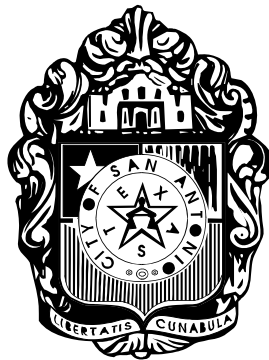


**AMENDED FINAL PROJECT PLAN  
FOR**

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

**“MISSION DEL LAGO”**



**City of San Antonio**

**Approved August 26, 1999  
Amended June 29, 2006  
Amended April 17, 2014**

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# 1. EXECUTIVE SUMMARY

The City of San Antonio Tax Increment Reinvestment Zone Number Six (“TIRZ”), known as the Mission Del Lago TIRZ, was designated by City Council, through Ordinance 90312, on August 19, 1999. The development is located south of Loop 410 along US Highway 281, adjacent to Mitchell Lake and surrounds the Mission Del Lago Municipal Golf Course.

The original project and finance plans called for the construction of 3,200 single-family homes on approximately 812 acres. After a change in the Mission Del Lago Ltd. partnership, the scope of the project was changed reducing the number of homes to be developed and decreasing the cost of proposed infrastructure. These changes were incorporated through amendments to the project and finance plans in June of 2006. The project and finance plans were amended again in April of 2014 as the result of the Settlement and Release Agreement between the City of San Antonio and Mission Del Lago Ltd. The 2014 amendment added street repairs to Unit 8 of the subdivision and the Villa Espada apartment project which had been previously approved by the TIRZ Board in May of 2013. In addition, the April 2014 amendments extended the term of the TIRZ for the City of San Antonio by two years until September 2027. All other taxing entities, with the exception of Alamo Colleges, whose participation terminates in 2014, will continue to participate in the TIRZ until the original termination date of September 2025.

In April of 2014, the Developer, Mission Del Lago Ltd., entered into an “Agreement for Sale and Purchase” with SouthStar Development Partners, Inc., a Florida corporation, for the purchase of the Developer’s assets. In addition, Mission Del Lago Ltd. entered into an operating agreement delegating authority to SouthStar to serve as their “Operating Agent”. Notwithstanding the agreements between Mission Del Lago Ltd. and SouthStar, Mission Del Lago Ltd. continues to be subject to all of the rights and responsibilities under the Development Agreement, including receiving TIRZ revenue payments from the City.

Participating taxing entities include; the City of San Antonio, Bexar County, Southside Independent School District, University Health System, and Alamo Colleges.

Under the current plans, approved on April 17, 2014, the Mission Del Lago TIRZ will support public improvements that will enable the developer to construct 2,241 single-family homes with average values ranging from \$114,000.00 to \$137,000.00, a total of 870<sup>1</sup> multi-family homes and 287,600 square feet of commercial space. In addition, the TIRZ will support the development of the Villa Espada apartment project, to be constructed by 210 Developers, L.L.C., and the repair of failed streets in Unit 8 of the subdivision.

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<sup>1</sup> This includes approximately 240 units attributable to the Villa Espada apartment project.

Under the current project and finance plan total public improvement infrastructure capital cost is estimated at \$69,858,270.71 of which, \$60,228,267.00 is reimbursable through the TIRZ. In addition to infrastructure costs the developer is eligible for interest accrued on outstanding invoices up to \$15,684,049.00. Additional expenses include administrative fees for all participating taxing entities up to \$665,383.52, reimbursements for taxes paid to 210 Developers L.L.C. up to \$1,087,476.70 and costs associated with the repair of Unit 8 streets of approximately \$1,794,794.71<sup>2</sup>.

The public infrastructure improvements and related capital costs include streets and approaches, sidewalks, drainage, water, sewer, utilities, street lights, on-site sewer outfall, Del Lago Parkway, gas, platting fees, drainage fees, sewer impact fees, engineering/surveying fees, park improvements, land and right-of-way ("ROW") clearing, contingency, project management, offsite sewer and water, landscaping ROW, land, and Developer formation legal costs.

The Mission Del Lago TIRZ Board of Directors met on August 24, 1999, and approved the original project and financing plans. Additional amendments were approved by the Board on May 3, 2006, June 20, 2006, May 3, 2013 and April 15, 2014.

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<sup>2</sup> Preliminary subject to actual issuance of tax notes.

## 2. PROJECT PLAN

### 2.1. Overview

The Mission Del Lago TIRZ will support public improvements that will enable the developer to construct 2,241 single-family homes, 870<sup>3</sup> multi-family homes and 287,600 square feet of commercial space. In addition, the TIRZ will support the development of the Villa Espada Apartments and repair failed streets in Unit 8 of the subdivision.

The public infrastructure improvements and related capital costs include streets and approaches, sidewalks, drainage, water, sewer, utilities, street lights, on-site sewer outfall, Del Lago Parkway, gas, platting fees, drainage fees, sewer impact fees, engineering/surveying fees, park improvements, land and right-of-way (“ROW”) clearing, contingency, project management, offsite sewer and water, landscaping ROW, land, and Developer formation legal costs.

In April of 2014, the Developer, Mission Del Lago Ltd., entered into an “Agreement for Sale and Purchase” with SouthStar Development Partners, Inc., a Florida corporation, for the purchase of the Developer’s assets. In addition, Mission Del Lago Ltd. entered into an operating agreement delegating authority to SouthStar to serve as their “Operating Agent”. Notwithstanding the agreements between Mission Del Lago Ltd. and SouthStar, Mission Del Lago Ltd. continues to be subject to all of the rights and responsibilities under the Development Agreement, including receiving TIRZ revenue payments from the City.

The majority of the 812.132 acre tract will be developed for single-family residential uses. The primary use on the west side of the golf course is single-family housing. Single-family development also is proposed for the northeastern and southeastern corners of the zone. A neighborhood center is proposed for the area north of the intersection of Mission Grande and US Highway 281. At the time of designation, the City’s Master Plan called for the definition and promotion of neighborhood centers that include schools, libraries, stores, transit centers, and community service facilities in accessible, pedestrian friendly environments. In 2011, the Southside Independent School District built the Julian Gallardo Elementary School at the intersection of Del Lago Parkway and Club House Boulevard. If residential development creates the necessary demand, a second school site is proposed near the southwestern corner of the development. More defined site layouts will be determined as Plats are being submitted for future phases of development.

Landscaping to enhance the pedestrian walks from adjacent residential areas to the commercial areas is encouraged. In keeping with the City’s Master Plan, the proposed

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<sup>3</sup> This includes approximately 240 units attributable to the Villa Espada apartment project.

project will provide pedestrian linkages between any proposed park facilities and the hike/bike trails to area schools, institutions and neighborhoods. The planning and design of the adjacent uses must complement the public property and encourage the public's use of the park.

The area directly adjacent to US Highway 281 will be developed for office, retail and other commercial services. Single-family residences are proposed for the parcels located between the eastern border of the golf course and Club House Boulevard.

In coordination with San Antonio Water System (SAWS), environmental buffers, conservation easements or protection zones will be developed between Mitchell Lake (the western boundary of the TIRZ) and the proposed residential development. These buffers or zones will help to protect existing natural resources.

The Major Thoroughfare Plan calls for the extension of the Del Lago Parkway near the northern boundary of the site; and the Kelly Parkway just south of the site. Both parkways will give greater access to the Zone. In order to be eligible for TIRZ funding, the streets will need to be developed as public streets

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

## **2.2. Boundaries**

The TIRZ is located about 7 miles south of downtown San Antonio in close proximity to Loop 410. The TIRZ is roughly bound by Mitchell Lake to the south and west, US Highway 281 to the east, northern parcel boundary of P-40 of NCB 11166 to the north. An internal boundary is created by an existing municipal golf course. The location of the zone is shown in Exhibit A: Vicinity/School Districts Map. The boundaries of the zone are shown in Exhibit B: Boundary/Floodplain Map.

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

The primary land use south of the TIRZ prior to designation was agricultural. The land uses east of the TIRZ include a mix of agricultural, single-family residential, commercial and vacant properties. The primary land use north of the TIRZ is agricultural. The western boundary of the TIRZ is Mitchell Lake (see Exhibit C: Existing Land Use). The Mission Del Lago municipal Golf Course, a full service golf facility with 18 holes, a large practice green and driving range is located in the middle of the TIRZ.

The eastern boundary of the TIRZ is US Highway 281, which serves as a major transportation artery in the area. The TIRZ is located approximately 7 miles from Brooks

City Base and approximately 6 miles from the new Texas A&M San Antonio campus. Downtown San Antonio is easily accessible to the area from Highway 37 or directly from 281/South Presa.

Since designation, 486 single-family homes have been developed. In addition, the 280 unit Rancho Sierra multifamily project was developed at the corner of Mission Grande and Club House Boulevard. In 2011, the Southside Independent School District built the Julian Gallardo Elementary School at the intersection of Del Lago Parkway and Club House Boulevard.

At the time of designation, the median home value for the census tract where the TIRZ is located (tract 480291519) was \$26,400.00 (1990 Census). At that time, the citywide median value was \$49,700.00. Since designation, the median home value within the census tract has risen considerably. According to the American Communities Survey (ACS) the median value of owner occupied housing units in census tract 480291519 in 2012 was \$70,100.00.

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

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

The population for this census tract increased slightly between the 1980 Census, 2,598 and the 1990 Census, 2,845. In 2012, the population in this census tract had grown to 4,239 according to the ACS.

According to Claritas data, the 1998 median household income in the Census tract was \$23,500.00 compared to a 1998 citywide median household income of \$30,585.00. The Median household income in 2012 as reported in the ACS was \$36,027.00.

## **2.4. Project Plan Objective**

The objective of the plan is to develop 812.132 acres of land into 2,241 single-family homes with average values ranging from \$114,000.00 to \$137,000.00, 870<sup>4</sup> multi-family homes and 287,600 square feet of commercial space. This development will help to increase area population, provide additional housing and encourage economic development. The use of the TIRZ will enable the developer to create an attractive residential subdivision to encourage San Antonians to relocate to the south side. Without the creation of the TIRZ, the development would not be financially feasible.

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<sup>4</sup> This includes approximately 240 units attributable to the Villa Espada apartment project.

## **2.5. Relocation**

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



## **2.6. Municipal Ordinances**

In addition to compliance with ordinances directly associated with the developments within the City of San Antonio, this TIRZ shall comply with all current and future local codes and ordinances.

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

The City of San Antonio adopted a Universal Design Policy (Ord. No. 95641) on April 18, 2002, requiring that any person receiving financial assistance from city, state, or federal funds administered by the City of San Antonio for the construction of new single-family homes, duplexes, or triplexes, shall construct the units in accordance with specific features including entrance with no steps, wider doorways (2' 8"), lever door handles, lever controls on kitchen and lavatory faucets, and light switches and electrical receptacles within reachable height. The Mission Del Lago project is required to comply with the Universal Design Policy and all City Codes, regulations and ordinances. However, per approved amendments to the TIRZ Development Agreement and the Settlement & Release Agreement, the city has waived the Universal Design requirement on numerous non-compliant units.

## **2.7. Non-Project Costs**

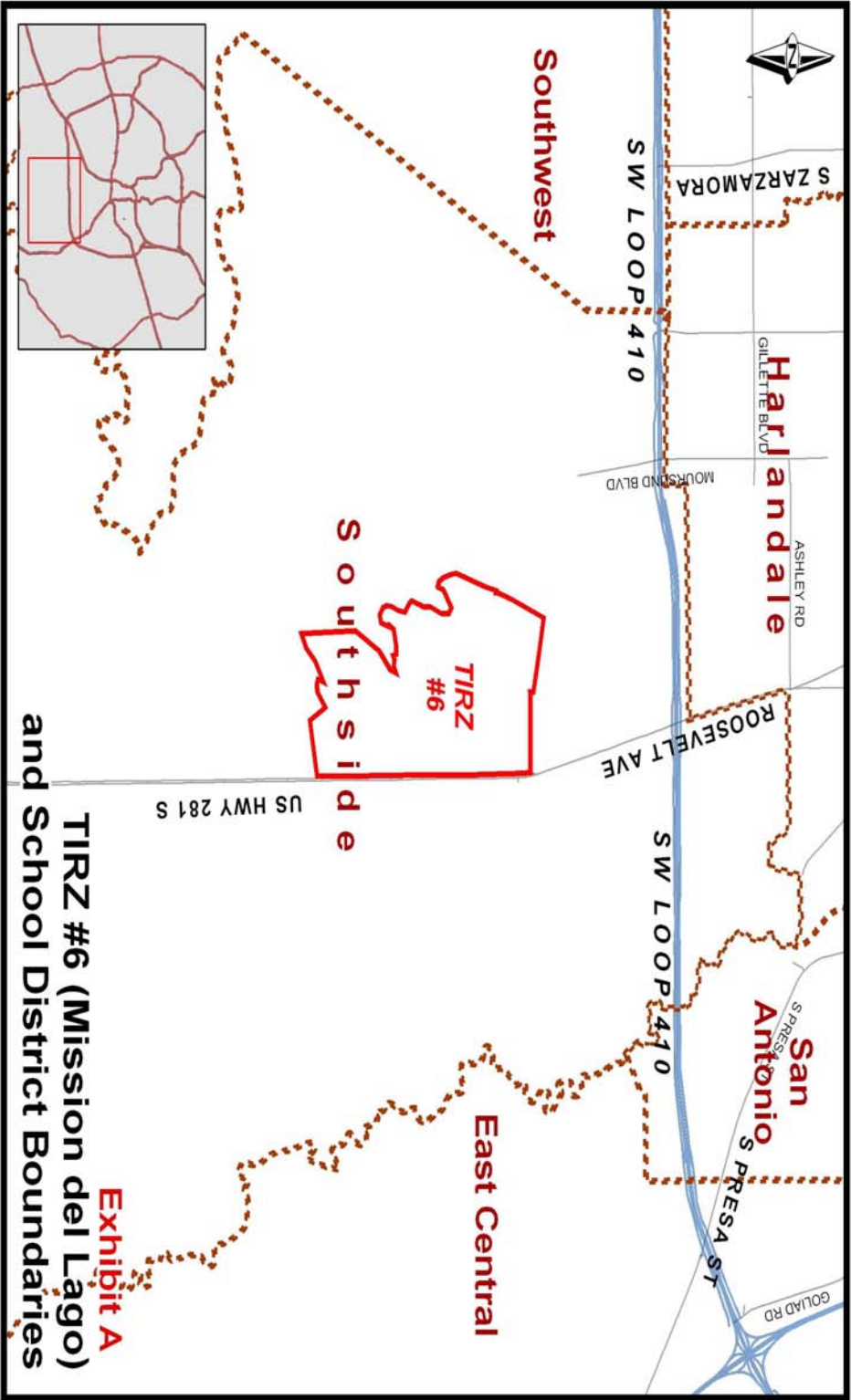
In December of 2013, the Mission Del Lago TIRZ Board approved a Settlement and Release Agreement between the City of San Antonio, Mission Del Lago Ltd. and the Mission Del Lago TIRZ Board of Directors. As part of the settlement the repair of the existing streets in Unit 8 of the subdivision was added to the project and financing plans. These repairs are outside of the original scope of work for the development of the subdivision. It is anticipated that the expenses associated with the street repairs, which includes the issuance of debt and the related debt service payments, will amount to approximately \$1,794,794.71<sup>5</sup>.

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<sup>5</sup> Preliminary subject to actual issuance of tax notes.

## **2.8. Exhibits**

**EXHIBIT A**



**EXHIBIT B**

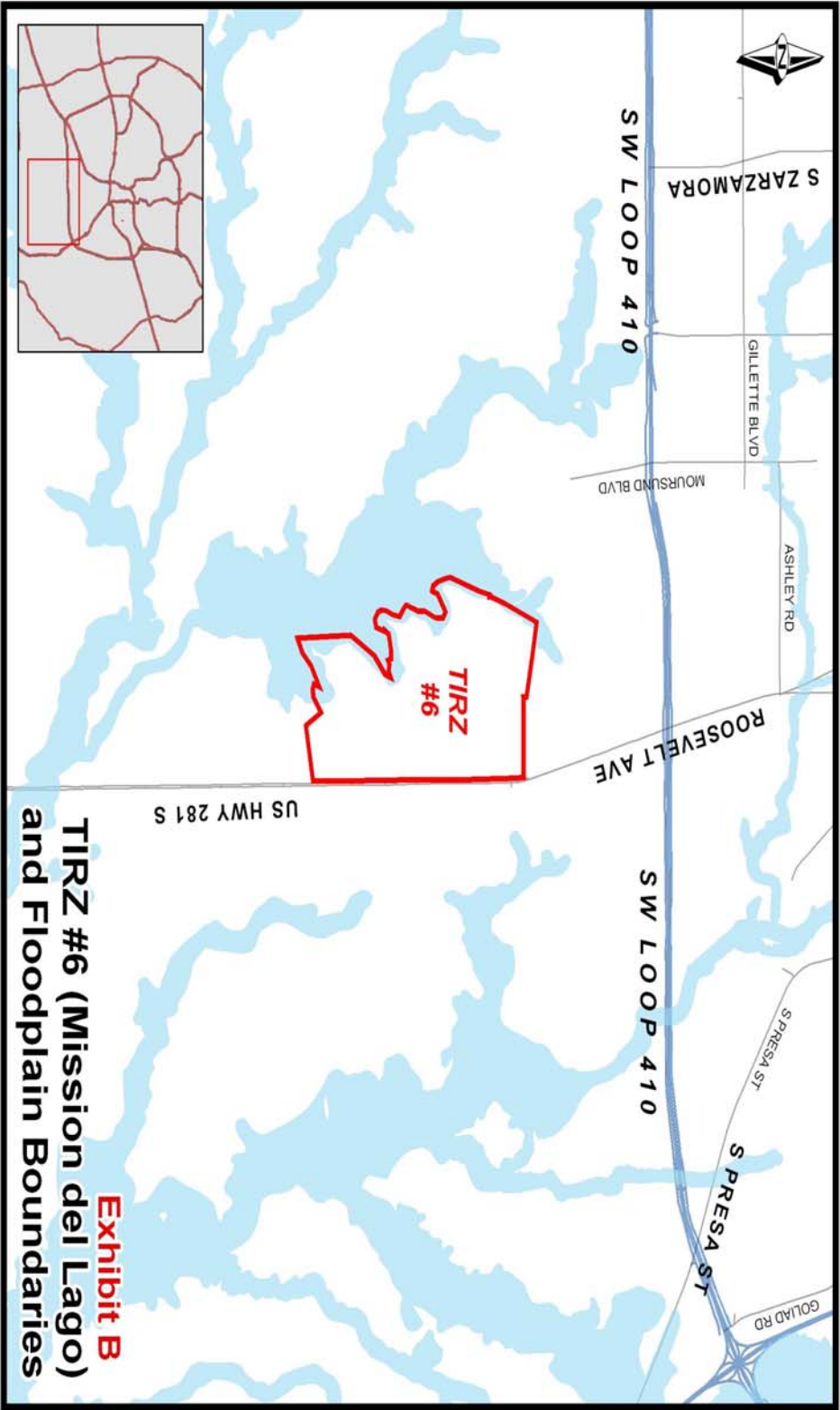


EXHIBIT C

