Program Policy.

Reporting

City and/or developers (if any) shall submit a project status report and financial report on a quarterly basis (January 15th, April 15th, July 15th and October 15th) to the City.

Inspection

The City shall have the right to inspect the project site or sites and the premises of the developer without notice.

**Northeast Corridor
Tax Increment Reinvestment Zone #33
Summary Fact Sheet**

Plan of Finance:

Site Area (parcel acres)		1,056
Beginning Market Value (Tax Year 2015)	\$	255,137,464.00

Developer:

City Initiated

Performance Bonds:

Per Texas Government Code Chapter 2253

Payment Bonds:

Per Texas Government Code Chapter 2253

Assumptions:

Captured Taxable Value (FY 2034)	\$	83,332,877.58
Growth Factor		1.05%
Collection Rate		98.00%
Estimated Total TIF Revenues	\$	5,968,903.54
Estimated TIF Life (12/4/2014 to 9/30/2034)		19.84 yrs.

Northeast Corridor
Tax Increment Reinvestment Zone #33
Sources and Uses

Sources of Funds		
	Total TIF Revenues	\$ 5,968,903.54
	TIF Fund Interest Earnings	-
Total Sources of Funds		<u>\$ 5,968,903.54</u>
Uses of Funds		
	Start-Up and Administrative Expenses	\$ 1,226,875.39
	Available for Infrastructure	4,742,028.15
Total Uses of Funds		<u>\$ 5,968,903.54</u>
Project Financing Surplus/(Shortage)		<u><u>\$ -</u></u>

**Northeast Corridor
Tax Increment Reinvestment Zone #33
Revenues**

Tax Year	Tax Increment Zone				City of San Antonio							Combined Tax Increments	Fiscal Year
	Beginning Market Value	New Values	Appraisal Growth	Year-End Market Value	Tax Exemptions ¹	Year-End Taxable Value	Total Base Taxable Value	Captured Taxable Value	Projected Tax Rate	Projected Tax Increment	Actual Tax Increment		
2014	240,533,276.00	10,121,250.00	4,482,938.00	255,137,464.00	(11,917,743.00)	243,219,721.00	227,972,561.00	15,247,160.00	0.56569	84,526.63	-	84,526.63	2015
2015	255,137,464.00	74,674,960.00	2,678,943.37	332,491,367.37	(74,542,879.30)	257,948,488.07	227,972,561.00	29,975,927.07	0.56569	166,179.41	-	166,179.41	2016
2016	332,491,367.37	62,500,000.00	3,491,159.36	398,482,526.73	(137,825,579.53)	260,656,947.20	227,972,561.00	32,684,386.20	0.56569	181,194.46	-	181,194.46	2017
2017	398,482,526.73	-	4,184,066.53	402,666,593.26	(139,272,748.12)	263,393,845.14	227,972,561.00	35,421,284.14	0.56569	196,367.17	-	196,367.17	2018
2018	402,666,593.26	-	4,227,999.23	406,894,592.49	(140,735,111.97)	266,159,480.51	227,972,561.00	38,186,919.51	0.56569	211,699.19	-	211,699.19	2019
2019	406,894,592.49	-	4,272,393.22	411,166,985.71	(142,212,830.65)	268,954,155.06	227,972,561.00	40,981,594.06	0.56569	227,192.20	-	227,192.20	2020
2020	411,166,985.71	-	4,317,253.35	415,484,239.06	(143,706,065.37)	271,778,173.69	227,972,561.00	43,805,612.69	0.56569	242,847.89	-	242,847.89	2021
2021	415,484,239.06	-	4,362,584.51	419,846,823.57	(145,214,979.06)	274,631,844.51	227,972,561.00	46,659,283.51	0.56569	258,667.96	-	258,667.96	2022
2022	419,846,823.57	-	4,408,391.65	424,255,215.22	(146,739,736.34)	277,515,478.88	227,972,561.00	49,542,917.88	0.56569	274,654.15	-	274,654.15	2023
2023	424,255,215.22	-	4,454,679.76	428,709,894.98	(148,280,503.57)	280,429,391.41	227,972,561.00	52,456,830.41	0.56569	290,808.18	-	290,808.18	2024
2024	428,709,894.98	-	4,501,453.90	433,211,348.88	(149,837,448.86)	283,373,900.02	227,972,561.00	55,401,339.02	0.56569	307,131.84	-	307,131.84	2025
2025	433,211,348.88	-	4,548,719.16	437,760,068.04	(151,410,742.07)	286,349,325.97	227,972,561.00	58,376,764.97	0.56569	323,626.89	-	323,626.89	2026
2026	437,760,068.04	-	4,596,480.71	442,356,548.75	(153,000,554.86)	289,355,993.89	227,972,561.00	61,383,432.89	0.56569	340,295.14	-	340,295.14	2027
2027	442,356,548.75	-	4,644,743.76	447,001,292.51	(154,607,060.69)	292,394,231.83	227,972,561.00	64,421,670.83	0.56569	357,138.41	-	357,138.41	2028
2028	447,001,292.51	-	4,693,513.57	451,694,806.09	(156,230,434.83)	295,464,371.26	227,972,561.00	67,491,810.26	0.56569	374,158.53	-	374,158.53	2029
2029	451,694,806.09	-	4,742,795.46	456,437,601.55	(157,870,854.39)	298,566,747.16	227,972,561.00	70,594,186.16	0.56569	391,357.37	-	391,357.37	2030
2030	456,437,601.55	-	4,792,594.82	461,230,196.37	(159,528,498.36)	301,701,698.00	227,972,561.00	73,729,137.00	0.56569	408,736.79	-	408,736.79	2031
2031	461,230,196.37	-	4,842,917.06	466,073,113.43	(161,203,547.60)	304,869,565.83	227,972,561.00	76,897,004.83	0.56569	426,298.69	-	426,298.69	2032
2032	466,073,113.43	-	4,893,767.69	470,966,881.12	(162,896,184.85)	308,070,696.27	227,972,561.00	80,098,135.27	0.56569	444,045.00	-	444,045.00	2033
2033	470,966,881.12	-	4,945,152.25	475,912,033.37	(164,606,594.79)	311,305,438.58	227,972,561.00	83,332,877.58	0.56569	461,977.64	-	461,977.64	2034
	\$ 147,296,210.00	\$ 88,082,547.37								\$ 5,968,903.54	\$ -	\$ 5,968,903.54	
	<u>Existing Value Growth Factors</u>												
	Base Model Growth Factor				1.00%	Participation Level					100%		
	Growth Factor Above Base				0.05%	Tax Rate Growth Factor					0.00%		
	Combined Growth Rate				1.05%	Tax Rate Collection Factor					98.00%		

¹ Property may be eligible for partial or total exemption from ad valorem taxation due to use. According to media reports, the SkyMine will be capturing pollution produced by the Zachry Cement Plant. The Texas Commission on Environmental Quality is responsible for determining whether a facility uses certain property, in whole or in part, for pollution control. If an application for use determination is approved, the property owner may then apply to the Bexar Appraisal District for a tax exemption. Assumes a 100% exemption for the SkyMine Project.

**Northeast Corridor
Tax Increment Reinvestment Zone #33
Reimbursements**

Tax Year	Actual	Projected	Cumulative TIF Revenue	TIF Fund Interest Rate	Actual	Projected	Actual Start-Up & Administrative Expenses ¹	Actual	Projected	Fiscal Year Cashflow Balance	Fiscal Year Fund Balance	Fiscal Year	
	TIF Revenue	Interest Earned in TIF Fund			Available for Infrastructure								
2014	-	84,526.63	84,526.63	0.2125%	-	-	(50,000.00)	-	34,526.63	-	-	2015	
2015	-	166,179.41	250,706.04	0.5875%	-	-	(33,235.88)	-	132,943.53	-	-	2016	
2016	-	181,194.46	431,900.50	1.6250%	-	-	(36,238.89)	-	144,955.57	-	-	2017	
2017	-	196,367.17	628,267.67	3.1250%	-	-	(39,273.43)	-	157,093.74	-	-	2018	
2018	-	211,699.19	839,966.86	3.5000%	-	-	(42,339.84)	-	169,359.35	-	-	2019	
2019	-	227,192.20	1,067,159.06	3.5000%	-	-	(45,438.44)	-	181,753.76	-	-	2020	
2020	-	242,847.89	1,310,006.95	3.5000%	-	-	(48,569.58)	-	194,278.31	-	-	2021	
2021	-	258,667.96	1,568,674.91	3.5000%	-	-	(51,733.59)	-	206,934.37	-	-	2022	
2022	-	274,654.15	1,843,329.06	3.5000%	-	-	(54,930.83)	-	219,723.32	-	-	2023	
2023	-	290,808.18	2,134,137.24	3.5000%	-	-	(58,161.64)	-	232,646.54	-	-	2024	
2024	-	307,131.84	2,441,269.08	3.5000%	-	-	(61,426.37)	-	245,705.47	-	-	2025	
2025	-	323,626.89	2,764,895.97	3.5000%	-	-	(64,725.38)	-	258,901.51	-	-	2026	
2026	-	340,295.14	3,105,191.11	3.5000%	-	-	(68,059.03)	-	272,236.11	-	-	2027	
2027	-	357,138.41	3,462,329.52	3.5000%	-	-	(71,427.68)	-	285,710.73	-	-	2028	
2028	-	374,158.53	3,836,488.05	3.5000%	-	-	(74,831.71)	-	299,326.82	-	-	2029	
2029	-	391,357.37	4,227,845.42	3.5000%	-	-	(78,271.47)	-	313,085.90	-	-	2030	
2030	-	408,736.79	4,636,582.21	3.5000%	-	-	(81,747.36)	-	326,989.43	-	-	2031	
2031	-	426,298.69	5,062,880.90	3.5000%	-	-	(85,259.74)	-	341,038.95	-	-	2032	
2032	-	444,045.00	5,506,925.90	3.5000%	-	-	(88,809.00)	-	355,236.00	-	-	2033	
2033	-	461,977.64	5,968,903.54	3.5000%	-	-	(92,395.53)	-	369,582.11	-	-	2034	
	<u>\$</u>	<u>-</u>	<u>\$ 5,968,903.54</u>		<u>\$</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (1,226,875.39)</u>	<u>\$</u>	<u>-</u>	<u>\$ 4,742,028.15</u>	<u>\$</u>	<u>-</u>

¹ Start-Up Fees of \$50,000 and annual administrative expenses of the lesser of 20% of the fiscal year increment or \$120,000 are anticipated to be paid when increment is available.

**Northeast Corridor
Tax Increment Reinvestment Zone #33
Participation**

Taxing Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Project	TIF Revenues	TIF Expenses
City of San Antonio	\$ 0.565690	100%	\$ 0.565690	100.00%	\$ 5,968,903.54	\$ 5,968,903.54
Total	\$ 0.565690		\$ 0.565690	100.00%	\$ 5,968,903.54	\$ 5,968,903.54

**Northeast Corridor
Tax Increment Reinvestment #33
Collections**

Taxing Entity	Maximum Length of Contribution	Maximum Dollar Contribution	TIF Revenues Collected	Remaining / (Refund)
City of San Antonio	09/30/2034	\$ 5,968,903.54	\$ -	\$ 5,968,903.54
Total		\$ 5,968,903.54	\$ -	\$ 5,968,903.54

**Northeast Corridor
Tax Increment Reinvestment Zone #33
New Values**

Tax Year	First Choice		Wal-Mart		Ross Dress for Less		Annual Total	Fiscal Year
	SkyMine ^{1,2}	Emergency Room 13434 Nacogdoches Rd	12251 Nacogdoches	Whataburger 12311 Nacogdoches Rd	13909 Nacogdoches			
2014			10,121,250				10,121,250.00	2015
2015	62,500,000	1,900,000	7,717,000	557,960	2,000,000		74,674,960.00	2016
2016	62,500,000						62,500,000.00	2017
2017							-	2018
2018							-	2019
2019							-	2020
2020							-	2021
2021							-	2022
2022							-	2023
2023							-	2024
2024							-	2025
2025							-	2026
2026							-	2027
2027							-	2028
2028							-	2029
2029							-	2030
2030							-	2031
2031							-	2032
2032							-	2033
2033							-	2034
<hr/> \$ 125,000,000.00 \$ 1,900,000.00 \$ 17,838,250.00 \$ 557,960.00 \$ 2,000,000.00 \$ 147,296,210.00 <hr/>								

¹ Value estimated in "The Dynamic Northeast Corridor Market Study" by Wendell Davis & Associates, October 2013.

² Property may be eligible for partial or total exemption from ad valorem taxation due to use. According to media reports, the SkyMine will be capturing pollution produced by the Zachry Cement Plant. The Texas Commission on Environmental Quality is responsible for determining whether a facility uses certain property, in whole or in part, for pollution control. If an application for use determination is approved, the property owner may then apply to the Bexar Appraisal District for a tax exemption. Assumes a 100% exemption for the SkyMine Project.