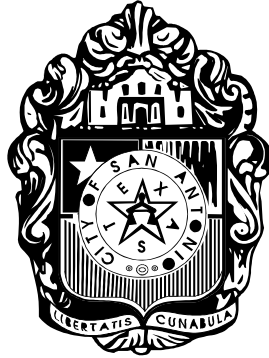


**CITY OF SAN ANTONIO, TEXAS**  
**Department of Planning and Community Development**



**VERANO**

**Tax Increment Reinvestment Zone  
Twenty-Eight**

**Project Plan**

**November 20, 2008**  
**Amended June 24, 2010**  
**Amended January 28, 2016**

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# 1. EXECUTIVE SUMMARY

The Verano Tax Increment Reinvestment Zone (TIRZ) Number 28 will provide the financing needed to develop public improvements for the Verano development which is anchored by the Texas A&M – San Antonio (TAMU-SA) campus. This Project Plan describes, pursuant to Section 311.011 of the Texas Tax Code:

- (1) An overview of the TIRZ project,
- (2) Existing uses and conditions of real property in the TIRZ,
- (3) Proposed improvements and property uses in the TIRZ,
- (4) Proposed changes to municipal ordinances,
- (5) Estimated non-project costs, and
- (6) Relocation of persons to be displaced as a result of plan implementation.

The Verano TIRZ was designated by City Council on December 6, 2007 through Ordinance 2007-12-06-1257. The TIRZ Project and Finance Plans were originally approved by City Council on November 20, 2008 through Ordinance 2008-11-20-1016. In addition to approval of the Project and Finance Plans, City Council amended the TIRZ boundary increasing the size of the TIRZ from 2,700 to approximately 3,100 acres. Additional amendments to the TIRZ Project Plan are as follows:

- June 24, 2010 – Amended Plans to ensure consistency with executed Interlocal Agreements and amended Development Agreement
  - Ordinance #2010-06-24-0621
- January 28, 2016 – Amended Plans and Development Agreement incorporating Assignment or Rights, term extension and changes to the construction schedule
  - Ordinance #2016-01-28-

The Verano TIRZ encompasses approximately 3,100 acres in South San Antonio primarily southeast of the intersection of Highway 16 and Loop 410 south. At completion, the Verano development will include an estimated 2,461 single-family detached homes, 2,500 multi-family homes, 750 condos/town homes, 3,015,000 square feet of non-residential and the TAMU-SA campus with an estimated future enrollment of 25,000 students.

The Verano Site is eligible for the Tax Increment Financing Tool as defined in the City's 2006 TIF Guidelines. Pursuant to the Act, designation of an area as an enterprise zone under Chapter 2303, Government Code constitutes designation of the area as a reinvestment zone under the Act. The TIRZ is located in City Council Districts 3 and 4,

and Bexar County Precinct 1. The project is located in the Southwest, Southside, South San Antonio, and Harlandale Independent School Districts.

Participating taxing entities are the City of San Antonio, Bexar County, Alamo Colleges, and the San Antonio River Authority. The City of San Antonio will participate at 75% of its tax rate with a maximum contribution of \$118,992,476.00; Bexar County will participate at 70% of the Operations and Maintenance portion of its tax rate with a maximum contribution of \$81,393,692.00; the Alamo Colleges will participate at 50% of the Maintenance and Operations portion of its tax rate with a maximum contribution of \$15,000,000.00; the San Antonio River Authority will participate at 60% of its tax rate with a maximum contribution of \$4,397,567.00.

Public Improvements within the Project include streets, streetscapes, streetscape enhancements, drainage/retention, water, sewer, telecom, gas, non-potable water, drainage & detention facilities, streetlights, street signs, dry utilities, electric utilities, storm water pollution prevention, linear parks, parks/plazas, public parking garages, drainage, off site drainage, and associated engineering, surveying, geotechnical, architect/landscape, construction management, environmental review, storm water pollution plans, park fees, planning/zoning fees, impact fees, sewer/water impact fees, and environmental support, and contingency.

On January 28, 2016, City Council through Ordinance 2016-01-28-\_\_\_\_ approved an “Assignment of Rights” transferring the rights and obligations for all executed agreements from VTLM TEXAS LP to Verano Land Group LP. In addition, City Council approved the 2nd Amendment to the TIRZ Project and Finance Plans and extended the term of the TIRZ by eight (8) years. The change in term increased the life of the TIRZ from 30 to approximately 38 years with the TIRZ estimated to be in existence through fiscal year 2045. The amendments to the Project Plan included zoning changes, changes to the development schedule and the build-out schedule. These changes to the Project Plan and the term extension necessitated changes to TIRZ Finance Plan which was also amended through the same Ordinance.

## 2. POLICY AND PROGRAM

### *POLICY*

The City of San Antonio uses Tax Increment Financing to encourage development in areas where it is desired but is not being provided by traditional market mechanisms or other city incentives. Through TIF, the city intends to achieve goals and objectives established in City adopted plans and policies and to support projects that increase diversity of uses and decrease income segregation.

Public investment in TIRZ, using tax increment as a financing mechanism, stimulates private sector investment in areas of the City that would not otherwise attract market interest.

### *PROGRAM*

Tax Increment Financing supports the policies of the 1997 Master Plan, SA2020, and REnewSA. At the time of this amendment to the TIRZ Project Plan, the 1997 Master Plan was being updated through a comprehensive planning process initiated in 2013 and is expected to be completed in 2016. The shared goal of SA2020 is to transform San Antonio into a world-class city by the year 2020 in eleven key vision areas. REnewSA is an inter-agency collaborative that brings together major policy-making and regulatory bodies in San Antonio to coordinate community development resources. The purpose of REnewSA is to leverage public resources to incentivize private investment and create value in the community. The policy will work to encourage investment in inner city neighborhoods, but minimize or prevent displacement of people or adverse impacts related to history, culture and quality of life of unique neighborhoods.

Each of these policies provides strategic objectives for the use of TIF. TIF provides a financing option that meets stated objectives as follows:

- Increases the diversity of property uses through support of mixed use development.
- Decreases income segregation by supporting mixed income development.
- Encourages a balance of new development and redevelopment throughout the city.
- Encourages growth within identified growth centers and adjacent to future high capacity transit stations.
- Prioritizes areas that are within CDBG-eligible census tracts, areas with high poverty and unemployment levels, areas with low educational attainment levels, and areas with concentrations of vacant, neglected, and underutilized properties.

- Invests resources in ‘tipping point’ areas that exhibit a balance of need and market potential. Utilize market data to identify areas with market potential.
- Improves infrastructure to support private sector investment in areas targeted for redevelopment and infill.
- Redevelops blighted areas or underutilized properties that impair or prevent investment.
- Pursues a balanced housing approach that facilitates the provision of affordable housing.
- Provides opportunities for employment within targeted industries.
- Embraces Smart Growth, Low Impact Development and Green Building principles.

### ***TIF Guidelines***

The City of San Antonio (City) adopted the current TIF Policy on May 14, 2015 through Ordinance 2015-05-14-0419. All TIRZ are governed by the Guidelines or Policies in effect at the time of the TIRZ designation. The Verano TIRZ, which was designated by City Council in December of 2007, falls under the 2006 TIF Guidelines which were approved by City Council through Ordinance 2006-11-16-1316 on November 16, 2006 (copies of the 2006 TIF Guidelines are available upon request from TIF staff).

### ***TIRZ Board***

Chapter 311 of the Texas Tax Code, the TIF Act, requires that the City Council establish a reinvestment zone Board of Directors when designating a TIRZ. The Act provides a formula for calculating the number of seats a taxing entity may have based on its anticipated pro rata contributions to the zone fund. Based upon the calculations for this Reinvestment Zone and the participation levels of the other taxing entities, the Verano Board consists of 13 members, and is established pursuant to Section 311.0091(b) of the Act.

The City shall appoint seven (7) directors, Bexar County shall appoint four (4) directors, Alamo Colleges shall appoint one (1) director, and San Antonio River Authority shall appoint one (1) director. Additionally, since this TIRZ is City initiated, the statute requirement for representation from the State Senator and State Representative would not apply. To be eligible for appointment, an individual must either be a qualified voter of the City, or be at least 18 years old and own real property in the zone or be an employee or agent of a person that owns real property in the zone. City appointees will be required to comply with all policies related to City Boards and Commissions to the extent there is no conflict with the TIF Act.

### ***Universal Design***

All projects supported by TIF should add long-term value to the public realm. Thus, projects must be built according to design principles that prioritize the safety and comfort of all public infrastructure users – whether they are walking, jogging, riding or driving. The City’s Unified Development Code (UDC) sets out a menu of approaches to help designers and developers meet the program’s urban design goals.

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 an 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 Verano TIRZ will be required to comply with the City's Universal Design requirements (UD), as adopted in the City Code, Chapter 6, Article XII. New construction of all single family residential, duplex and triplex residential units shall comply with the Universal Design requirements. If it is discovered that the initial construction of any units do not comply, those non-compliant units will be deducted from the captured appraised value in every year of their existence until compliance is achieved.

***Environmental Protection***

No applications will be accepted for TIF where all or part of the proposed project falls over the Edwards Aquifer Recharge Zone. The Verano TIRZ is not located over the Edwards Aquifer Recharge Zone.

### 3. PARTICIPATION

The long-term success of any Tax Increment Reinvestment Zone is contingent on the participation of a number of taxing entities and the long-term economic viability of the developer. In addition to the City of San Antonio, the Developer has secured commitments from Bexar County, Alamo Colleges and the San Antonio River Authority to participate in this TIRZ project.

#### ***CITY OF SAN ANTONIO***

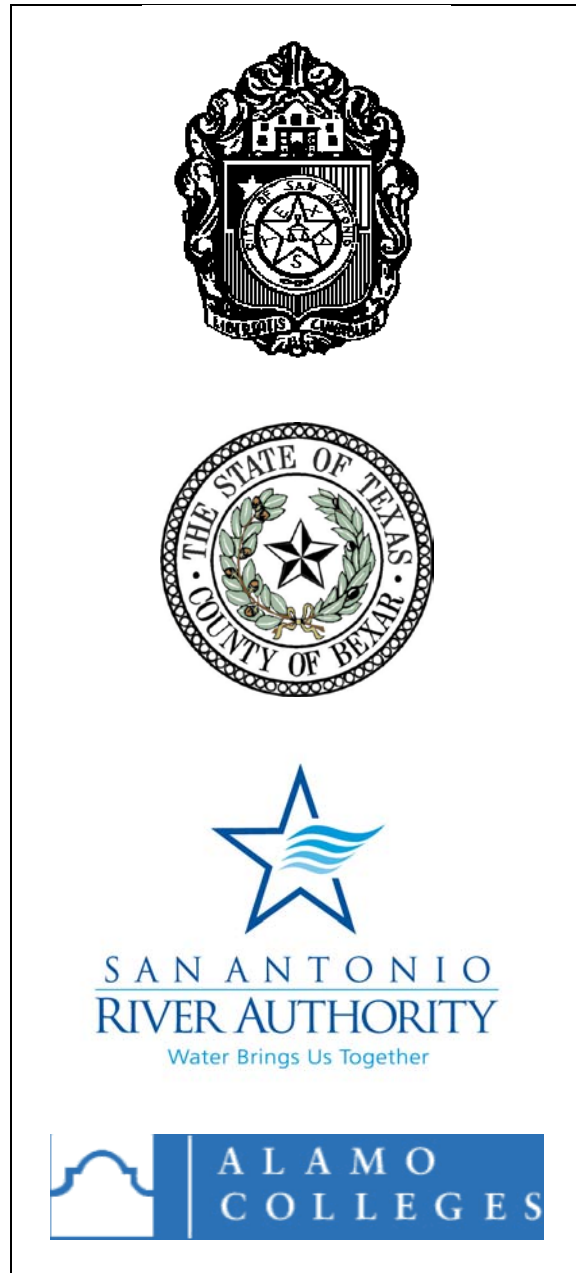
The City of San Antonio’s TIF Unit of the Department of Planning and Community Development is responsible for the administration of the TIF Program. Its roles and responsibilities include, but are not limited to:

- Review, analysis, and plan preparation
- Statutory presentations
- TIRZ Board administration
- TIRZ Fund administration
- Processing of reimbursement requests for eligible public improvements
- Ongoing monitoring of construction

The City of San Antonio is participating at 75% of its tax rate with a maximum contribution of \$118,992,476.00. The City will receive an annual administrative fee of \$120,000.00 beginning in Fiscal Year 2016. The City has agreed to participate in the TIRZ until September of 2045.

#### ***BEXAR COUNTY***

The City of San Antonio provided a statutory presentation of the Verano project to Bexar County on October 23, 2007; their participation level is 70% of the Operations and Maintenance portion of the tax rate with a maximum contribution of \$81,393,692.00. Bexar County will receive an annual





administrative fee of \$5,388.00 beginning in Fiscal Year 2016. Bexar County has agreed to participate in the TIRZ until September of 2045.

### ***ALAMO COLLEGES***

The City of San Antonio provided a statutory presentation of the Verano project to Alamo Colleges in August of 2008; their participation level is 50% of the Operations and Maintenance portion of their tax rate with a maximum contribution of \$15,000,000.00. Alamo Colleges will receive an annual administrative fee of \$344.83 beginning in Fiscal Year 2016. Alamo Colleges will participate in the TIRZ until September of 2037.

### ***SAN ANTONIO RIVER AUTHORITY***

The City of San Antonio provided a statutory presentation of the Verano project to the San Antonio River Authority in August of 2008; their participation level is 60% with a maximum contribution of \$4,397,567.00. The San Antonio River Authority will receive an annual administrative fee of \$1,000 beginning in Fiscal Year 2016. The River Authority has agreed to participate in the TIRZ until September of 2045.

### ***DEVELOPER***

In 2013, VTLM TEXAS LP, executed an “Assignment of Rights” to VLG effectively transferring VTLM’s rights and obligations for all executed agreements related to the Verano development and the associated Verano TIRZ to VLG. The “Assignment of Rights” was approved by City Council through Ordinance 2016-01-28-\_\_\_\_ on January 28, 2016.

The Verano Land Group or VLG is the owner and master developer of the Verano project. VLG’s total contribution to Verano Project is estimated at \$276,523,078.95. As described in the executed Development Agreement, VLG agrees to retain and exercise supervision over the construction of all public and private improvements of the project, and is responsible for complying with all applicable laws, regulations, codes and Ordinances.

The Developer will be responsible for providing quarterly project status reports to the TIF Unit (due the 15th of January, April, July and October) as described in the executed Development Agreement. Additional information regarding VLG can be found at <http://www.veranocommunity.com>.

## 4. EXISTING CONDITIONS

### *REGIONAL*

The Verano TIRZ is located in the south section of the City of San Antonio, generally south of Loop 410 and west of Pleasanton Road. The site is within the Lower Leon Creek and Elm Creek Watersheds and is in close proximity to Mitchell Lake. Hunter's Pond TIRZ #25 is adjacent to the subject area and TIRZ #6, Mission del Lago is nearby to the east of the subject area. The TIRZ abuts or includes major arteries, such as Loop 410, Zaramora Road, Applewhite Road, and Pleasanton Road.

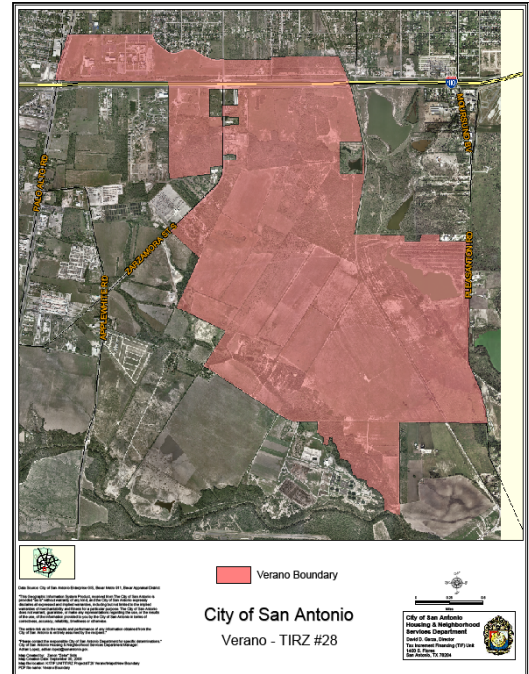
### *Schools and School Districts*

The Verano TIRZ is in the Southside Independent School District (SISD), Southwest Independent School District (SWISD), South San Antonio School District (SSISD), and Harlandale Independent School District (HISD). Elementary Schools located in close proximity to the project include Bob Hope and Gillette. Middle Schools located near the project are Kazen and Tejada Academy. Walking to any of these schools would be hazardous given the distance from the project and lack of pedestrian infrastructure on Loop 410. A bus route would be needed to accommodate any students attending any of these schools. See Exhibit A for a map of School District Boundaries.

The development will incorporate two schools of undetermined grade levels in the project, one school in SWISD and one school in SSISD.

### *Parks and other facilities*

The TIRZ site is within close proximity to both Leon Creek and the Medina River natural areas. Mission del Lago Golf Course, Mitchell Lake Audubon Center, Mitchell Lake, and Mission Espada are east of the subject area.



**TIRZ #28**

## Emergency Services

The Verano TIRZ will be serviced by Fire Stations #2 and #50, which provide Firefighting and Emergency Medical services in the standard response time of 4.25 minutes.

## Neighborhood Plans and Associations

The majority of the TIRZ is in the City South Community Plan. The City South Community Plan states, beyond the use of specific zoning districts that provide meaningful organization to land use, the implementation of design standards in all zoning districts can provide an identity for geographic areas in the context of the broader landscape.

## SITE CONDITIONS

### Topography and Hydrology

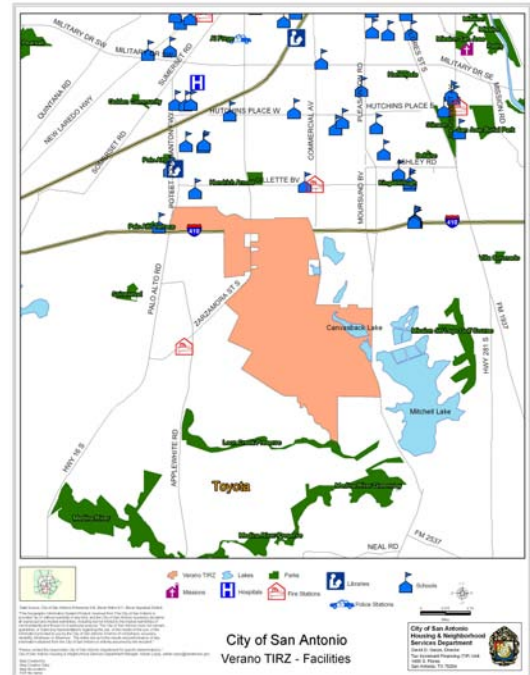
The TIRZ includes approximately 3,100 acres of largely undeveloped land, Palo Alto College, single family residential and commercial uses. The site lies approximately between 525 to 665 feet above mean sea level. Portions of the site lie within the 100-year flood plain at the eastern boundary and a small portion of the southwest boundary of the TIRZ. See Exhibit B for a map of current flood plains.

### Environmental Assessment

Twelve separate Phase I ESAs (one for each tract within the project), were completed in sections between 2006 and 2007 by KBA EnviroScience, Inc.

At the time of designation, the majority of the site was characterized as undeveloped open and wooded pastures with areas of surface water. There are large areas of bare ground and areas where vegetation consists of shrubs and small trees. Trees were present mostly along fence lines, except in the northeast corner, where the property is dominated by honey mesquite, yaupon holly, sweet acacia, southern hackberry, prickly pear cactus, King Valley bluestem, and silver nightshade. A variety of birds appeared to utilize the property, and doves were observed in the fields.

Environmental reports already completed adhere to the generally accepted method and practice for Phase I ESAs. No Phase II ESAs have been completed. The developer is responsible to address any findings and to coordinate with the proper agencies prior to development of specific sites.



**Verano Community Facilities**

### *Environmental Considerations*

The Project will be consistent with the San Antonio River Authority's long-range plans regarding environmental objectives, stormwater management, water quality, regional flood controls, and parks and recreational opportunities. As part of the City South Community Plan, the Project is committed to sustainable neighborhoods which preserve natural resources as much as possible and fit within regional plans for managing stormwater and water quality.

### *Historic Use*

Based on the reviewed information, it appears that the primary use of the property has been farming and cattle ranching since before 1938. Topographic maps indicate oil wells on some portions of the property starting between 1953 and 1967 and continuing in some areas to the present day.

The surrounding area is primarily rural, and is used for ranching, farming, and oil production. Residential development is present north of Loop 410 and is scattered along Zarzamora Road. Zarzamora Road also contains numerous scattered small industrial and other commercial/retail establishments such as a storage facility (rental storage units), plant nurseries, a house moving and a construction company, an auto auction facility, and an equestrian training center. Exhibit C is a map of the TIRZ Boundary and existing uses.

### **DEMOGRAPHICS**

Verano TIRZ is located in Census Block Groups 1512.006, 1513.003, 1520.001 and is immediately bounded by Block Groups 1512.005, 1517.003, 1519.002, 1611.004, 1611.005, 1612.001. These Census Block Groups are within a quarter-mile of the project boundaries, and, at the time of designation, were used to analyze demographics and property values for the TIRZ. Updated market and demographic information was provided by VLG and is attached as Exhibit D.

### *Education*

According to the 2000 U.S. Census the percentage of San Antonio's population without a high school degree is 23.5%. The Verano Census Block Groups contain a percentage of people without a high school degree that is higher than the City average at 42.33%.

### *Poverty*

According to the 2000 Census, 17.3% of San Antonio's population was living at or below the poverty level. Of the population living within the Verano census block groups, 24%, a significantly higher percentage, was living at or below the poverty level.

### *Employment*

According to the 2000 Census San Antonio's percentage of unemployed civilians was 6.2 percent. Verano Census Block Groups unemployment percentage is higher than the City average, at 8.67%.

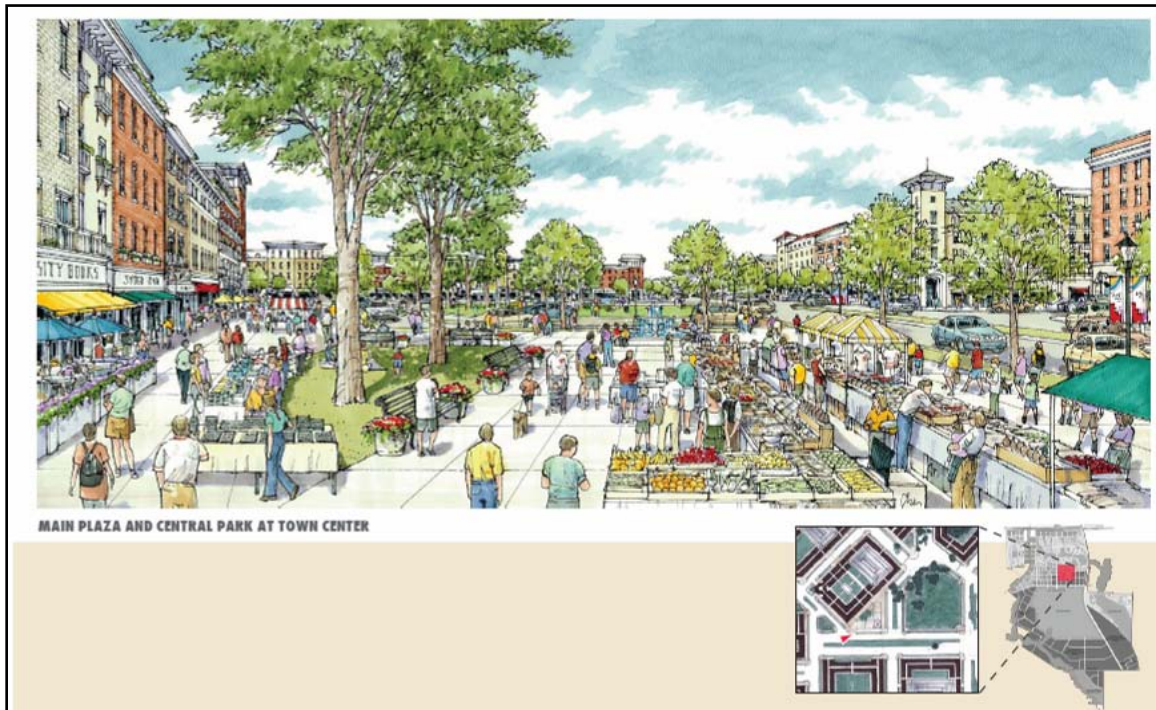
# 5. PROJECT INFORMATION

## CONCEPT

The objective of the Verano Plan is to develop a unique walkable mixed-use community built on the concept of an integrated urban village. A conceptual master plan showing the location of the proposed areas of improvement and the proposed uses of the project site is attached as Exhibit E.

### Town Center

The plan proposes a town center, located immediately north of the TAMU-SA main campus. The proposed town center would be a vertical mixed-use university community destination and a hub for activity in the project area. Commercial and residential development will flow from this center in carefully planned transects that will maintain the character and integrity of the urban village. The town center and the TAMU-SA campus will straddle the East-West Arterial, which will be designed as a multi-way boulevard. This design will facilitate faster regional traffic in the main lanes and dedicated transit lanes, as well as slower local traffic on the slip lanes with bicycles and parking to provide a cafe environment for the university community.



The Austin-San Antonio Rail District has acknowledged that the Verano town center could potentially be the most southern stop for the proposed Austin-San Antonio Commuter Rail System which will link the Austin-San Antonio corridor (See Exhibit F). Achieving future densities and goals articulated in this plan will be enhanced with a robust transit system.

Typical buildings may include two to four-story commercial loft buildings with retail and restaurants on the ground floor and offices and residential above. Some buildings may go higher, from six to twenty stories, to facilitate condominium living and student housing given the town center's location across from the main entrance to the TAMU-SA campus. Community structures may include meeting halls and other quasi-public institutions such as entertainment businesses as well as places for the arts and culture.

The proposed town center is intended to be a walkable urban destination with cafe streets, integrated pocket parks and an urban scale environment with buildings built to the street, on-street parking and wider sidewalks. The architecture will be eclectic and varied to adapt to development over time as markets change.



*Renderings Courtesy of Gateway Planning Group, Inc*

### ***Residential***

Approximately 431 acres of the project are projected to be developed for mixed residential use, from single family houses to high-density multi-family structures, including affordable student housing. Single family housing may include detached single family homes, duplexes, town homes and live-work units. Multifamily may include multi-unit houses, courtyard apartments, and loft apartments/condominiums. Student housing will be an integral part of the Verano community and may include town center

dormitories, loft housing, and student housing integrated into each of the surrounding Verano neighborhoods. See Table 1 for proposed residential unit mix.

*Table 1*

<i>Residential Unit Type</i>	<i>No. of Units</i>
Single Family	2,461
Townhome / Condo	750
Apartment	2,500
<i>Total Units</i>	5,711

The current plan includes several walkable neighborhoods in addition to a town center. The hamlets by Canvasback Lake are proposed to be low density residential featuring open space and walkability. The villages are proposed to be mixed-use walkable urban neighborhoods and may include integrated plazas and greens containing town homes and playgrounds.



*Rendering Courtesy of Gateway Planning Group, Inc*

**Commercial/Industrial**

The project proposes over 740 acres of commercial and industrial usage, from retail to light manufacturing. See Table 2 for a breakout of projected square footage commercial/industrial uses.



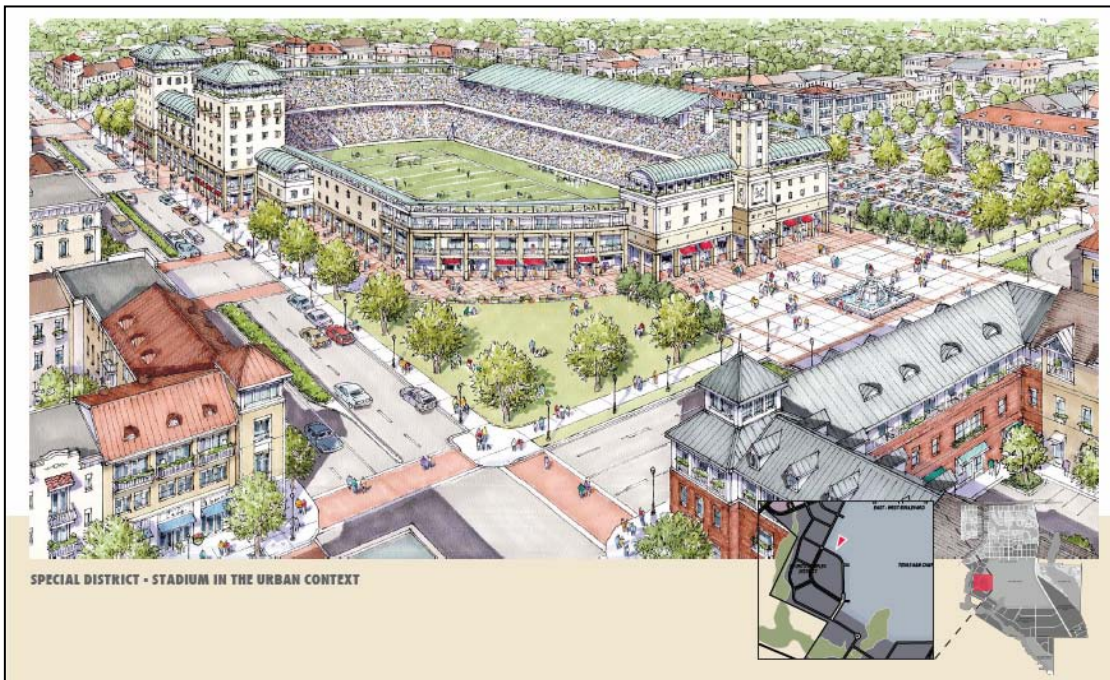
**Table 2**

<i>Non-Residential Use</i>	<i>Square Footage</i>
Office	925,000
Retail/Restaurant	665,000
Industrial	1,225,000
Institutional / Medical	200,000
<i>Total Square Footage</i>	3,015,000

Neighborhood commercial buildings may include live-work units and corner retail buildings. Institutional support structures may include day care, active living facilities, assisted living centers and potential allied trade schools.

### ***Sports and Hospital Facilities***

Over 200 acres of the Project are proposed to be used for sports and hospital facilities. The proposed Sports and Entertainment Complex could provide a wide range of recreation opportunities from potential joint-use university competition and intramural sports to community fields for baseball and soccer. The hospital district could include a regional hospital that could also act as a teaching/nursing hospital for TAMU-SA. It is envisioned that the district could also provide a wide-range of allied clinics and doctors' offices to support the needs of Verano, the University and the surrounding region of South Texas.



*Rendering Courtesy of Gateway Planning Group, Inc*

### *Parks and Greenspace*

Large community parks, linear parks and pocket parks are proposed to be incorporated throughout the project in order to create amenities accessible by walking and cycling. Large parks are proposed to be primarily destination natural areas with both improved and naturally preserved areas for passive recreation, hiking and nature preservation. It is proposed that the integration of greenspace be part of the master planning for all of the projected uses within the project. The embedding of the neighborhood greenspace can create adjacency value premiums for development within the neighborhoods in addition to generally elevating quality of life.

### *Texas A&M University – San Antonio*



The TAMU-SA site is made up of three parcels: i) a ten (10) acre “gateway” parcel located along the access road for Loop 410 South that will serve as an entryway presence for the University along Loop 410; ii) a five hundred eighty (580) acre main campus in the center of the Project Site, of which up to sixty (60) acres may be used for student housing; and iii) a one hundred four (104) acre site south of Mauermann Road for the establishment of the proposed Irrigation Technology Center.



The Project proposes a “town and gown” strategy to integrate the TAMU-SA campus with the rest of the development. Development will be planned to ensure the contiguity of quality and design in the structures built on the campus and adjacent privately-owned parcels. Street networks and street types should also be planned so as to integrate the university and surrounding community.

## ***PUBLIC IMPROVEMENTS***

The successful development of the Verano project will require reimbursements of public improvements and related capital costs associated with the following: streets, streetscapes, streetscape enhancements, drainage/retention, water, sewer, telecom, gas, non-potable water, drainage & detention facilities, streetlights, street signs, dry utilities, electric utilities, storm water pollution plans, storm water pollution prevention, linear parks, parks/plazas, public parking garages, drainage, off site drainage, environmental review, construction management, and associated engineering, surveying, geotechnical, architect/landscape, and environmental support, and contingency.

### ***Maintenance of Public Improvements***

The Developer is responsible for maintaining all public improvements until acceptance by the City and providing a one year extended warranty bond for defects discovered during the first year after completion. The City will assume maintenance responsibility for public improvements after the warranty period has expired. For specifics regarding the maintenance and repair of public improvements please see Section 5.12 of the Amended and Restated Development Agreement between the City of San Antonio, Bexar County, VLG and the Verano TIRZ Board of Directors approved by City Council on January 28, 2016.

## ***ZONING***

The Verano NS Blvd FBZD Plat #080489 was approved by Planning Commission on October 22, 2008. The Verano Master Development Pattern Plan (MDPP) #01108 was approved October 28, 2008 and the Master Development Plan (MDP) #01008 was approved on January 5, 2009. In addition, the project is subject to the Form Based Zoning District (FBZD).

In January of 2015, VLG, made a request to the City of San Antonio to change the zoning in Villages 2&3 in the Verano development from Form Based Zoning Districts (FBZD) to Master Planned Community Districts (MPCD) (See Exhibit G). The rezoned portion of the development represents approximately 358.26 acres or 12% of the overall Verano TIRZ boundary. The zoning change, by easing regulatory restrictions required under FBZD, would help to jump start the development, which had stalled as a result of a stagnant real estate market and legal issues. The changes honor the intent of the original Master Pan to create a walkable mixed use development increasing the amount of green space, including a pedestrian loop and retaining street designs consistent with the original

plan. The proposed changes are intended to increase the marketability of the single-family homes and help initiate further development within the TIRZ. Verano has identified two homebuilders to begin construction of over 500 homes. These builders have agreed to produce products that complement the spirit of the original master plan while allowing for a more practical and less costly footprint. VLG has agreed to maintain FBZD in the remaining areas of the development. Zoning changes (Case # Z2015248) were approved by the Zoning Commission on September 1, 2015 and approved by City Council on January 28, 2016 through Ordinance 2016-01-28-\_\_\_\_. Changes resulting from the zoning change are described in Table 3.

*Table 3*

**Verano Zoning Comparison**

	<b>FBZD Zoning</b>	<b>MPCD Zoning</b>
<b>Roadway Design</b>	Multiple cross-sections approved within the design guidelines	Utilizing the 54' and 62' streets approved with FBZD
<b>Roadway Lengths</b>	109,844 Linear Feet	72,827 Linear Feet
<b>Alleys</b>	Not required but included	Not required or included
<b>Connectivity</b>	3 East West corridors (Zarzamora to University)  3 East West Corridors (University to Train Tracks) Loop Road around the green space Two "pedestrian promenades" 7 Driveable connections from 410 commercial  Two Bridges connecting the south Village Low density along University	3 East West corridors (Zarzamora to University)  3 East West Corridors (University to Train Tracks) Loop road around the green space Two "pedestrian promenades" 6 Driveable connections from 410 commercial  Two Bridges connecting the south Village Townhome density along University
<b>Green Space</b>	Total Area = 48.13 ac.	Total Area = 60.43 ac.
<b>Trails</b>	14,264 LF	22,414 lf (Additional 1.5 Mi.)
<b>Unit Mix</b>	3 types (5% minimum usage)	2 types (60%, 40%)
<b>Total Units</b>	Detached House (x2 types) Sideyard House Cottage Courtyard House Quadplex Townhouse Courtyard Apartments Mixed Use Blocks	Detached House (x2 types) Townhouse Courtyard Apartments Garden Style Apartments Mixed Use
<b>Average Block Size</b>	130 ft	650 ft.

## CONSTRUCTION SCHEDULE

### Development Schedule

In an effort to rationalize development assumptions in line with changed market conditions, in 2015, VLG adjusted the development schedule taking a more conservative and realistic approach. While decreasing the overall vertical development, the infrastructure improvements, with the exception of Villages 2 & 3, maintain the basic street design and grid pattern as detailed in the original plan. Changes to the vertical development are detailed in Tables 4 & 5 below.

*Table 4*

Vertical Development - Residential				
	Original	Proposed	Difference	% Difference
Total Single Family	2,542.00	2,461.00	(81.00)	-3%
Total Multi Family	3,375.00	2,500.00	(875.00)	-26%
Total Condo/Townhomes	1,021.00	750.00	(271.00)	-27%
Total Residential	<b>6,938.00</b>	<b>5,711.00</b>	<b>(1,227.00)</b>	<b>-18%</b>

*Table 5*

Vertical Development - Commercial/Industrial				
	Original	Amended	Difference	% Difference
Total Office Sq Ft	1,395,440.00	925,000.00	(470,440.00)	-34%
Total Retail Sq Ft	1,245,439.00	665,000.00	(580,439.00)	-47%
Total Industrial Sq Ft	3,136,321.00	1,225,000.00	(1,911,321.00)	-61%
Total Institutional Sq Ft	200,000.00	200,000.00	-	0%
Total Non Residential	<b>5,977,200.00</b>	<b>3,015,000.00</b>	<b>(2,962,200.00)</b>	<b>-50%</b>

In addition to the reduction in vertical development, the unit mix in the rezoned sections has changed to better reflect market conditions. The revised plan for Villages 2 & 3 will include two types of detached houses, townhomes, courtyard apartments, garden style apartments and mixed use structures. Housing types from the original plan that are no longer in the rezoned section include; side-yard houses, cottages, courtyard houses and quadplexes.

### Build-out Schedule

In addition to the aforementioned changes, VLG has requested an amendment to the TIRZ build-out schedule which will take into account the lack of development over the initial years of the TIRZ and reflects the increased term. The build-out schedule is an approximation of the proposed vertical construction. It should be understood that with any long term development project, build-out timelines are subject to change. The amended build-out schedule is detailed in Table 6 below.

Table 6

**Amended Build-out Schedule**

Year	TYPE						
	Single Family	Multi-Family	Condo/Townhome	Office Sq Ft	Retail Sq Ft	Industrial Sq Ft	Institutional Sq Ft
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2016	70	-	-	-	-	-	-
2017	70	-	-	-	-	-	-
2018	100	200	25	75,000	20,000	-	-
2019	100	-	25	-	20,000	75,000	-
2020	110	250	50	75,000	20,000	50,000	-
2021	150	-	50	-	75,000	50,000	-
2022	200	250	50	75,000	50,000	75,000	-
2023	200	-	50	-	50,000	50,000	-
2024	200	200	50	75,000	50,000	50,000	-
2025	200	-	50	-	20,000	50,000	50,000
2026	200	200	50	50,000	50,000	50,000	25,000
2027	200	-	50	-	20,000	50,000	25,000
2028	200	200	50	75,000	30,000	50,000	25,000
2029	161	-	50	-	20,000	50,000	25,000
2030	150	200	50	75,000	20,000	50,000	25,000
2031	150	-	50	-	20,000	50,000	25,000
2032	-	200	50	75,000	20,000	50,000	-
2033	-	-	50	-	20,000	50,000	-
2034	-	200	-	75,000	20,000	50,000	-
2035	-	-	-	-	20,000	50,000	-
2036	-	200	-	50,000	20,000	50,000	-
2037	-	-	-	-	20,000	50,000	-
2038	-	200	-	75,000	20,000	50,000	-
2039	-	-	-	-	20,000	50,000	-
2040	-	200	-	75,000	20,000	75,000	-
2041	-	-	-	-	-	-	-
2042	-	-	-	75,000	20,000	50,000	-
2043	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-
Totals	2,461	2,500	750	925,000	665,000	1,225,000	200,000

**ESTIMATED NON-PROJECT COSTS**

Estimated non-project costs include administrative fees for each of the Participating Taxing Entities.

The City will charge an administrative fee of \$120,000.00 for each year beginning in FY 2016 and continuing throughout the life of the TIRZ. The total estimated City administrative fee is \$3,600,000.00. In addition, the City has previously collected \$28,297.47 for startup fees. The City has agreed to not collect any additional start-up

fees beyond this initial collection and will forego uncollected administrative fees before Fiscal Year 2015.

Bexar County will be paid an annual administrative fee of \$5,388.00 beginning in FY 2016 totaling \$161,640.00 over the life of the TIRZ.

Alamo Colleges will be paid an annual administrative fee of \$344.83 beginning in FY 2016 totaling \$7,586.26 over the life of the TIRZ.

San Antonio River Authority will be paid an annual administrative fee of \$1,000.00 beginning in FY 2016 totaling \$30,000.00 over the life of the TIRZ.

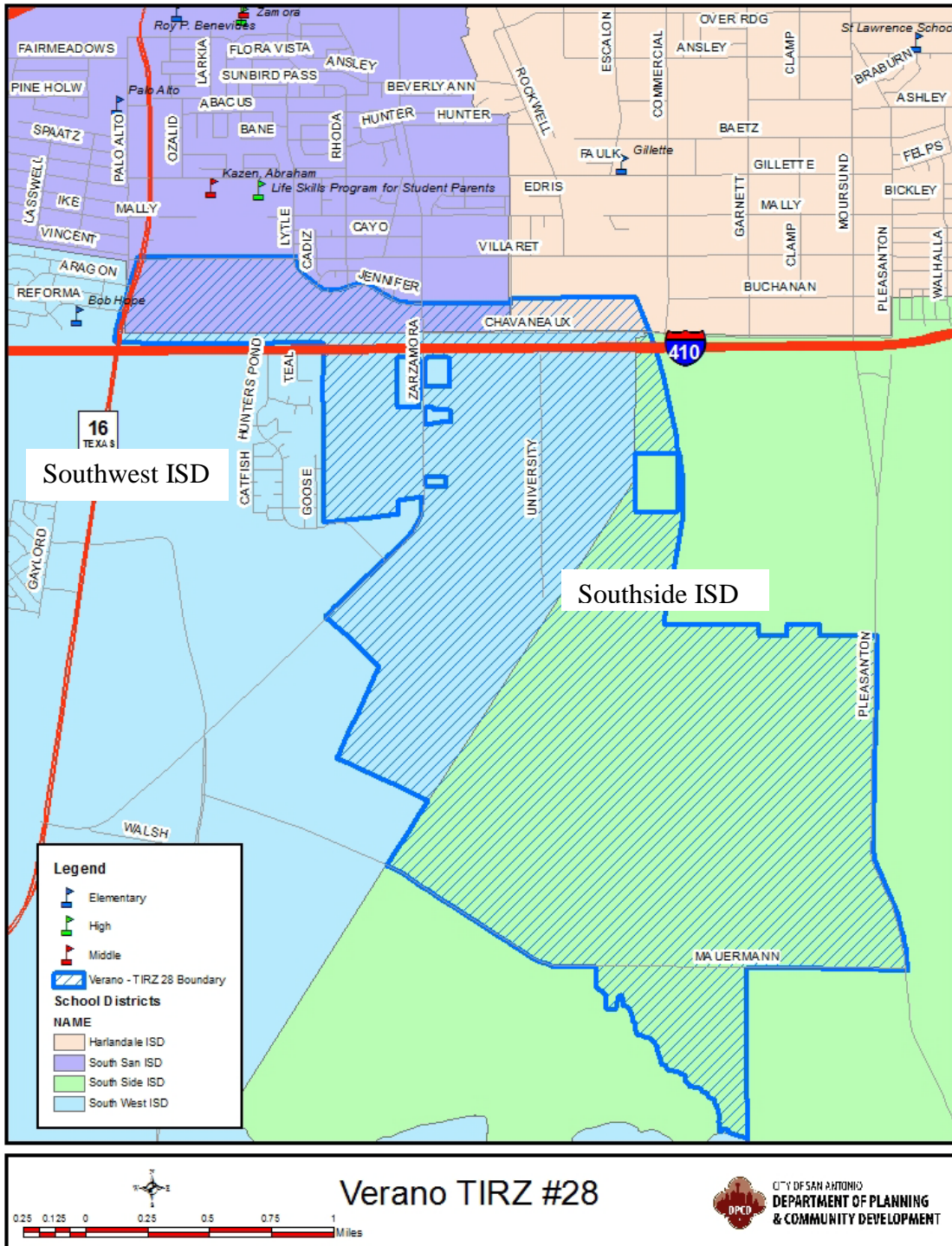
### ***RELOCATION OF DISPLACED PERSONS***

Implementation of the Project Plan does not require the developer or any other agency or participating taxing entity to relocate or find housing for any current residents due to their displacement under the plan.

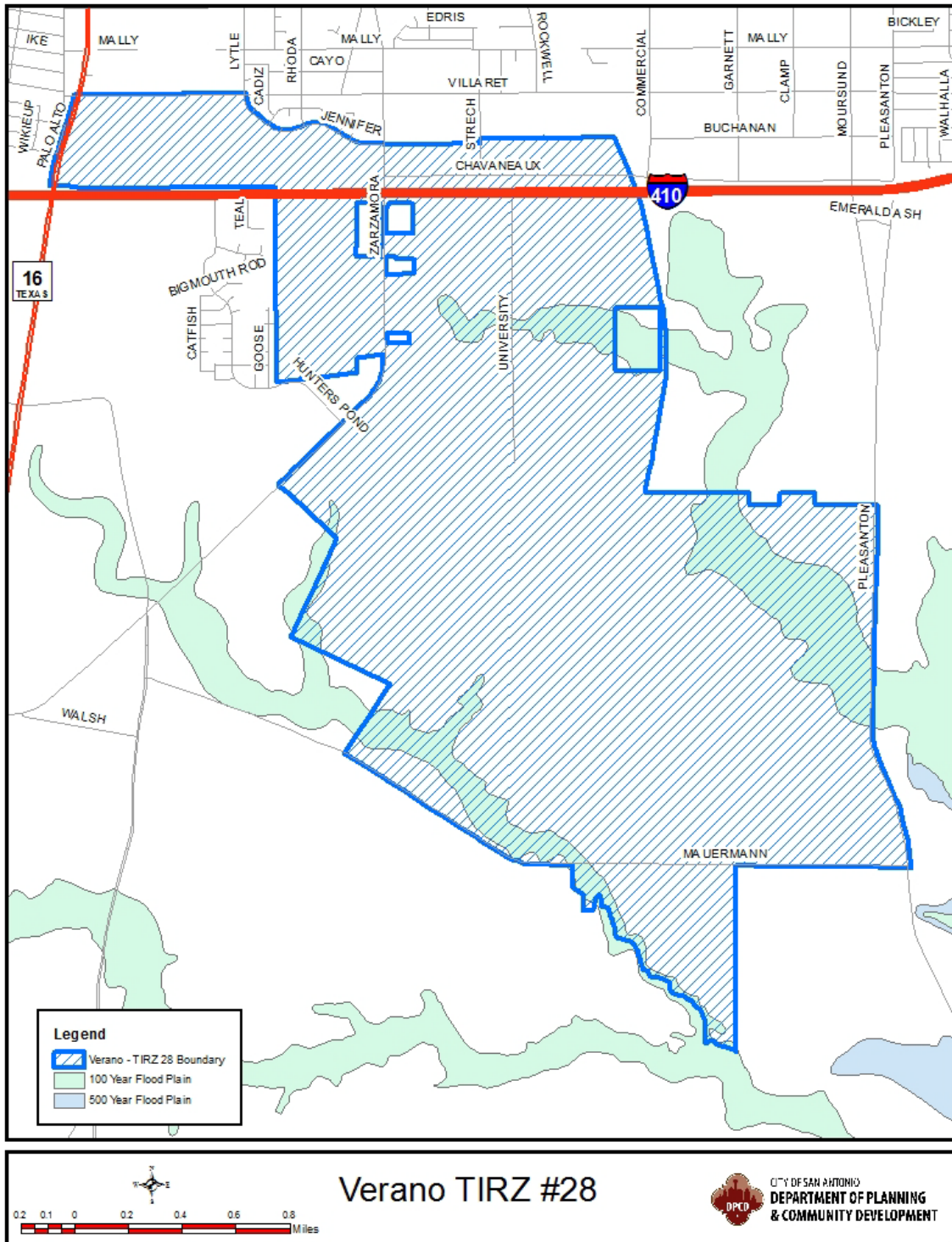
# EXHIBITS



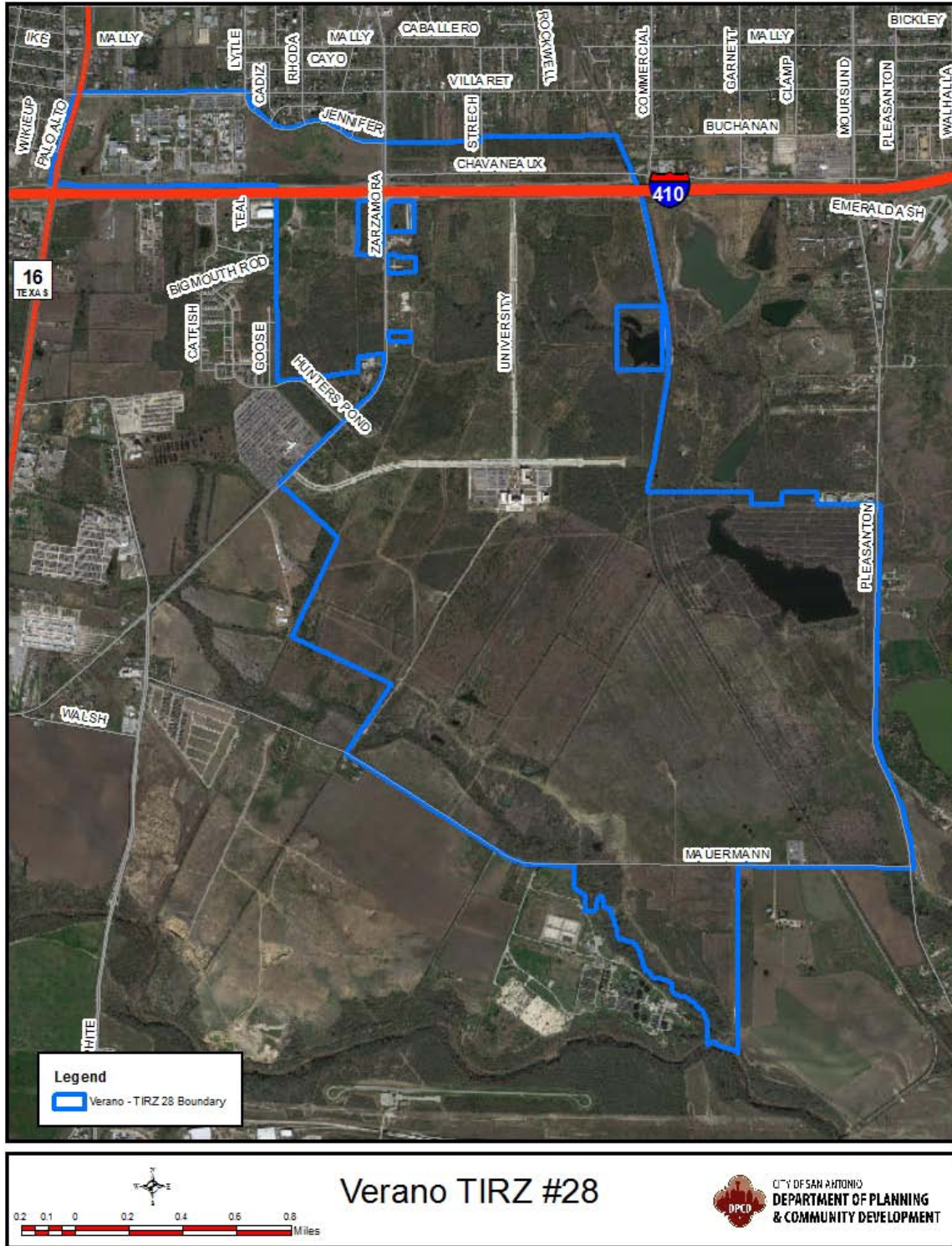
Exhibit A - Schools & School Districts



*Exhibit B - Boundary & Floodplain Map*



*Exhibit C - Location Map & Existing Uses*



## *Exhibit D – Updated Market and Demographic Information*

### **Verano 2015**

#### **Updated Market and Demographic Information**

San Antonio, the seventh largest city by population (within the city limits) in the nation, is the center of economic activity for the South Texas area. San Antonio, the county seat of Bexar County, is located 150 miles north of the Mexico border, 70 miles south of Austin, 190 miles west of Houston, and 250 miles south of Dallas. San Antonio lies within an eight- county area known as the San Antonio Metropolitan Statistical Area (MSA), which includes the counties of Bexar, Atascosa, Bandera, Comal, Guadalupe, Kendall, Medina, and Wilson. The MSA changed in 2003 from four counties to eight counties.

#### **Population**

The 2010 population for the City of San Antonio was 1,327,407, with the 2010 population of the San Antonio MSA being 2,142,508. San Antonio's population increased 19.1% between 1980 and 1990, increased 22.3% between 1990 and 2000, and increased 15.97% between 2000 and 2010. The population of the San Antonio MSA increased 21.68% between 1980 and 1990, increased 20.2% between 1990 and 2000, and increased 20.1% between 2000 and 2010.

#### **Employment**

San Antonio has enjoyed steady employment growth and “low” unemployment during the years leading up to the economic downturn in 2008. Unemployment in the San Antonio MSA has remained relatively low when compared to the statewide and national rates during the last four years. According to the Texas Workforce Commission, the May 2014 unemployment rate was 4.7%, compared to the statewide average of 5.1%, and a national average of 6.1%. The 4.7% rate is down 12 basis points from 12 months prior of 5.9%.

San Antonio relies on commercial trade, service, government employment, and manufacturing, which results in a more balanced economy than other Texas cities that may rely on one dominant industry such as technology or oil. However, the Eagle Ford Shale oil and gas play occurring in South Texas has had a notable impact on employment figures for the San Antonio and South Texas market area.

#### **Economic Base**

The major industries in San Antonio include tourism, insurance, healthcare/ biotechnology, military and telecommunications/telemarketing. The oil and gas industry has become a newly created economic driver for San Antonio and South Texas.

### ***Tourism***

San Antonio is a year-round tourist destination; tourism remains one of San Antonio's most important industries. Approximately 20 million people visit San Antonio annually. The direct impact of the tourism industry is over \$7 billion annually. The economic impact rose by 86% in a decade. The industry employs 86,000 people and raises approximately \$160 million in taxes and fees for local governments. San Antonio has also developed into a major convention city. Several new hotels have recently been completed or are under construction in downtown San Antonio to host convention visitors.

### ***Insurance***

Several major insurance companies have operations located in San Antonio, including United Services Automobile Association (USAA). USAA is a primary employer in San Antonio and is the fifth largest insurer of private automobiles in the country and the fourth largest homeowner insurer.

### ***Healthcare/Biotechnology***

The estimated annual economic impact of the city's medical community exceeds \$6 billion. The healthcare/biotech industry has grown significantly in the recent past and has become increasingly important in the health services industry. There are several major research organizations located in the city, including Southwest Foundation for Biomedical Research, Southwest Research Institute, The University of Texas Health Science Center, and the University of Texas at San Antonio.

### ***Military***

San Antonio is "home" to three military bases, including Randolph Air Force Base, Fort Sam Houston and Lackland Air Force Base. Kelly Air Force Base closed in 2001 (now Port San Antonio); however, several major functions of the base are used for privatization. The City of San Antonio purchased the base from the United States Air Force to redevelop Kelly for use by private industry. Brooks Air Force Base has also been reformatted into Brooks City Base.

### ***Eagle Ford Shale***

The Eagle Ford Shale, beginning just 40 miles south of San Antonio, benefits from high liquid yields across much of the play. Higher oil prices have helped spur development as oil, condensate, and NGLs (ethane, propane and butane) all command better prices than natural gas. The Eagle Ford Shale is a geological formation directly beneath the Austin Chalk Shale. It is considered to be the "source rock" or the original source of hydrocarbons contained in the Austin Chalk above. The Eagle Ford Shale has a depth

between 4,000 and 12,000 feet. The shale is up to 250 feet thick in some places, generally without natural fracturing present. To date, the most prolific area for production occurs at the convergence of the Stuart City Reef trend and the Sligo Reef trend. The region south of San Antonio is not new to the oil and gas industry, but the Eagle Ford drilling boom has brought development levels not seen before. The best shale oil wells have come on line producing more than 1,000 barrels per day.

Within the last two years, the oil and gas industry has revived the economy of South Texas. New oil and gas technology used to extract hydrocarbons from beneath the surface (horizontal drilling and shale fracturing), along with the elevated price of oil has created substantial increase in demand for oil and gas exploration. Supporting services of the industry are numerous and include deed research, mineral leasing, permitting and a great number of oil drilling and extracting services. While it is believed that some of this initial influx activity might be short lived, there is also notable residual activity in terms of production once wells have been drilled and established.

### ***Corporate Influence***

While a number of large corporations such as USAA, Valero, H-E-B, Frost National Bank, etc. have headquartered in San Antonio, AT&T, the nation's largest telecommunications company, announced in early 2008 its decision to move its corporate headquarters along with 700 employees to Dallas, Texas. A statement released by AT&T stated that "San Antonio will continue to be a major operations and employment center" with approximately 5,300 telecom operations division employees remaining in the city; about 1,700 more than was originally relocated to the city from St. Louis in 1992.

### ***Summary***

San Antonio, the second largest city in the state, enjoys a diverse economy with continued growth in the fields of healthcare, biotechnology, telecommunications, higher education and an expanding tourism market, a developing oil/gas industry and continued job growth. The location of San Antonio at the crossroads of three interstate highways and its proximity to Mexico are expected to increase San Antonio's role in international trade in the future because of the North American Free Trade Agreement (NAFTA). The economic outlook for San Antonio is for continued above-average growth due to the low business costs, young bilingual workforce and proximity to Mexico and the Eagle Ford Shale oil and gas play.

### ***Neighborhood Analysis***

#### ***Overview***

The appraised property is located along the south side of Loop 410 in the south central sector of San Antonio. The property is located west of Pleasanton Road and east of

Zarzamora Road. General neighborhood boundaries include Military Drive to the north, Loop 1604 to the south, IH-35 to the west and IH-37 and U.S. Highway 181 to the east.

### ***Transportation Routes***

Major traffic arteries in the immediate vicinity of the subject include Loop 410, State Highway 16, U.S. Highway 281, IH-37 and IH-35. Loop 410 is a major traffic artery connecting with U.S. Highway 281, IH-10, IH-37 and IH-35. Loop 410 is the main east/west traffic artery serving the neighborhood. The main north/south traffic arteries in the vicinity of the subject include U.S. Highway 281, Pleasanton Road and State Highway 16. Pleasanton Road is located east of the appraised property, and transitions to Moursund Boulevard north of Loop 410. Zarzamora Road is the west boundary of the subject and intersects with Highway 16, south of the subject.

### ***Neighborhood Land Use***

Land utilization in the general area is somewhat rural in nature with mixed rural residential uses interspersed throughout the neighborhood. The large development in the market area is the Toyota Motor Corporation Plant located on the former Applewhite Reservoir site. The Toyota plant opened in October 2006. Prior to the construction of the Toyota plant, the southerly portion of Bexar County experienced little growth as compared to the northerly half of Bexar County. The southern quadrant of the county received investor interest from affordable home builders and others beginning in 2006. Following the announcement of the Toyota manufacturing plant, there was land speculation in the vicinity which resulted in a run up of land prices. The run subsided and much of the land near Toyota remains for sale.

In November of 2007, the site of the now opened Texas A&M University San Antonio campus was dedicated. The 696.1 acre site is surrounded by the appraised property. The Texas A&M Campus is situated on approximately 581.5 acres with an additional 104.6 acres located farther to the south. The additional site will be allocated for the Texas A&M Irrigation and Technology Center. The campus has been opened and the first buildings have been constructed. Texas A&M University San Antonio will begin accepting Freshmen and Sophomores in the Fall of 2016. This will lead to expedited development at Verano.

Properties in the immediate vicinity of the subject include the Palo Alto College, Hunters Pond residential subdivision, San Antonio Car Auctions to the west and southwest, agricultural land and Mitchel Lake to the southeast and the San Antonio Police Academy and multi-family development to the east. North of the appraised property across Loop 410 is an area of light industrial development, residential, and some commercial development. Further to the north are older, established residential neighborhoods. As discussed in the City Analysis, the general market area of the subject property has experienced renewed interest from end users and speculative purchasers due to the

Eagle Ford Shale. From a market prospective, the Eagle Ford Shale has notable positive impact on market activity. This is one of the largest oil and gas plays to occur over the last several decades in the United States.

## Demographics

DEMOGRAPHIC TRENDS*			
Description	1-Mile Radius	3-Mile Radius	5-Mile Radius
<b>Population</b>			
2010	2,619	52,238	122,395
2013	2,739	54,174	125,189
2018 Projection	2,981	58,055	133,005
2013-2018 Annual Rate	1.71%	1.39%	1.22%
<b>Households</b>			
2010	790	15,688	37,712
2013	766	16,331	38,731
2018 Projection	838	17,556	41,336
2013-2018 Annual Rate	1.81%	1.46%	1.22%
2013 Median Age	30.8	31.6	32.2
2013 Avg. Household Size (persons)	3.46	3.28	3.19
<b>Household Income (Year 2013)</b>			
Median HH Income	\$41,214	\$35,184	\$31,498
Average HH Income	\$50,461	\$43,018	\$39,553
Est. Per Capita Income	\$14,613	\$13,231	\$12,533

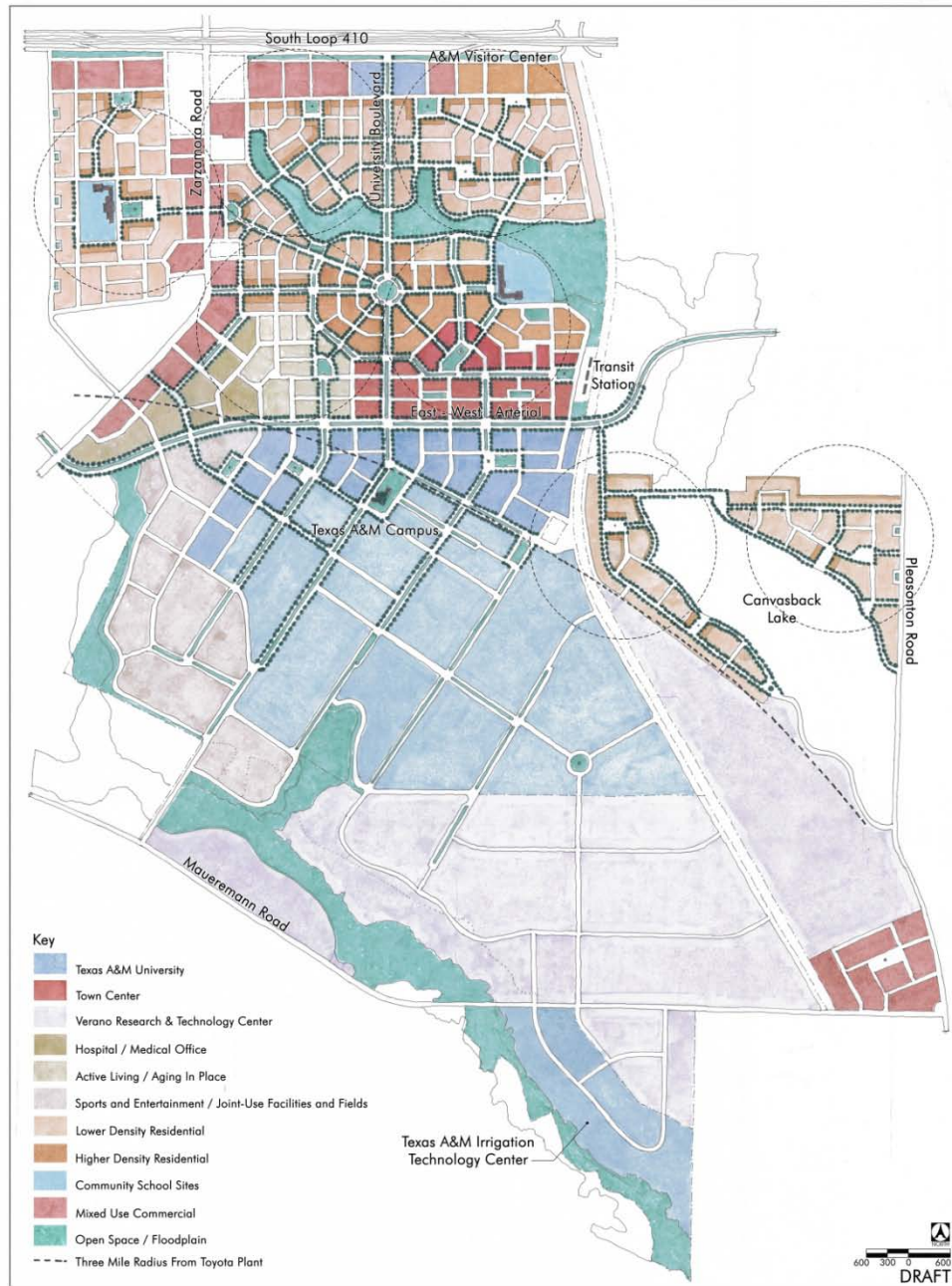
\* Per Site to Do Business (December 2014)

## Conclusions

In summary, growth potential is possible as defined herein. Overall, the southern half of Bexar County has experienced some degree of momentum in developer interest through the Texas A&M University at San Antonio campus, Toyota, and developing Eagle Ford Shale interest south of the appraised property in neighboring counties. State Highway 16 continues to be one of the main traffic arteries in carrying vehicular traffic through the subject neighborhood connecting Loop 410 and San Antonio to Poteet, Jourdanton, Tilden and Freer to the south.



*Exhibit E - Master Land Use Plan*



Verano - Texas A&M Revised Conceptual Master Plan  
Campus Internal Layout Illustrative Only

City South - San Antonio, Texas

PATE ENGINEERS



Gateway Planning Group

www.gatewayplanning.com  
101 Summit Ave, STE 804  
Fort Worth, Texas 76102  
(817) 451-4008

July 19, 2007

*Exhibit F – Gateway Planning Letter*

AUSTIN - SAN ANTONIO INTERMUNICIPAL COMMUTER RAIL DISTRICT



January 8, 2007

Scott Polikov, AICP  
Gateway Planning Group, Inc.  
101 Summit Avenue, Suite 804  
Fort Worth, Texas 76102

Re: Austin—San Antonio Commuter Rail System

Dear Mr. Polikov:

You have asked about the potential utilization of the freight rail line that runs south from the westside of downtown San Antonio and parallel to and just west of SH 281 for commuter rail transit. The legislative goal for the Austin—San Antonio Commuter Rail System is to link San Antonio with Austin by rail transit. In this regard, the Rail District is seeking to provide a comprehensive commuter rail system for the region.

Currently the Rail District is assessing an initial phase of operation. Long term, the Commuter Rail District wants to ensure that a network of stations can serve as many communities in the corridor as possible. In this context, the Bexar County Metropolitan Planning Organization (MPO) and the Texas Department of Transportation (TxDOT) will be studying the best combination of lines for the San Antonio area, both in terms of freight rail and commuter rail. Serving the Southside of San Antonio with rail transit should be considered in this long term analysis. Accordingly, you should track the progress of the Bexar County MPO/TxDOT Study.

We understand that the line in question has relatively few daily trains. We also understand that it crosses Loop 410 into the center of the City South area of San Antonio, an area identified for substantial growth by the City of San Antonio.

In this context, we can say that the line would be a potential candidate for commuter rail service subject to (i) the forthcoming Bexar County MPO/TxDOT Study, (ii) State and Federal environmental processes, (iii) ridership and economic impact analyses by the Rail District, (iv) coordination with the rail freight operators and (v) the availability of funding.

Please contact me if you need any additional information.

Sincerely,

  
Ross E. Milloy  
Executive Director, Austin—San Antonio Rail District

P.O. Box 1618 San Marcos, Texas 78667 512/558-7360 512/558-7365 fax [www.asarail.org](http://www.asarail.org)

Exhibit G – 2015 Re-Zoning

