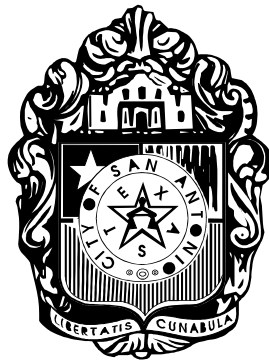


CITY OF SAN ANTONIO, TEXAS
Department of Planning & Community
Development



BROOKS CITY-BASE

Tax Increment Reinvestment Zone Sixteen

FINAL PROJECT PLAN

Amended
June 3rd, 2010
Amended
April 16, 2015

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Executive Summary

The City of San Antonio's Tax Increment Reinvestment Zone ("TIRZ" or "Zone") Sixteen designated by City Council on December 9, 2004 will support the development of housing, commercial, retail and technology-based office space and other amenities in and around Brooks City-Base (BC-B). The zone includes approximately 2,522 acres.

In December 2013, Brooks Development Authority (BDA) engaged the services of Live Oak Gottesman to develop a Master Land Use Plan, which was adopted in July 2014. In March 2015 the TIRZ Board approved amendments to the Project and Finance Plans authorizing the reallocation of Certificates of Obligation proceeds from South New Braunfels to Dave Erwin Dr. The Project Plan was further amended to include the projects listed in Attachment 2 of the 2nd Amendment to the Brooks City-Base Project Plan. These projects are eligible for funding through TIRZ if funds are available after all other obligations have been met. Subsequently, in April 2015 the amendments were approved by the City of San Antonio's City Council. Please see attached "**2nd Amendment to the Brooks City-Base Project Plan**".

The project is located within the Primary Target Area as defined in the City's 2004 TIF Guidelines, within which the City may participate up to 85% and for a term of up to 25 years.

The Brooks City-Base development is located inside Loop 410, a half mile west of I-37, south of S.E. Military Drive and east of Old Corpus Christi Road in City Council District 3, and in the East Central and the San Antonio Independent School Districts. It is also located within the San Antonio Empowerment Zone, which is designed to promote economic development in distressed communities by using public funds and tax incentives as catalysts for private investment. BDA is the developer of the property. This City-initiated TIRZ is designed to leverage ongoing area development in support of a special joint project between the U.S. Air Force and the City of San Antonio to successfully convert and redevelop the former Brooks Air Force Base into a business and technology park that can spur development in the southeastern sector of the city. The City is the only participating taxing entity.

Per the June 2010 Project Plan the estimated cost of infrastructure improvements and related development costs for Brooks City-Base was estimated at \$60,653,921.00, which includes an estimated

Brooks City-Base

administrative expense of \$420,000.00. The maximum amount of TIRZ expenses was projected to be \$55,464,027.00.

Per the “**2nd Amendment to the Brooks City-Base Project Plan**” the estimated cost of infrastructure improvements and related development costs for Brooks City-Base is estimated at \$56,448,807.73, which includes interest earned and estimated administrative expense of \$1,320,000.00.

Per the June 2010 Project Plan, the public infrastructure improvements and related capital costs include: runway demolition, demolition of buildings, sewer outfall, Boyle Road/Research Plaza sewer, Lyster Road, Sidney Brooks Road, Research Plaza Blvd., City Base Landing Road, Drainage & Detention, and Street Landscape & Enhancements. New Braunfels infrastructure projects will consist of Phase I (SE Military to Sidney Brooks), Phase II (Sidney Brooks to Research Blvd.), Phase III (Research Blvd. to Lyster Road), Phase IV (Lyster Road to S. Property Line), and Phase V (S. Property Line to Loop 410). The TIRZ will provide a source of funding for reimbursing public improvement costs. Annual construction of public improvements will be reimbursed as TIRZ revenues become available. The estimated TIRZ revenue to be received through September 30, 2029 is \$55,464,027.00. Additional security is contractual commitment by Brooks to utilize Brooks’ available funds in the event TIF revenues are not sufficient to cover debt service. Contractually require Hospital to remain a taxable entity for ad valorem tax purposes, and require Brooks to pursue other sources of funding. BDA must demonstrate a good faith effort and exhausted all other options before Brooks can seek further capital funding from the City.

The Board of Directors for Brooks City-Base TIRZ Sixteen met on May 2, 2008 and reviewed and approved the Final Project Plan and Final Finance Plans. The life of the Tax Increment Reinvestment Zone (TIRZ) is projected to be 24.82 years with the TIRZ being in existence through fiscal year 2029.

1. Tax Increment Financing: Policy and Program

A. Policy

The City of San Antonio is dedicated to the revitalization of inner-city neighborhoods and commercial districts, particularly in those areas located inside Loop 410 and south of Highway 90. A tiered system of incentive tools, including Tax Increment Financing (TIF), has been structured to meet the City's revitalization and reinvestment goals. Development projects supported by a Tax Increment Reinvestment Zone (TIRZ) should act as economic stimuli to surrounding areas. By leveraging private investment for certain types of development within a targeted area, TIF can be a tool used to assist in financing needed public improvements and enhancing infrastructure. Each taxing entity that collects taxes against the property within a TIRZ has an opportunity to contribute these future tax revenues to a TIRZ fund to reimburse developers for the cost of public infrastructure improvements in the TIRZ.

Tax Increment Financing Highlights:

- TIF is an incentive tool that local governments can use to finance public improvements and enhance infrastructure within a defined area, called a Tax Increment Reinvestment Zone (TIRZ), which act as an economic stimulus for residential & commercial developments.
- Tax Increment Financing is governed by the TIF Act found in Chapter 311 of the Texas Tax Code.
- The TIF Act specifies that areas to be designated as a TIRZ must be economically distressed, unproductive, underdeveloped, or blighted and impair the City's growth because of these factors.

A. PROGRAM

San Antonio's TIF Program strategy to support development and redevelopment is unique in the State. The TIF Program has evolved since 1998 to ensure that the incentive is used today to support the City's Economic Development, Community Development and Urban Design goals. TIF seeks to directly promote recommendations made in the City's Master Plan, CRAG Report, Neighborhood Plans, Community Plans, Corridor and Area Plans, and Housing Master Plan.

TIF Guidelines

The City (City) adopted Guidelines and Criteria for TIF by Ordinance No. 98663 on January 8, 2004. The Guidelines were established by the City in 1998 by Ordinance No. 88196, amended by Ordinance No. 92552 in 2000, and Ordinance No. 92710 in 2002. The Guidelines serve as policy direction to City staff and interested parties regarding the Application for Redevelopment specifically related to Tax Increment Financing, which supports certain types of development in targeted areas of the city. Reinvestment Zones may be designated either through (1) a City-initiated project following a Request for Proposals and the submission of an Application for Redevelopment to the City pursuant to these Guidelines, or (2) the independent submission of an Application for Redevelopment to the City pursuant to these Guidelines in conjunction with the petition of a property owner as detailed in Section 311.005 (a)(5) of the Texas Tax Code. All TIRZ are governed by the Guidelines in effect at the time of the TIRZ creation by City Council.

Targeted Economic Development

Per the June 2010 Project Plan, use of TIF is tailored to the strengths and needs of specific areas of the City. The City has identified target areas where projects may be eligible for TIF with varying participation levels and a term of up to 25 years.

Primary Target Areas (Highest Priority Area): City may participate up to 100% and for a term of up to 25 years.

Secondary Target Areas: City may participate up to 90% and up to a term of 20 years.

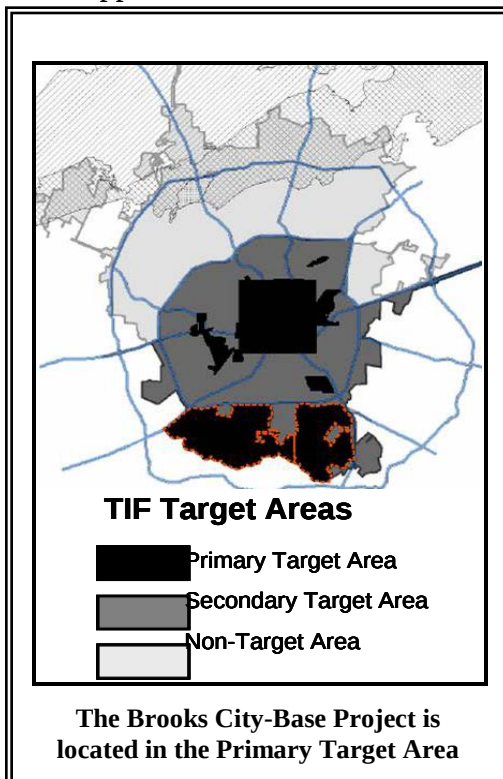
Non-Target Areas: City may participate up to 65% and up to a term of 20 years.

Highest Priority Areas Infrastructure Fund: The balance of TIRZ revenue in Secondary and Non-Target Areas will be allocated to the Highest Priority Areas Infrastructure Fund.

The City may not designate any area as a Reinvestment Zone solely for the purpose of encouraging future development in that area, but may do so if development or redevelopment would not occur solely through private investment in the reasonably foreseeable future. In all proposed Zones, the Applicant(s) must make available an independent market feasibility study in order to demonstrate the demand, viability, and capacity for the project. This study should validate absorption rates, estimated values, adjacent property lease space and reference established neighborhood plans.

COMMUNITY DEVELOPMENT

TIF Applicants must demonstrate how the planned investment will contribute to revitalization activities in the community of which the TIRZ is a part. The Applicant must also indicate how the input of nearby neighborhood residents, businesses, and schools has influenced the project planning process. All proposals must communicate and demonstrate how the project achieves objectives of the City's Master Plan and/or the CRAG.



DESIGN

QUALITY

All projects supported by TIF should add long-term value to the public realm. Accordingly, 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.

Projects must also consider the long-term value of the private improvements supported by TIF. Specifically, the Master Plan calls for efforts to facilitate the provisions of choice in housing for special needs populations (Neighborhoods: Policy 4d). Efforts to meet this policy may include ensuring homes are visitable or easily adaptable to disabled persons. Policy 4i requires the community to explore the full range of options to allow people to remain in their homes throughout their lives.

**Natural Resources Policy
1b: Develop and implement
a management plan for land
use activities which
includes the best
management practices,
based on scientific study
that will protect the
recharge and drainage
zones of the Edwards
Aquifer from pollution.**

The City of San Antonio adopted a Universal Design Policy (Ordinance 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 Developer shall comply or cause its contractors to comply with the City's Universal Design Policy on all improvements installed as required by the City Code, Chapter 6, Article XII. If the Developer does not comply, or does not cause his contractors to comply, the City will remove those tax accounts from the list of accounts generating revenue for the TIRZ fund, and amend the financing plan accordingly

ENVIRONMENTAL PROTECTION

The TIF Program supports the Master Plan's Natural Resources Goal 1: to preserve the unique, rare and significant features of San Antonio's natural environment. The health of the Edwards Aquifer is of particular concern to San Antonio residents. In accordance with Natural Resources Policy 1b (see sidebar), the TIF program has established specific policies that strictly limit the use of TIF over the Aquifer.

The 2004 Guidelines do not allow applications for TIF where all or part of the proposed project falls over the Edwards Aquifer Recharge Zone.

The Brooks City-Base TIRZ is not located over any part of the Edwards Aquifer Recharge Zone.

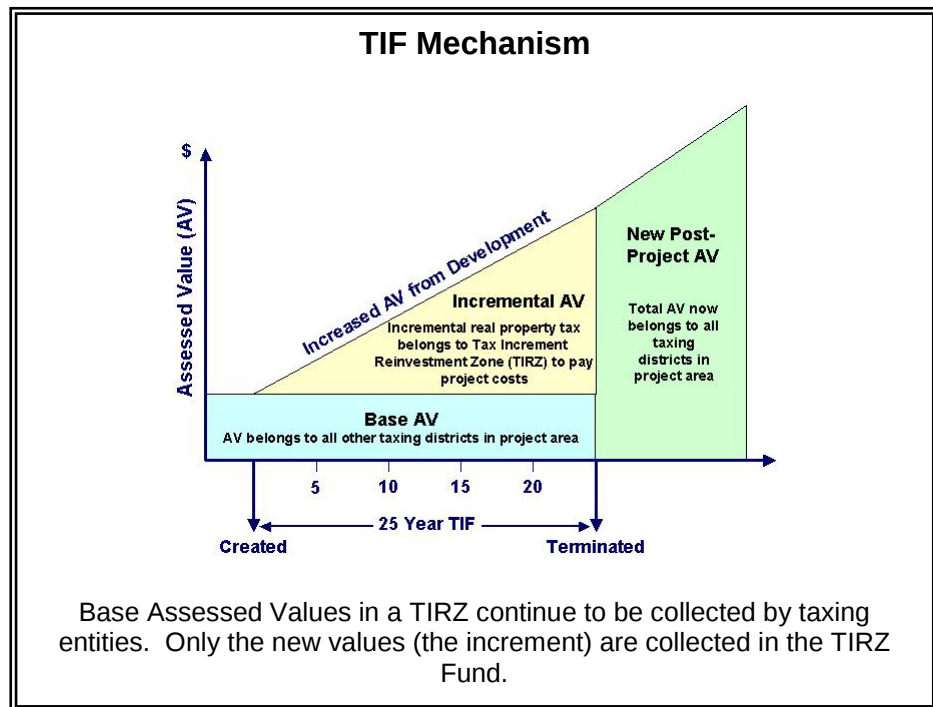
2. Designation and Participation

The long-term success of any Tax Increment Reinvestment Zone is contingent on the participation of one or more taxing entities and on the long-term commitment of the applicant. The City of San Antonio is the only taxing entity committed to participate in this TIF project at an 85% participation level over the projected 24.82 years life of the TIRZ.

A. TIF MECHANISM

Once a Reinvestment Zone has been established, incremental real property taxes resulting from new construction, public improvements, and redevelopment efforts may

be collected in the TIRZ Fund. The City of San Antonio enters into a written agreement with all participating taxing entities to specify: (1) the conditions for payment of the tax increment into a TIRZ Fund, (2) the portion of tax increment to be paid by each entity into the TIF Fund, and (3) term of the agreement.



B. CITY OF SAN ANTONIO

The Brooks City-Base TIRZ is a City-initiated tax increment reinvestment zone and the City is the development's sole participating taxing entity.

The City of San Antonio's TIRZ roles and responsibilities include the following:

- Pre-application consultation
- Application review and analysis
- Statutory presentations
- TIRZ Board administration
- TIRZ Fund administration and review of invoices for reimbursement
- Ongoing monitoring of construction

The City of San Antonio will contribute 85% of its increment to the Brooks City-Base TIRZ. The life of the TIRZ is projected to be 24.82 years, with the TIRZ being in existence until September 30, 2029.

C. DEVELOPER

The Developer for this project is the Brooks Development Authority (BDA) created by the City of San Antonio in September 2001 to receive title of 1,300 acres of real property of the former Brooks Air Force Base and to transition it into a business and technology park. As the applicant for creation of the Brooks City-Base TIRZ, the Brooks Development Authority will serve as the developer for the TIRZ projects reflected in the current project and finance plans. The Brooks City-Base TIRZ includes not only the 1,309 acres of Brooks City-Base proper, but additional acreage surrounding the base that combine to total 2,522 acres for the zone.



Participating Taxing Entity:
City of San Antonio



Developer:
Brooks Development Authority



U.S. AIR FORCE

"Civilianization":
The Brooks Development Authority coordinates closely with the US Air Force in transitioning the former Brooks Air Force Base into a business and technology park.

The Brooks City Base TIRZ does not include costs for public or private improvements constructed outside the boundaries of Brooks City-Base. However, infrastructure and facility improvements being constructed within Brooks City-Base, as well as key property leases and sales that BDA has made, will either lead to and/or support such additional private investments in the surrounding area.

In addition to public improvements that will be undertaken by the BDA within the boundaries of Brooks City-Base, new commercial and residential development not financed by the Brooks City Base TIRZ has been undertaken by other developers in various properties which surround Brooks City-Base proper yet are still within the Zone.

In order to maximize the area impact of the TIRZ's public investment within Brooks City-Base, the Developer should endeavor to harmonize development efforts undertaken within the perimeter of Brooks City-Base with those efforts that are planned or ongoing in the Brooks City-Base TIRZ area. Moreover, the Developer should work with the TIRZ Board to revisit and propose amendments to this project plan as may be needed in order to address development conditions and goals presented by area community plans or by the BDA's Master Plan once it is completed.

As the TIRZ Project's Developer, the BDA's responsibilities include oversight of the whole project, as well as the provision of quarterly reports (project status reports) to the City's TIF Unit (due the 15th of October, January, April and July or the first business day thereafter) that includes: copies of publicly bid documents for public improvements, detailed invoices related to project costs, disclosure of any relevant changes in project, ownership, financial stability, or any anticipated assignment.

D. TIRZ BOARD

The TIF Act requires that the City Council establish a reinvestment zone Board of Directors when designating a TIRZ. As amended in 2001, the TIF 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.

The Brooks City-Base Board shall consist of at least five and not more than fifteen members. The City shall appoint all members of the board because the City is the only taxing entity participating in this zone. The TIF Act does not provide board seats for the State Senator and State Representative in whose districts the zone is located. To be eligible for appointment, an individual must either be a qualified voter of the City, or be at least 18 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. A current roster of board members is available from City staff by request.

3. Existing Conditions

A. REGIONAL CONTEXT



Figure 3-1 Locator Map

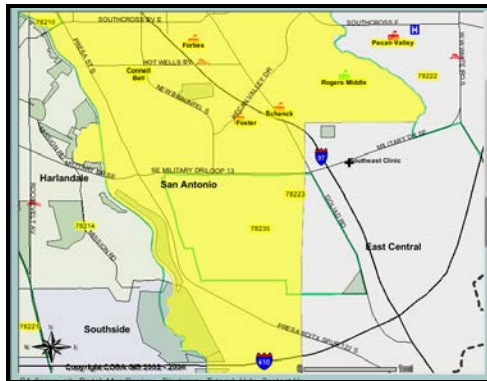


Figure 3-2 San Antonio ISD



Figure 3-3 East Central ISD

The Brooks City-Base TIRZ is located in the southeastern section of the City of San Antonio, inside Loop 410. The area borders South New Braunfels Avenue and South East Military Drive to the north, South Presa and Old Corpus Christi Road to the west, and Dave Erwin Drive and S.E. Loop 410 to the south and IH-37 to the east. The project area is approximately 6 miles south of the Central Business District.

Four major landholders (Brooks City Base, Stinson Airport, the National Park Service, and San Jose Mission Burial Park) control the majority of the surrounding area. Two major thoroughfares link the TIRZ area: South East Military Drive and I-410. S.E. Military Drive connects two of San Antonio's former major military installations, Kelly AFB and Brooks AFB. In addition, South Presa links downtown with the TIRZ area. The South Presa and S.E. Military Drive historically have been major corridors for commercial and industrial development.

Schools and School Districts

Brooks City-Base TIRZ straddles two school districts: San Antonio ISD and East Central ISD. Connell Ball Middle School and Schenck Elementary School located within San Antonio ISD are within close proximity of the TIRZ.

Parks and Other Facilities

Pytel Park is located in the northwestern part of the zone, and Brooks Park in the southeastern part of the zone. The closest

public library is the McCreless library located off of Ada Street across IH-37.

HISTORICAL RESOURCES

Several Spanish missions administered by the National Park Service lie nearby. Mission San Jose lies to the west of the northwest corner of the zone, Mission San Juan lies southwest of the zone, and Mission Espada lies south, southwest of the zone.

MEDICAL FACILITIES AND PUBLIC SAFETY

The nearest San Antonio Police Department substation is the South Substation located on 711 Mayfield.

The nearest San Antonio Metro Health District Clinic serving the area is the Southeast Clinic, located just east of I-37, along SE Military Drive and the northeast corner of the zone.

The nearest hospital is the Southeast Baptist Hospital, located less than two miles from the northeast corner of the zone, along E. Southcross Boulevard.

The three nearest San Antonio Fire Stations are Fire Station #22, Fire Station #29 and Fire Station #20.

NEIGHBORHOOD PLANS AND ASSOCIATIONS

The nearest neighborhood plans affecting this area are the South Central San Antonio Community Plan (August 1999), the Highlands Community Plan (April 2002), and the Southside Initiative (a.k.a. "City South") Plan (June 2003). While the several plans do not refer to TIRZ funds as a source for neighborhood improvements, they did list numerous items that would be addressed by several elements of the plans related to the area of the Brooks City-Base TIRZ.



Figure 3-4 ["Aerial 10"Comment]

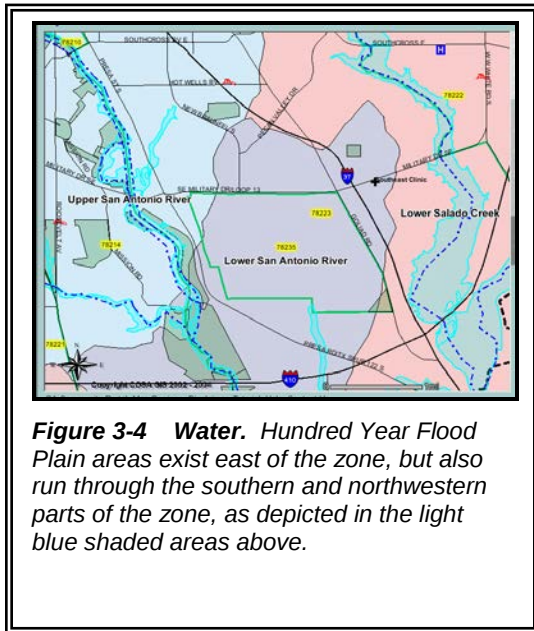


Figure 3-4 ["Aerial 11"Comment]



Figure 3-4 ["Aerial 7"Existing multi-family housing that currently supports resident military personnel is visible at center of photograph.

B. SITE CONDITIONS



TOPOGRAPHY AND HYDROLOGY

Brooks AFB is situated along the base of the Edwards Plateau, in an area classified as the Blacklands Prairie. Dissected by small streams and elevations ranging from 1,100 to 1,900 feet above mean sea level (MSL), the Edwards Plateau serves as a catchment area for surface water that flows into the shallow aquifer recharge zone and streams extending around the base. Two areas on base are within the 100-year floodplain. Both sites are in undeveloped areas and are used for recreational purposes. One area is adjacent to Berg's Mill Creek, a tributary of the San Antonio River that flows south-southwest on the base through the golf course, forms the golf course pond, and exits south of the West Gate. The other area classified as a 100-year floodplain is on the southeast portion of the base in the Family Campground Pond.

GEOLOGY

The three major soil types at Brooks City-Base, which constitute more than 80 percent of soils at the installation, include Houston black clay, Lewisville silty clay, and San Antonio clay loam. The remaining soils consist of five minor soil types: Hilly gravel sand, Karnes loam, Patrick soils, Trinity and Frio soils, and Webb fine sandy loam.

The surface soils on base are typically moderately drained alluvial clay, silty clay and silty clay loams. Permeability ranges from 0.3 to 2.5 inches per hour, with some higher values (up to 5 inches per hour) in the soils on the west side of the base. Gravel and gravelly alluvium can be encountered at depths of 5 to 12 feet.

ENVIRONMENTAL ASSESSMENT

The Department of the Air Force conducted and submitted an Environmental Baseline Survey for the Brooks City Base site. This report identified all the known areas of concern within the facility, and evaluated potential risks to human health and environment associated with these areas of concern. Although this report identifies numerous known environmental concerns on the subject site, the report does not clearly identify the location of the future development. Therefore, it is very difficult to evaluate the proposed TIF location site in relation to this report from an environmental standpoint. The report is inconclusive at this time.

Based on the review, it is recommended that the applicant select a specific location and conduct a separate Phase I ESA on this location. This will enable us to review the

environmental information and determine if historical operations at Brooks City Base have potentially affected the proposed development

HISTORIC USE

In November 1917, leases were signed with individuals who owned the 873 acres of land that would become Brooks AFB. Prior to development of the installation, the property was primarily used for cattle ranching; the site was covered with mesquite and undergrowth. This original land, situated in the south section of the base, is the oldest part of the installation and was the first installation land sold to the U.S. Government. Originally called Kelly Field No. 5, groundbreaking ceremonies were held in December 1917. In February 1918, the installation was named Brooks Field in honor of Sidney Johnson Brooks, Jr., the first San Antonian aviator to die in World War I-related activities.

During the late 1950s, Brooks AFB was transitioned from a flying training center to a center for modern medical research, development, and education. In 1959, the School of Aviation Medicine returned to Brooks AFB from Randolph AFB. In 1961, the school was renamed the U.S. Air Force (USAF) School of Aerospace May 2002 Environmental Baseline Survey, Brooks AFB, Texas 3-3 Medicine and became part of the Aerospace Medical Center (later renamed the Aerospace Medical Division). With the emergence of the Aerospace Medical Division, the USAF School of Aerospace Medicine, together with other organizations, combined aerospace medical research, education, and clinical treatment under one center designed to study flight and its effects on the individual, as well as the various systems that support the crew member while in flight.

DEMOGRAPHICS

Brooks City-Base TIRZ is located in Census Tracts 1411, 1414.01, 1414.02, 1415, 1416, 1417, 1518, 1019, 1053, 1091, 4019, 4020, 4023, and 4024.

EDUCATION

According to the 2000 U.S. Census, the percentage of San Antonio's population without a high school degree is 24.9%.

The Brooks City-Base Census Tracts show a slightly better percentage than the San Antonio average, at 23.0%.

HEALTH

The Metropolitan Health District publishes an annual listing of the County's unhealthy zip codes. These zip codes are chosen for high rates of teen births, drop-outs, sexually transmitted diseases, domestic violence cases, juvenile probation cases, stray animal calls, elevated blood lead levels, juvenile asthma cases, EMS calls, and infant deaths. Brooks City-Base TIRZ is in zip codes 78223 and 78235, listed as unhealthy by the latest Metropolitan Health District list.

POVERTY

The 2000 Census (QT-P34 Poverty Status in 1999 of Individuals: 2000 Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data) describes San Antonio's percentage of population living below poverty level at 17.3%.

Brooks City-Base Census Tracts' percentage of population living below poverty level is slightly lower: 14.8%.

EMPLOYMENT

The 2000 Census (QT-P24 Employment Status by Sex: 2000 Data Set: Census 2000 Summary File 3 (SF3) Sample Data) reports San Antonio's percentage of unemployed civilians at 6.2%.

Brooks City-Base Census Tracts' unemployment percentage is better than the City average, at 2.5%.

MARKET CONDITIONS

In the period from 1999 – 2004, the City of San Antonio's average total value (land plus improvements) increased 44%. In the same time period, the values of the Brooks City-Base TIRZ Census Tracts increased to a greater degree: 64%.

A. CONCEPT

The Brooks Development Authority's (BDA) mission is to promote science research and technology at Brooks City-Base (BC-B) to contribute to the economic development of San Antonio. BDA intends to use a variety of incentives to help achieve its vision. These could range from use of the Empowerment Zone and Freeport incentives to use of BDA's ad valorem tax exempt status to attract desired companies to locate at BC-B.

This TIRZ is City-initiated and is designed to leverage ongoing area economic development to support the special joint project between the U.S. Air Force and the City of San Antonio to successfully convert and redevelop Brooks Air Force Base. The City of San Antonio created the BDA in September 2001 to receive title of 1,300 acres of real property of the former military base and to transition it into a business and technology park.



Figure 4-1 [Aerial 1, Comment]

The project proposes to implement a variety of eligible use patterns, including Office or Institutional Campus, Commercial Center and Traditional Neighborhood Development Use Patterns in accordance with Master Development Plan # 807 approved by on February 17, 2005. In addition, the development of the Brooks City Base TIRZ will be implemented in accordance with the "*Comprehensive Economic Development Plan for South Central San Antonio, with Emphasis on the Brooks City Base Project*," study completed in 2001.

These investments will make BC-B unique by providing a master planned park with new infrastructure and extensive amenities that are a redevelopment within an area that was developed approximately 50 years ago but is extremely well located just off two intersecting highway systems. The level of amenities, park areas and recreational space will exceed typical levels in similar developments and make the property very attractive. By building this type of technical and science research base within an area that already has the necessary off-site highway and utility infrastructure, it will divert some of the burden of the development expanding the perimeter of the San Antonio area to the north and the west, which requires new highway and major utility infrastructure to support it.

Since BC-B is a former Air Force Base, no non-Department of Defense (DoD) development existed prior to BDA ownership. To communicate to the market that BC-B was a viable location for private business, BDA needed to first plan and construct a portion of the infrastructure previously mentioned. The next step was to create amenities for the area, including the previously mentioned retail development, creation of 23 acres of water features and park land, construction of softball and football fields and working

with the City to add soccer fields at BC-B. After the addition of amenities, another crucial step is the securing of several non-DoD tenants. The BDA signed a long-term lease (for \$1.00 per year) with the City of San Antonio to build a \$24.5M Emergency Operations Center to benefit the community in the time of a disaster or other emergency. In May 2010, the TIRZ Board and the BDA Board of Directors approved amendments to the Project and Finance Plans to utilize TIRZ funds for improvements to Challenger Drive and Inner Circle to facilitate the development of 6.14 acres for the City's 911 Operations Center. Subsequently, in June of 2010 the amendments were approved the San Antonio's City Council. Additionally, the BDA responded to a Request for Proposals to build an R&D, office, lab and warehouse facility on a long-term lease to DPT Laboratories. BDA had to meet significant incentives and allow significant control of the project to be transferred to the tenant in order to keep this research use from moving out of San Antonio. It now serves as the first new private tenant anchoring the business and technology park. BDA also sold 10 acres of land for a charter school focused on science and engineering. It is well known that there is a lack of interest in science in engineering in school age children and BDA thought this would be an excellent complimentary use and would serve as an asset to the park and the community. The construction of new roads and utility systems was a requirement for all three of these anchor projects in that the existing infrastructure build by the Air Force was inadequate. In negotiating these deals, and all the current deals, BDA includes notification to the tenant/purchaser that the site or building is located within a TIRZ and that the development has to comply with TIRZ related requirements including compliance with land use pattern criteria.

Suggested deliverables that could be required of BDA as a result, or benefit from, the construction of the infrastructure in the TIRZ Project Plan could include:

1. Construction of 23 acres of professionally designed and landscaped water features, drainage areas and park areas
2. Construction of the second phase of an additional approximately 23 acres of professionally designed and landscaped park areas
3. Construction of softball, football and other recreational fields
4. Construction of hospital, medical offices, school and retail are projected at \$373.7 million.
5. Ground lease of 25 acres of land to the City of San Antonio for additional soccer fields, at a rate of \$1.00 per year.
6. Ground lease of land to the City of San Antonio for construction of the \$24.5M City and County Emergency Operations Center, a bond funded community entity, at a rate of \$1.00 per year.
7. Construction of 3 acres of regional storm water detention to solve flooding problems (not caused by BC-B) that have been a long standing issue with adjoining residential neighborhoods
8. Conversion and improvement of the former Air Force Golf Course in to landscaped parkland with walking trails that can be used as a community amenity.

In December 2013, Brooks Development Authority (Brooks) engaged the services of Live Oak Gottesman to develop a Master Land Use Plan, which was adopted in July 2014. In March 2015 the TIRZ Board approved amendments to the Project and Finance Plans authorizing the reallocation of Certificates of Obligation proceeds from South New Braunfels to Dave Erwin Dr. The Project Plan was further amended to include the projects listed in Attachment 2 of the 2nd Amendment. These projects are eligible for funding through TIRZ #16 if funds are available after all other obligations have been met. Subsequently, in April 2015 the amendments were approved by the City of San Antonio's City Council. Please see attached **2nd Amendment to the Brooks City-Base Project Plan**.

B. Infrastructure

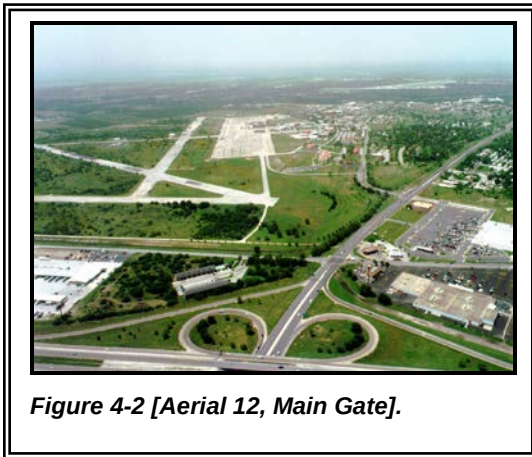


Figure 4-2 [Aerial 12, Main Gate].

BDA has begun construction infrastructure according to the project plan drafts submitted with the application for approval of Brooks City-Base TIRZ No. 16. To develop BC-B over the next decades, BDA had to complete a number of preparatory actions. Initial actions include master and land use planning, road, traffic, storm water, utility and telecom engineering analyses and reports. Next steps, which are currently in progress, include construction of major road thoroughfares,

storm water detention facilities, utility systems and telecommunications infrastructure. Other actions in progress relate to the creation of an image that sets BC-B apart as a unique environment in competing for science research and technology tenants, especially in regional competition. These actions include creation of water features, large professionally designed and landscaped park areas with walking trails, soccer, softball, football and other recreation areas and regional storm water detention facilities that can be also used as public green space. BDA and our tenants also identified that additional retail services and restaurants where needed in the area as an amenity to BC-B. BDA therefore sold 62 acres of land for this type development and donated over \$300,000.00 to add upgraded landscaping and storm water collection to the site BDA sold to Wal-Mart and the other retail development. Additionally, BDA is working on design standards to help ensure a quality built environment with consistent, high quality signage and site improvements.

FIRE DEPARTMENT

The Brooks City-Base TIRZ is serviced by Station #29, at 827 Hot Wells and Station #22, at 1100 March. Fire Station 22 is 3.4 miles to the entrance at City Base Landing

and Station 29 is 2.33 miles. Both Stations provide Firefighting and Emergency Medical Services.

DEVELOPMENT SERVICES DEPARTMENT

Brooks City-Base MDP 807 was accepted on February 17, 2005. Subsequent plats 040596 for Unit 1 and 050037 for Unit 2 were approved on July 13, 2006. Plat number 060456 for Lyster Road, Unit 1 was approved on February 28, 2007.

C. UTILITIES

Per the Amended June 2010 Project and Finance Plans, the following improvements will be reimbursed with TIRZ funds: sitework, streets, streetscape enhancements, water, sewer, telecom, gas, drainage & detention facilities.

D. PARKS

While no park improvements are included in the Finance Plan, the Developer and the City of San Antonio have entered into a 25 year ground lease for approximately 25 acres of land for a rental rate of \$1.00 per year. The site adjoins the existing City-owned Brooks Park which currently has several soccer fields and a rugby field. The City has redesigned this park with the addition of the 25 acres leased from the BDA and will include ten soccer and rugby fields, as well as restrooms, concession stands and parking on the two properties.

E. FINANCIAL INFORMATION

Per the Amended June 2010 Finance Plans, the Final Finance Plan developed for this TIRZ includes a commitment by the City to issue bonds, notes, certificates of obligation, or other financial instruments to finance the New Braunfels Infrastructure Project, Phase I through V and other street infrastructure projects as funds are available. The City is making this commitment in an effort to minimize the cost of funding the infrastructure as well as maximizing the amount of principal financed. In May 2010, the TIRZ Board and the BDA Board of Directors approved amendments to the Project and Finance Plans to utilize TIRZ funds for improvements to Challenger Drive and Inner Circle to facilitate the development of 6.14 acres for the City's 911 Operations Center. Subsequently, in June of 2010 the amendments were approved the San Antonio's City Council.

The details of the Finance Plan are included below:

- a. Debt is structured based on cash flow of TIRZ
- b. Debt is secured with ad valorem tax pledge
- c. Debt service is paid from TIF revenues

- d. Additional security is contractual commitment by BDA to utilize their available funds in the event TIF revenues are not sufficient to cover debt service
- e. Provides City's significant credit strength and structuring flexibility resulting in the lowest cost of borrowing, thereby, maximizing the amount of capital infrastructure which can be funded
- f. No reimbursement of prior capital expenses to BDA, however, plan includes projects that would have been funded with the reimbursement as eligible to be funded from debt proceeds
- g. Maximizes capacity of the revenue stream for funding infrastructure
- h. Requires BDA to pursue other sources of funding
- i. BDA must demonstrate good faith effort and have exhausted all other options before they can seek further capital funding from the City in the future

Per the Amended June 2010 Finance Plans, the Final Finance Plan includes a base value of \$36,815,100.00 and captured values are projected to grow from \$3,626,775.00 in tax year 2005 to \$493,462,688.00 in tax year 2028. The growth assumptions include projected values of anticipated improvements of \$200,989,368.00 and an annual growth rate of 3%. This produces estimated annual revenues of \$17,581.00 in fiscal year 2006, which gradually increases to \$2,313,430.00 in fiscal year 2029.

Per the “**2nd Amendment to the Brooks City-Base Finance Plan 2015**”, the Final Finance Plan includes a base value of \$36,815,100.00 and captured values are projected to grow from \$3,626,775.00 in tax year 2005 to \$992,852,079.00 in tax year 2027. The growth assumptions include projected values of anticipated improvements of \$750,451,174.00 and an annual growth rate of 2%. This produced an annual revenue of \$861,929.78 in fiscal year 2008, which is expected to increase to \$4,673,324.65 in fiscal year 2028.

5. Project Feasibility

TARGET MARKET

The target market is surrounding two market types that will include an Economic Base Market and a Real Estate Base Market for the subject site area. The major economic base industries in San Antonio include aerospace/aviation, healthcare/biotechnology, high-end business services, manufacturing, tele-communications, tourism, homeland security and military, all of which have an opportunity to expand to the South-East San Antonio market area. The major real estate market opportunities to be considered would include single-family residential, multi-family, retail and industrial markets.

POPULATION

Per the Original Project Plan, the population growth in the San Antonio area has been consistently above national averages for the past ten years ranging from 1.6% to 2.3% since 1991.

The estimated January 2006 population for the City of San Antonio is 1,306,900, with the estimated 2006 population of the San Antonio's MSA (Metropolitan Statistical Area) being 1,958,900. San Antonio's population increased 19.1% between 1980 and 1990, increased 22.3% between 1990 and 2000, and is estimated to increase at a rate of 14.2% between 2000 and 2006. The population of the San Antonio MSA increased 21.68% between 1980 and 1990, increased 20.2% between 1990 and 2000, and is anticipated to continue to increase. The population growth trends, as published by the U.S. Census Bureau and Real Estate Center at Texas A&M University, indicate that Texas increased at a rate of approximately 22.8% between 1990 and 2000, and the United States increased approximately 13.2% between 1990 and 2000. The population growth trends for the City of San Antonio and the San Antonio MSA are in-line with population trends for the State of Texas and are well above the population growth trends for the United States.

The area for the Brooks City-Base development has experienced an increase in population percentages due in part to the small amount of development housing projects going in place. Recent investment in this area may act as a catalyst to encourage an increase in the population. Data indicates that over half of the population consists of eligible members of an active workforce with income earning potential between the ages of 18 and 64 years of age. It is estimated that the median age for the Primary Market Area will increase to 30.1 years by 2005, remaining slightly below the San Antonio median age.

6. Departmental Review

A team of various departments analyzed the viability and feasibility of the project, each evaluates the Application for Redevelopment submitted to the City expressing interest in TIF funding.

To ensure the developer criteria set forth in the City's Tax Increment Financing and Reinvestment Zone Guidelines & Criteria have been met along with other City policies, the respective departments review and coordinate with the developer and TIF

coordinating department, information related to the project that assists in the analysis from their perspective.

Upon final analysis, each participating department submits a narrative review of the project. The City departments that comprise the team for analysis of the Brooks City-Base project are: City Attorney's Office; Development Services; Environmental Services; Finance; Fire; Housing and Neighborhood Services; Office of Management & Budget; Parks & Recreation; Planning and Community Development; and Public Works.

EXHIBIT A: VICINITY/SCHOOL DISTRICTS MAP

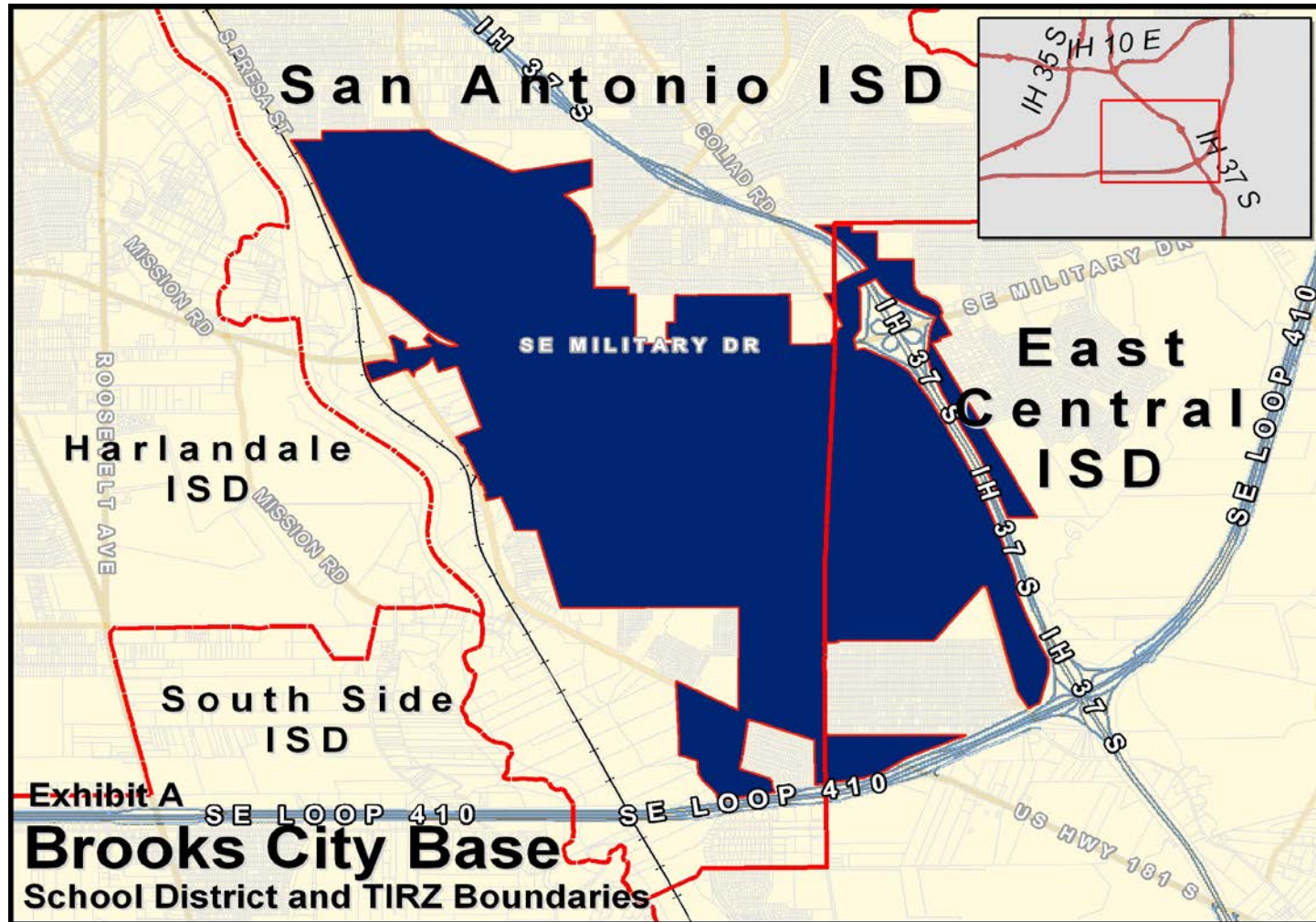


EXHIBIT B: BOUNDARY/FLOOD PLAIN MAP

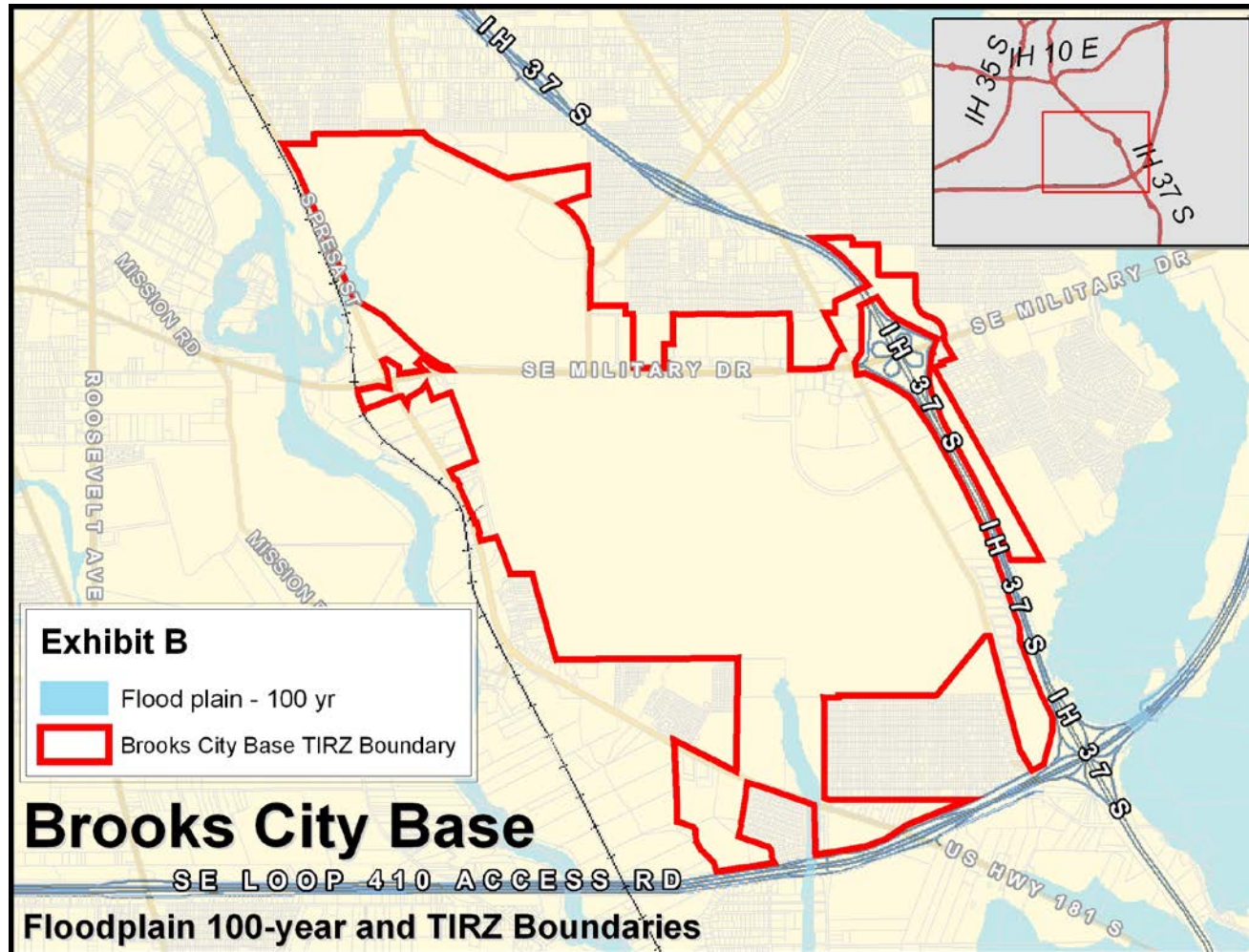


EXHIBIT C: EXISTING LAND USE MAP/MASTER SITE PLAN



2nd Amendment to the Project Plan

Amendment to the Brooks City-Base Project Plan April 16, 2015

Introduction

The Brooks Development Authority (Brooks) program is designed to serve as a catalyst to spur new private sector investment and job creation within our community. The economic development program has been developed to implement sustainable strategies that leverage investments from various sources to maximize the long-term viability of our economic development efforts. Brooks views economic development as a means to promote private enterprise and individual opportunity throughout our community.

In September 2011, the United States Air Force officially departed from the Brooks City Base campus. In June 2013 the Brooks Development Authority Board of Directors (Brooks or Authority) adopted a revised Mission Statement, and Vision Statement. The Statements are presented below.

The Brooks Mission Statement is to:

“promote, develop, and sustain a vibrant community and serve as a catalyst for progressive economic development and prosperity.”

The Vision is to serve as a:

“A premier community attracting local, national, and international investment to stimulate world class opportunities that transform the surrounding area and region while respecting its rich and vibrant history. Brooks: Live, Work, Learn, and Play.

Core Values: The employees of Brooks City Base are committed to the following values that promote a work environment that fosters the entrepreneurial creativity and mission of the various community members.

- Integrity
- Customer Service
- Accountability

Economic Development and Land Use

Of the original 1,308 acres of land conveyed to Brooks, approximately 238 have been sold or under a long-term lease, approximately 281 acres are under lease, designated green area or are a drainage area. Brooks also acquired 55 acres located on the east side of Presa St., north of S.E. Military Dr., of these 55 acres, approximately 22 acres is drainage area. The gross developable area is 789 acres on the Brooks campus and 33 acres at the off campus site for a total of 844 acres.

Brooks has twenty-eight business tenants or owner enterprises on the campus employing an estimated 2,847 individuals with an approximate average annual salary of \$50,000. A listing of the businesses and number of employees is shown in the following table.

Brooks Development Authority		
No.	Tenant Name	No. Of Employees
1	Bridge PTS	7
2	Brooks Academy of Science & Engineering	109
3	Brooks City-Base Health and Wellness Center	7
4	City of San Antonio - Animal Control Service	7
5	City of San Antonio - City Council, District 3	8
6	City of San Antonio - Emergency Operation Center	45
7	City of San Antonio - Metro Health	34
8	City of San Antonio - Police Fire Safety & Emergency Dispatch Center	250
9	City of San Antonio - Purchasing	26
10	City of San Antonio - SAPD K-9 Unit	16
11	City of San Antonio -Storm Water	179
12	Carenet	150
13	Calumet Speciality Products	98
14	Community Bible Church	1
15	DPT Laboratories	175
16	Grubb Engineering	16
17	Heritage Oaks	3
18	Mission Trail Baptist Hospital	640
19	National Guard	18
20	South San Antonio Chamber of Commerce	3
21	Spine and Pain Center of SA	7
22	Texas A& M - San Antonio	99
23	The Landing at Brooks City-Base	7
24	Tx House of Representative, District 119	2
25	VOLT	700
26	Wyle Integrated Science and Engineering	19
27	Wyle Integrated Science and Engineering	21
28	Mission Solar	200
Total		2,847

In December 2013, Brooks engaged the services of Live Oak Gottesman to develop a Master Land Use Plan, which was adopted in July 2014. The Master Land Use Plan divides the main campus into three main parcels (A, B, & C) below. See Attachment 1, Maps V and VI.

- Parcel A: Encompasses an estimated 225 acres which is projected to yield at least 1,637,004 sq. ft. of building space that is available for lease or sale over the next five years. Parcel A land use will be allocated to retail, education, mid and low density residential use, commercial and mixed use businesses and living space. In addition Parcel A includes approximately 40 acres of linear parkway, trails and ponds. The University of the Incarnate Word School of Osteopathic Medicine will also be located in Parcel A. A lease agreement has been entered into with the expected opening of the school in Fall 2016.
- Parcel B: Encompasses an estimated 245 acres which is projected to yield at least 1,778,752 sq. ft. of building space that is available for lease or sale over the next five years. Parcel B land use will be allocated to low density residential use, commercial and mixed use businesses and living space.
- Parcel C: Encompasses an estimated 319 acres which is projected to yield at least 2,319,574 sq. ft. of building space that is available for lease or sale over the next five years. Parcel C land use will be allocated to light industrial development.

Amended Project List

The amended Project Plan requests that remaining Certificates of Obligation proceeds that have been allocated to South New Braunfels, Challenger Drive and Inner Circle Drive be reallocated to Dave Erwin Drive and other street projects. The Project Plan is further amended to include the projects listed in Attachment 2 as the eligible projects that can be funded from TIRZ #16 revenues.

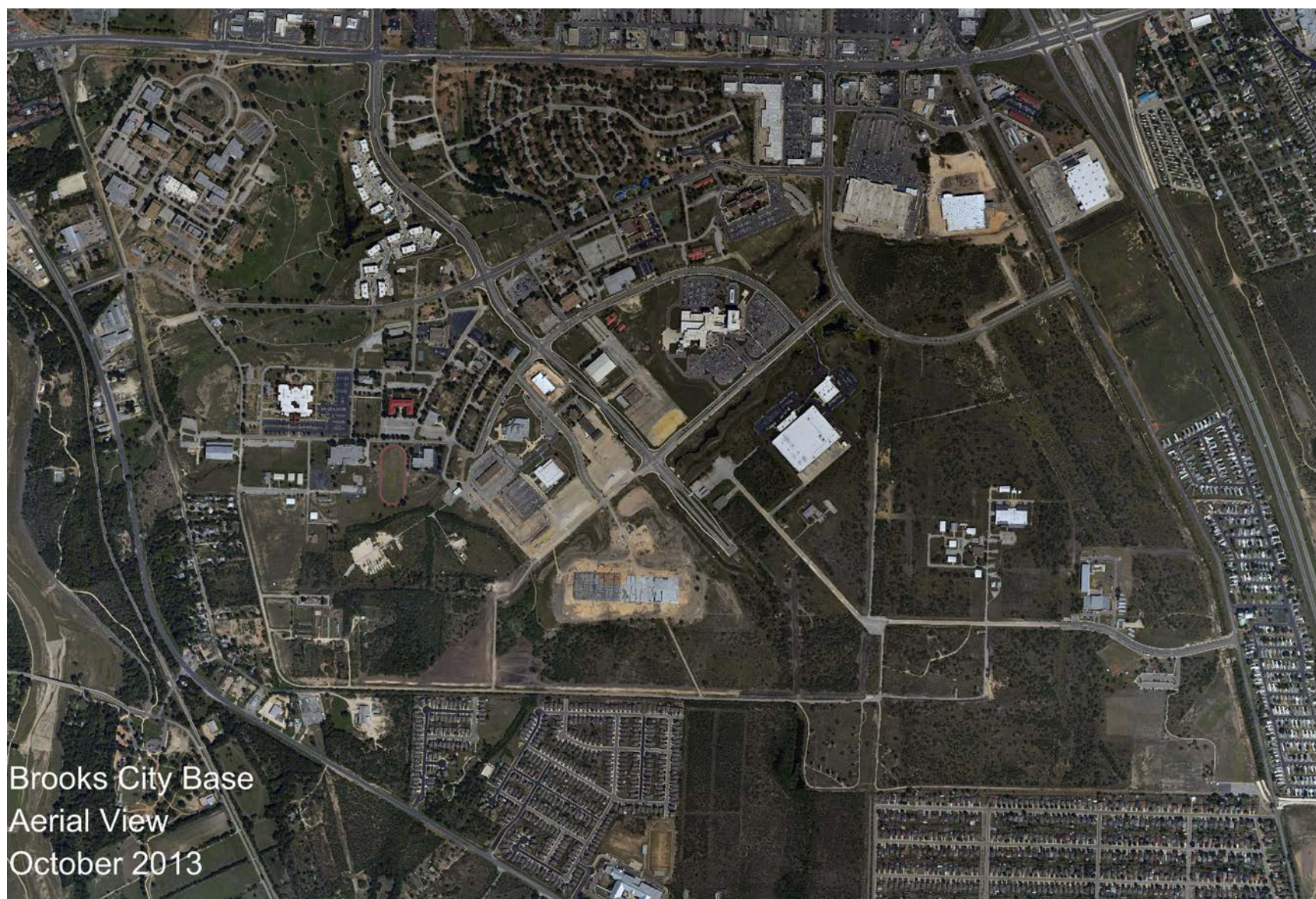
Maps

References made to maps can be found in the attachments. Included maps are Brooks City Base (BCB) Aerial View, BCB City Council District 3, BCB Infrastructure, BCB TIRZ Boundaries, BCB Land Value, BCB Land Use, BCB Land Use Plan Parcel Details, and BCB Aesthetic Improvement Plan. Additional attachments include Estimated Development Values and List of Eligible Projects.

2nd Amendment to the Project Plan - Attachment 1

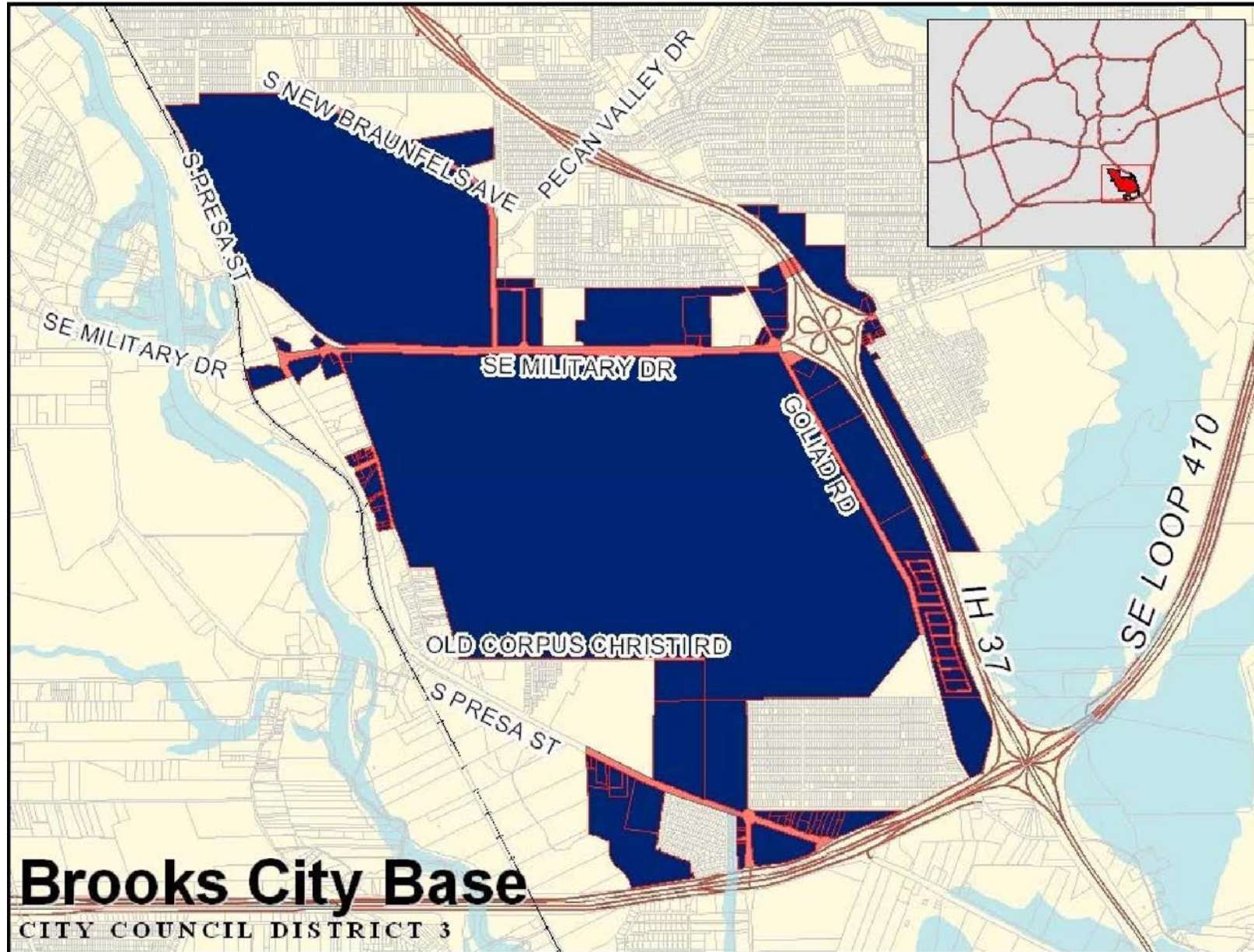
TIRZ # 16 Maps

Map I

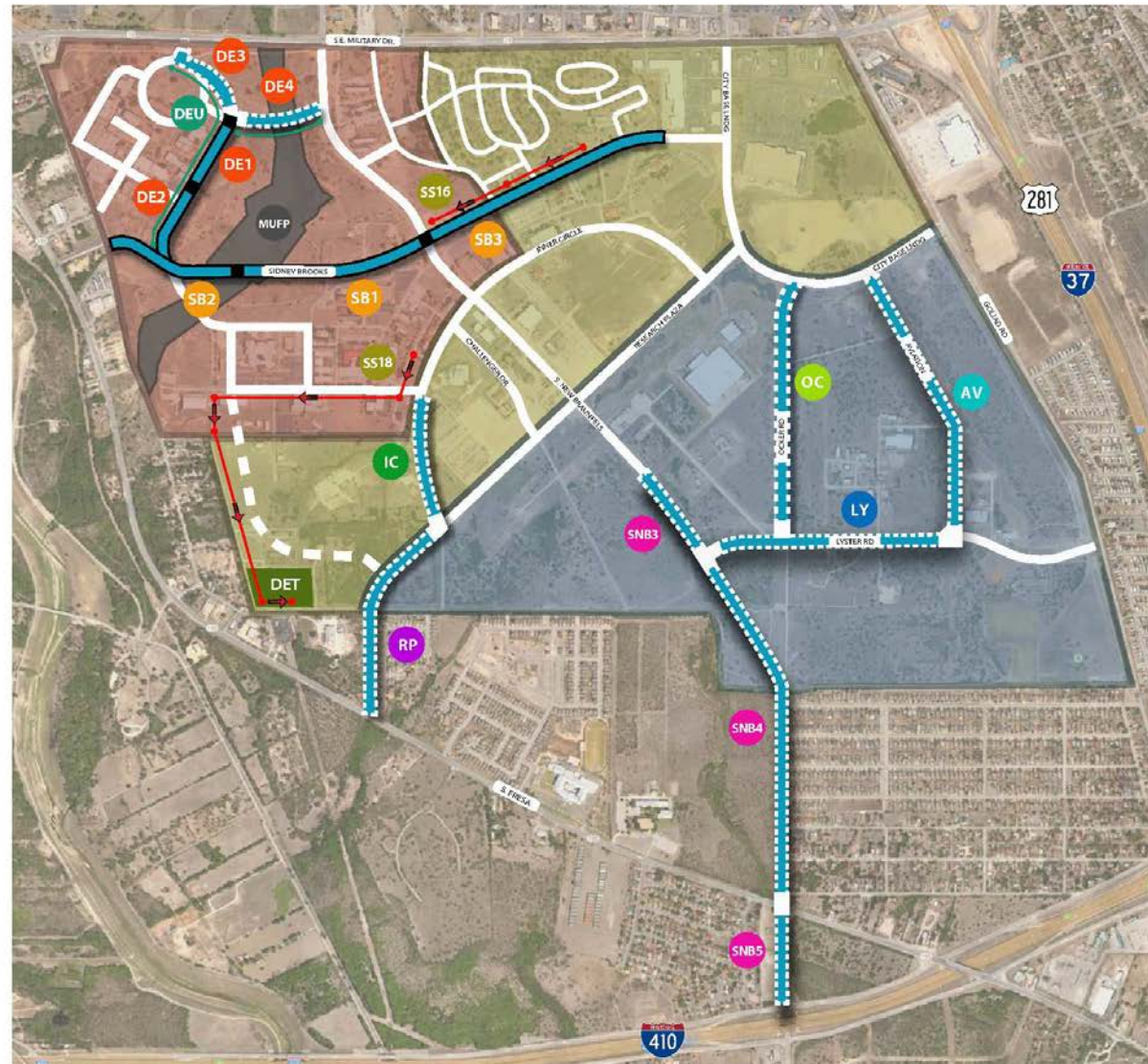


Brooks City Base
Aerial View
October 2013

Map II



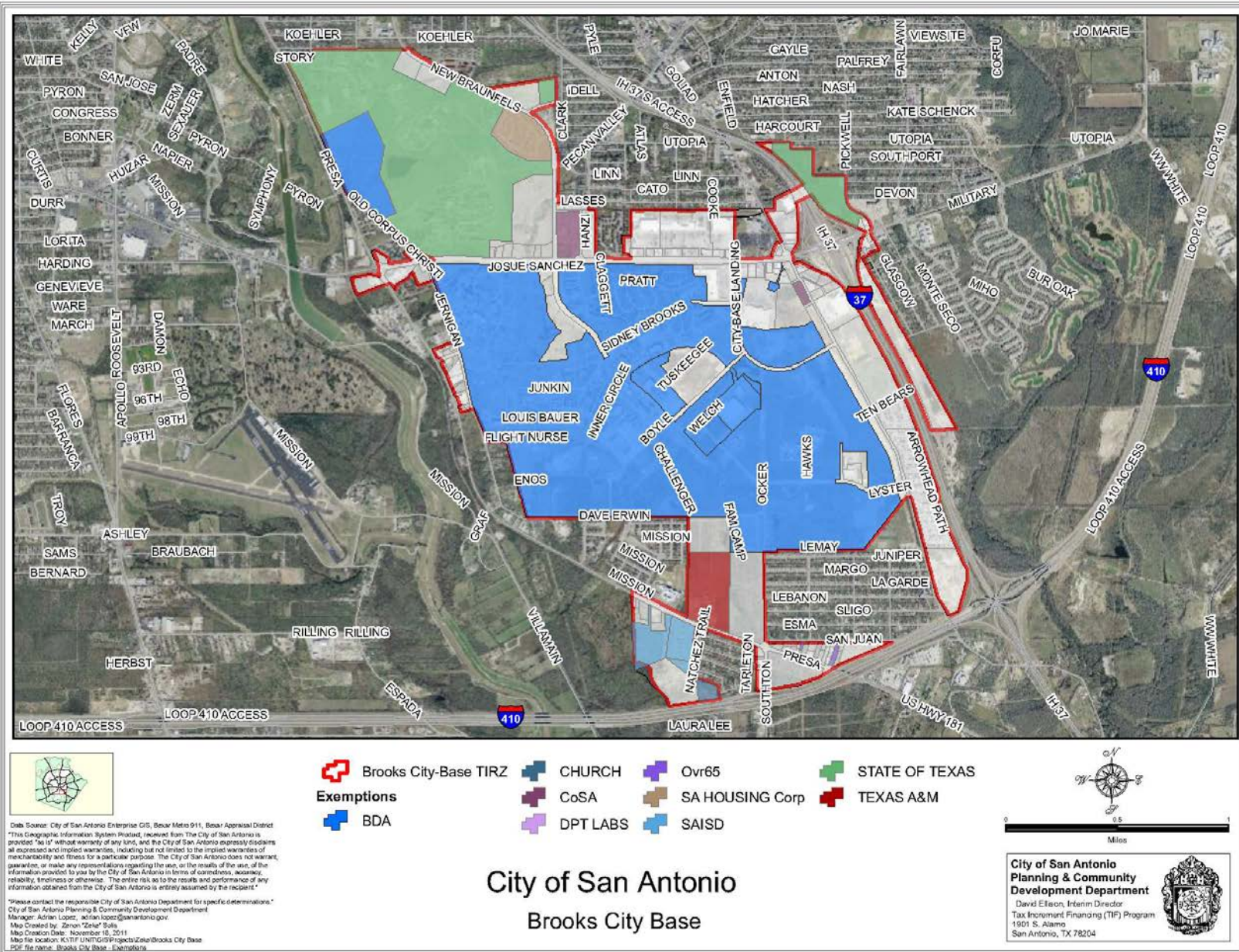
Map III



DE1	Dave Erwin Dr. Improvements - Phase 1	\$3.1M
DE2	Dave Erwin Dr. Improvements - Phase 2	\$2.8M
DE3	Dave Erwin Dr. Improvements - Phase 3	\$2.7M
DE4	Dave Erwin Connection	\$2.4M
SB1	Sidney Brooks - Phase 1	\$9.6M
SB2	Sidney Brooks - Phase 2	\$4.1M
SB3	Sidney Brooks - Phase 3	\$9.9M
IC	Inner Circle	\$3.0M
RP	Research Plaza	\$7.0M
SNB3	S. New Braunfels - Phase 3	\$3.8M
SNB4	S. New Braunfels - Phase 4	\$18.9M
SNB5	S. New Braunfels - Phase 5	\$3.4M
OC	Ocker Road	\$5.9M
AV	Aviation Road	\$6.0M
LY	Lyster Road	\$5.9M
SS16	Sidney Brooks Sewer	\$0.3M
SS18	West Campus Sewer	\$0.9M
DET	Detention Pond, Southwest Corner	\$1.1M
DEU	Dave Erwin Dr. Utility Extensions	\$1.4M
MUFP	Mult-use Pathway & Flood Plain Redevelopment	\$11.1M

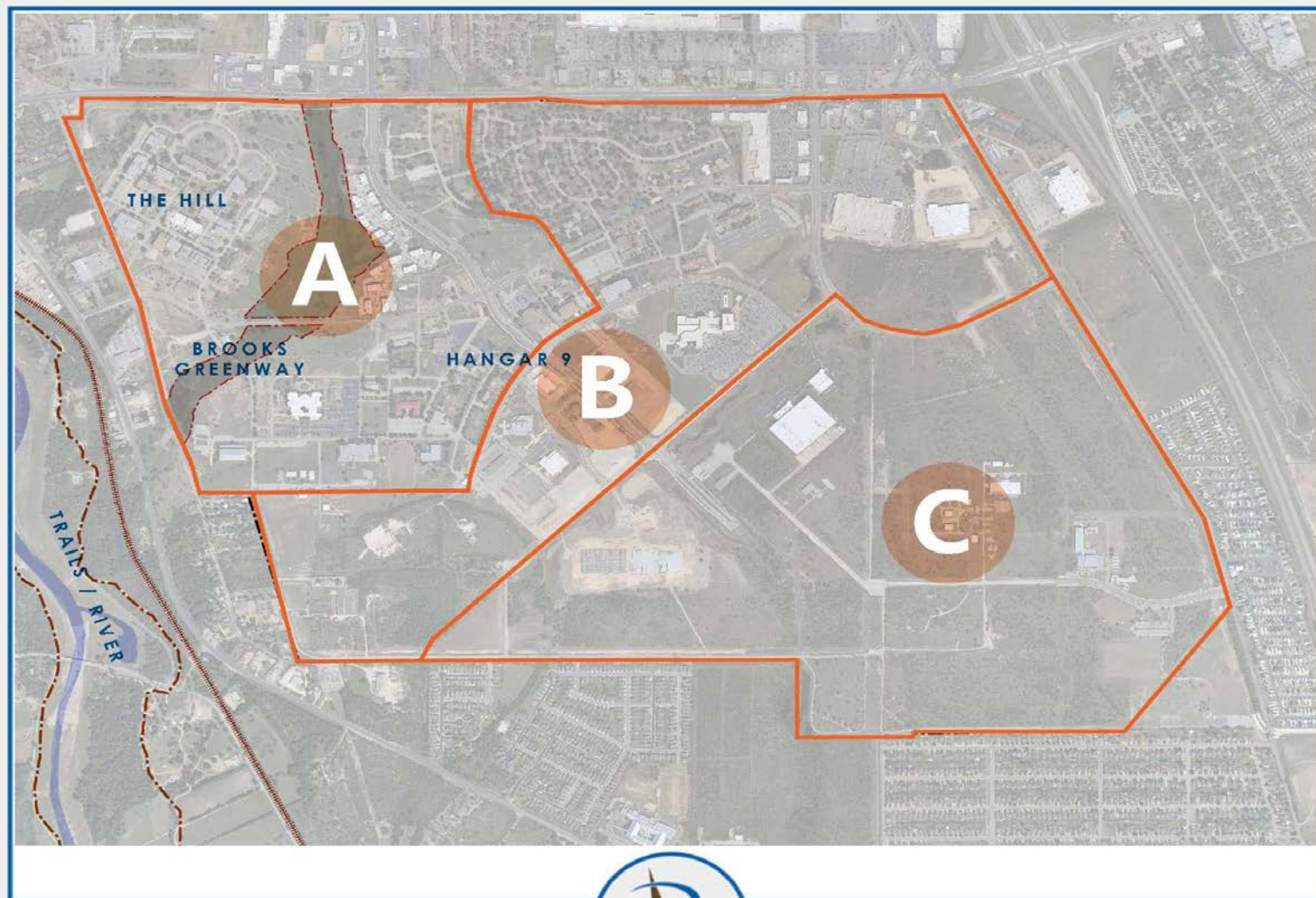
Brooks City Base
 Infrastructure

Map IV



Map V

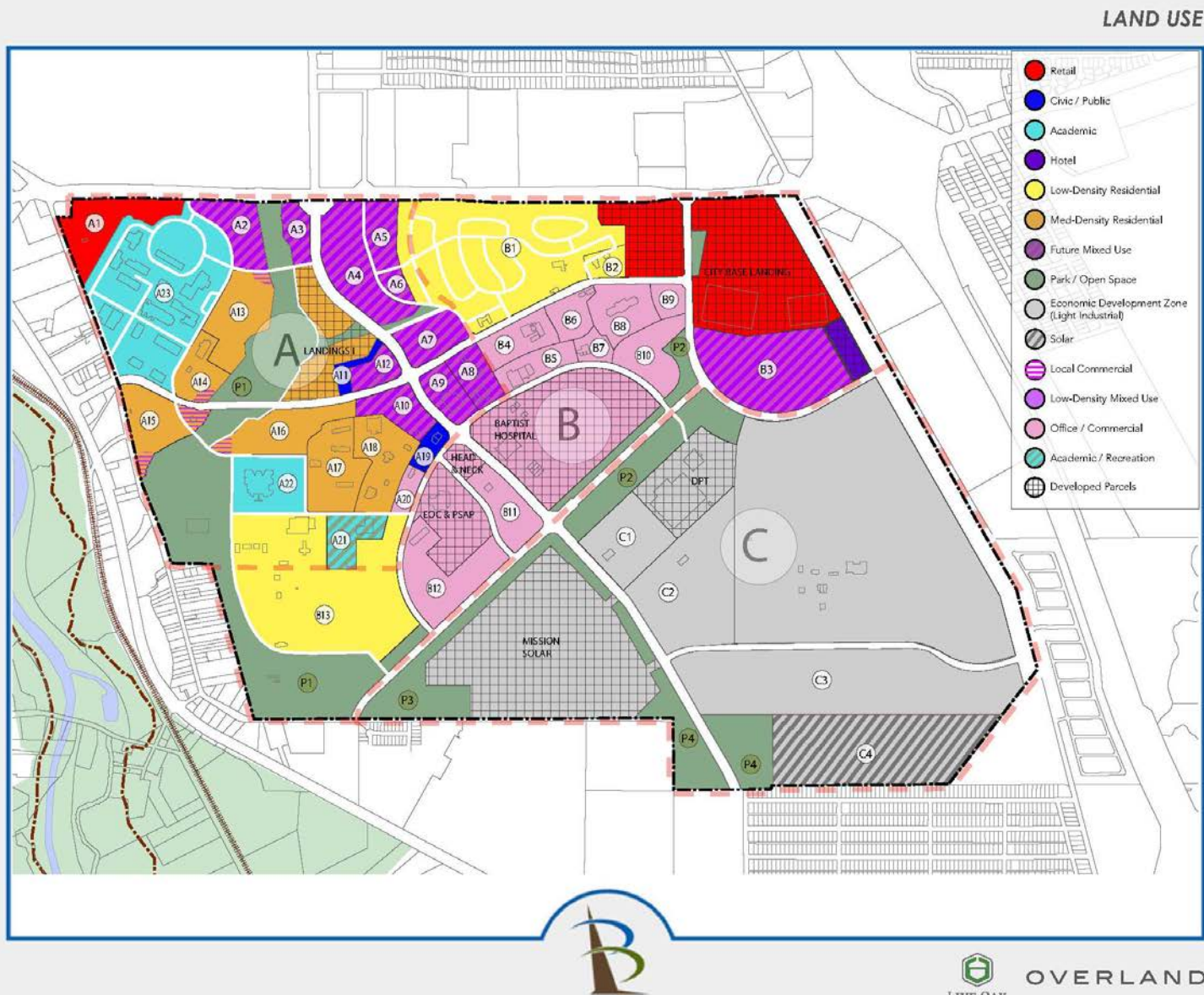
LAND VALUE



LIVE OAK
CITY

OVERLAND

Map VI

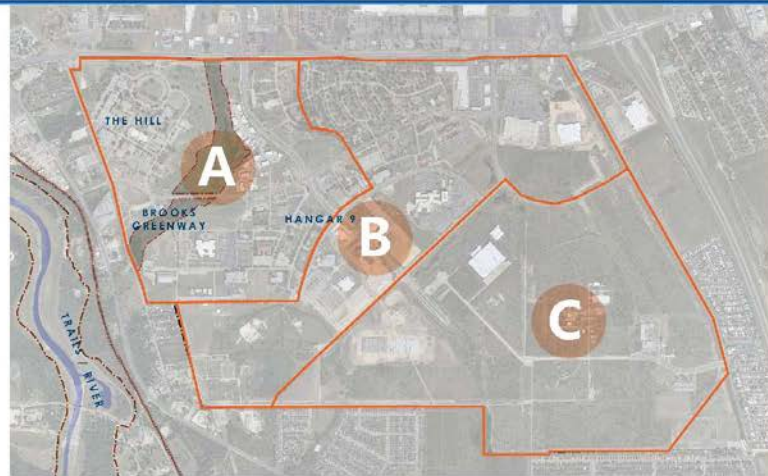


Map VII

Brooks City Base
Land Use Plan Parcel Details

Third Party Land	Acres	Comments
City Base Landing	62.5	
Limited Service Hotels	4.0	
Baptist Hospital	48.5	
DPT	20.8	see option
Head and Neck	2.5	
EOC/PSAP	14.5	
Landings I	17.0	
Mission Solar	85.6	
Total	255.4	

Developable Land	Acres	Description	Size
A1	13.7		
A2	9.0		
A3	4.5		
A4	16.4		
A5	6.3		
A6	2.1		
A7	7.8		
A8	6.2		
A9	5.8		
A10	7.0	Calumet	41,003 RSF
A11	2.0		
A12	4.4		
A13	13.6		
A14	7.3		
A15	12.3		
A16	12.5		
A17	13.7	Pending- Aviator Lofts 210 Developers	
A18	12.1		
A19	2.9	Hangar 9	
A20	2.9		
A21	6.5	Gym	22,296 RSF
A22	11.9	TAMU	77,648 RSF
A23	52.7	The Hill	500,000 RSF +/-
B1	63.5	Heritage Oaks Housing	
B2	2.2		
B3	30.4		
B4	7.5	Grubb Engineering	30,295 RSF
B5	6.2		
B6	5.3		
B7	3.0		
B8	9.6	Volt	70,562 RSF
B9	3.1	Volt	
B10	10.0		
B11	9.1		
B12	16.4		
B13	61.6		
C1	15.6	DPT - Option strike= \$1.75 psf	
C2	109.2		
C3	62.2		
C4	43.1		
Total	780.6		



Parks/Tree Preservation/Retention Ponds	
P1	91.9
P2	22.1
P3	8.0
P4	23.0
Total	145.0

Total Land Acreage	
"A" Developable Land area :	233.6 acres
"B" Developable Land area :	227.9 acres
"C" Developable Land area :	319.1 acres

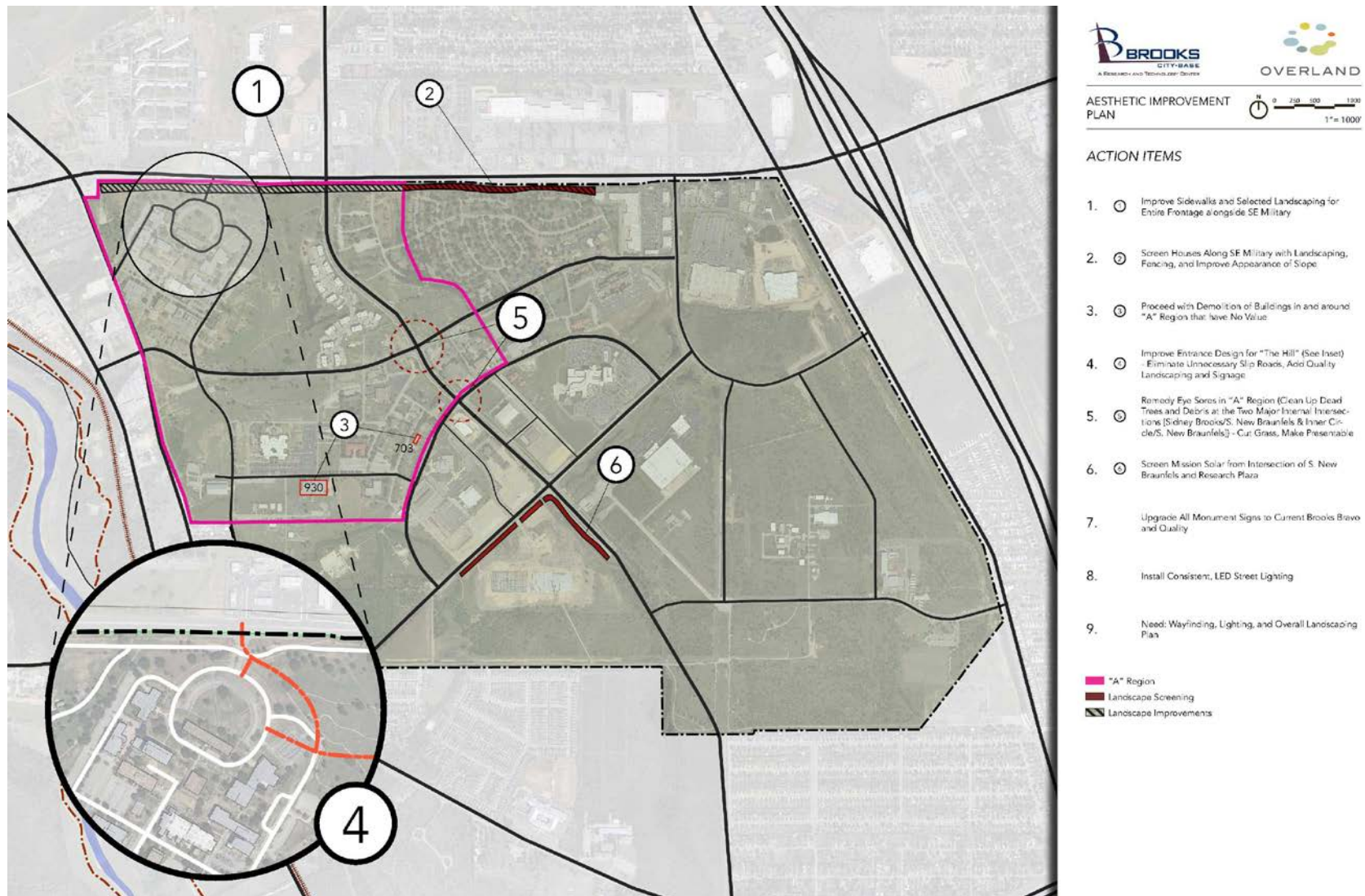
SITE TOTAL BOUNDARY : 1,308 acres



LIVE OAK
REAL ESTATE

OVERLAND

Map VIII



2nd Amendment to the Project Plan - Attachment 2

List of Proposed Eligible Projects

Priorities 2 thru 13 are possible future projects dependant on available funds and approval by the Board and City Council

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