

PUBLIC HEARING
DATE CERTAIN
ITEM NO. 7(C)
6:00 AM

**CITY OF SAN ANTONIO
NEIGHBORHOOD ACTION DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: David D. Garza, Director, Neighborhood Action Department

SUBJECT: Consideration for Designation of a Tax Increment Reinvestment Zone for Heathers Cove development located in City Council District 4

DATE: December 16, 2004

SUMMARY AND RECOMMENDATIONS

This item is a public hearing to consider the designation of property consisting of approximately 47 acres known as Heathers Cove Development as Tax Increment Reinvestment Zone (TIRZ) #21, as provided by the TIF Act, Chapter 311 of the Texas Tax Code. This item will officially name the Reinvestment Zone, create a Board of Directors for the Zone, establish effective start and termination dates for the Zone, present the preliminary financing plan, and create a Tax Increment Reinvestment Zone (TIRZ) fund.

Staff recommends approval of this item.

BACKGROUND INFORMATION

In September of 2002, the City Clerk first received a TIF application from HLH Developments, LP for a tax increment reinvestment zone for the Heathers Cove project. On January 8, 2004, the City Council amended the *Guidelines and Criteria* for the use of TIF as an incentive tool. Because Heathers Cove had a pending application, a new application was required and was received on June 30, 2004.

On September 23, 2004, the City Council approved a resolution expressing the City of San Antonio's intent to consider the creation of a Tax Increment Reinvestment Zone to finance public infrastructure improvements for the purpose of supporting market rate housing. This resolution of intent allowed staff to make statutory presentations to the participating taxing entities and further evaluate the proposed development project in this Zone.

POLICY ANALYSIS

The proposed Heathers Cove Tax Increment Reinvestment Zone #21 is located inside Loop 410 near Medina Base Road in City Council District 4 (See Attachment A). This project is partially within the Westside Enterprise Zone which includes Springvale Drive and a portion of Medina Base Road. The boundaries of the proposed project include the existing Valley Hi Subdivision to the north, Medina Base Road to the south, Loop 410 Access Road to the west and Medina

Base Road Park to the east. The proposed public improvements and related costs for the Heathers Cove plan include site work, storm water pollution prevention, streets, drainage, sewer, water, street lights/traffic signals, street signs, CPS electric, lift station and SAWS fees, off-site water, platting fees, zoning fees, traffic fees, park fees, drainage fees, Medina Base Road Improvements, park improvements, engineering/surveying fees, geotechnical phase one environmental, contingency, construction management, and legal/formation expenses.

The development of this project has been coordinated with the various City Departments through the submittal, review and approval of the Master Development Plan, Platting, Plan Review and Permitting. Coordination with the City Departments will continue through the development of the Final Project and Finance Plans as well as through the end of construction projected in fiscal year 2028.

The preliminary finance plan anticipates the construction of 167 single-family homes with an average sales price of \$102,000. The life of the TIRZ is projected to be 24.81 years. The application also proposes 255,219 square feet of commercial space to be completed in year 2010.

Any and all development within the proposed Heathers Cove Tax Increment Reinvestment Zone shall be in compliance with the 2004 Amended TIF Guidelines and Criteria as adopted on January 8, 2004 and in compliance with waivers granted by City Council on September 23, 2004, of Section VI (C), addressing Use Patterns and Special Districts, and of Section VI (E), limiting the number of applications an applicant may submit per year.

The proposed TIRZ is located within the Secondary Target Area and as such is conceived to meet market-rate housing goals articulated in the 2004 Guidelines. A TIRZ located in the Secondary Target Area must provide a minimum of thirty percent (30%) market-rate housing units (except for senior housing). The projected development for this Zone meets this requirement (average sales price of homes will be \$102,000) and must also comply with the Universal Design Policy approved by City Council. If it is discovered that homes constructed are out of compliance with the Universal Design Policy, those homes will be removed from the list of accounts that generate revenue for the TIRZ Fund.

The proposed TIRZ and surrounding area are in a CDBG-eligible census tract where property values have increased slower than the City average in the period from 1999 – 2004. The percentage of area residents living below the poverty level is high in relation to the rest of the City: 19.1% compared to 17.3%. As proposed, the project will increase the base value from \$1,721,605 to \$21,685,105. This project will also dedicate a portion of the TIF revenues for the reconstruction of Medina Base Road in anticipation of increased traffic resulting from the TIF developments. The area neighborhood associations (PACE and Springvale) requested that this proposed project address this issue.

As required under the TIF Act, City staff has 1) notified each taxing entity of the City's intent to consider the creation of this Zone, 2) made presentations to the affected taxing entities including Northside and Southwest Independent School Districts and Bexar County, and 3) met with representatives of affected taxing entities about the proposed Reinvestment Zone.

City staff has prepared a Preliminary Reinvestment Zone Financing Plan (Attachment B) that will be distributed to each taxing entity for the purposes of developing a Final Project and Finance Plan. Any issues arising from a review of the Preliminary Financing Plan may be addressed in the Final Project and Financing Plan. The Board of Directors for the Zone will be required to review and approve the Final Project and Financing Plans. The City Council will subsequently consider the Final Project and Financing Plan for the Zone. The City will work with the participating taxing entities and the developer to finalize the plans for Council consideration in the Spring 2005. The City will also perform ongoing coordination with the City departments and the TIRZ Board as it monitors the project's construction and implementation.

When the City designates a TIRZ, the TIF Act requires that the City Council establish a Reinvestment Zone Board of Directors. Amended in 2001, the TIF Act provides a formula for calculating the number of seats that an entity may have based on its anticipated pro rata contributions to the Zone fund. Based upon the required calculations for this Reinvestment Zone and the anticipated participation levels of the other taxing entities, the Board shall consist of at least nine members. The City shall appoint 5 directors and Bexar County shall appoint 2 directors. Additionally, a State Senator and a State Representative in whose district the zone is located shall also be members of this Board, except that either may designate another individual to serve in the member's place at the pleasure of the member. In the event that other taxing entities wish to participate by contributing their increment to the TIRZ Fund, the Board composition will be adjusted up to eleven board members, unless more members are required to satisfy subsection 311.0091(c) of the TIF Act, with appointments based on a pro-rata share of the total projected revenue. The City is entitled to appoint to the Board at least as many members as any other taxing entity. 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.

FISCAL IMPACT

Approval of this item designates the described area as a Tax Increment Reinvestment Zone. The developer will privately finance the public improvements related to the project and public debt financing will not be required. The captured values of the TIRZ will be taxed to produce revenues to pay for the cost of public infrastructure improvements incurred by the developer and other costs allowed by the TIF Act over the life of the TIRZ. Any costs incurred by the developer of the project are not and shall not become general obligations or debt to the City or any Participating Governmental Entities.

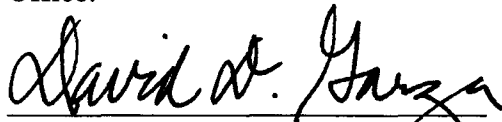
The proposed project is estimated to increase the base value from \$1,721,605 to \$19,963,500 through the life of the TIRZ. This Zone is located in the Secondary Target Area and is eligible for the City's participation at 90% with projected tax increments deposited to the TIRZ Fund of \$2,172,767. The Preliminary Finance Plan reflects Bexar County's participation at 50% of the Operation and Maintenance portion of their tax rate (0.2815190) with projected tax increments of \$587,374. The total projected combined tax increment collection for both taxing entities is \$2,760,141. The developer's proposed contribution is estimated at \$1,249,856. In the event that the TIRZ performs better than projected, the maximum contribution for the participating taxing

entities (City & Bexar County) is \$4,006,421, which reflects the total costs of infrastructure and related development costs. The term of the Zone expires on or before September 30, 2029.

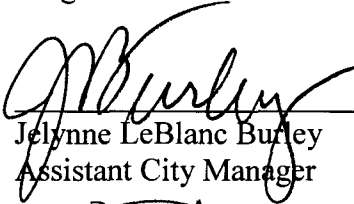
This action designates a Tax Increment Reinvestment Zone, but does not, in any way, obligate the City to actually participate or contribute incremental ad valorem taxes from the proposed Reinvestment Zone, nor does it financially obligate the City or other taxing entities. City staff will coordinate with the TIRZ Board to develop a Final Project and Finance Plan and draft legal documents including interlocal and development agreements. Upon TIRZ Board approval of these documents, the City staff will present these documents to City Council for consideration. Upon Council approval of these documents, the City will be obligated to participate or contribute incremental ad valorem taxes in the amount detailed in the approved Final Project and Finance Plan and the legal documents. These approved documents will also be presented to the other Taxing Entities to legally secure their financial commitments.

COORDINATION

This item has been coordinated with Office of Budget and Management, Finance, Development Services, Environmental Services, Fire, Parks, Planning, Public Works, and the City Attorney's Office.



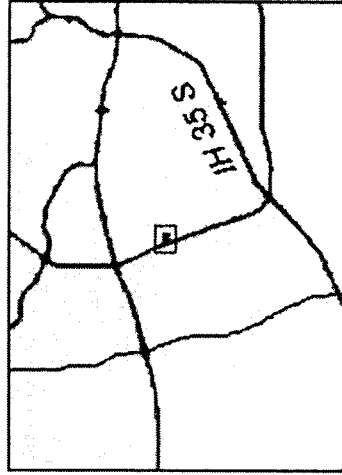
David D. Garza, Director
Neighborhood Action



Jelynn LeBlanc Burley
Assistant City Manager



J. Rolando Bono
Interim City Manager



SPRINGVALE DR

MEDINA BASE ROAD

SW LOOP 410

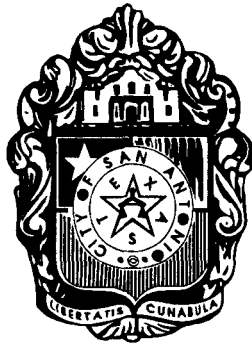
Attachment A

Heathers Cove

CITY COUNCIL DISTRICT 4

DRAFT

**CITY OF SAN ANTONIO, TEXAS
Neighborhood Action Department**



**Heathers Cove
Proposed Tax Increment Reinvestment Zone
Preliminary Reinvestment Zone Financing Plan**

**Participation Levels of City (90%), and Bexar County
(50% of Operation and Maintenance portion of tax rate)**

December 16, 2004

Heathers Cove Subdivision

Tax Increment Reinvestment Zone – Plan of Finance

Introduction

The proposed Heathers Cove Tax Increment Reinvestment Zone (TIRZ) is located in the southwest section of the City of San Antonio, on the northwest corner of Southwest Loop 410 and Medina Base Road. The zone, which comprises approximately 47.002 acres, is in both the Southwest and Northside Independent School Districts. The 2004 base value is \$1,721,605, which includes seven houses that were constructed before December 31, 2003. The projected captured tax incremental value is \$19,963,500 net of exemptions. The project includes 174 single-family homes with an average sales price of \$102,000. The total public infrastructure capital cost is estimated at \$2,610,461. The Developer is HLH Developments L.P. who has experience in the development and construction of such projects. Performance and payment bonds will be provided in connection with public infrastructure improvements associated with the project. The life of the TIRZ is projected to be 24.81 years with the TIRZ being in existence through fiscal year 2029.

Public Infrastructure

The public infrastructure improvements and related capital costs include site work, storm water pollution prevention, streets, drainage, sewer, water, street lights, street signs, CPS electric, lift station, SAWS fees, off site water, platting/zoning fees, traffic fees, park fees, drainage fees, improvements to Medina Base Road, trails and park improvements in the adjacent city park, and an extension of Springvale Drive, engineering expenses, geotechnical, phase one environmental, contingency, construction management, legal and formation fees. The capital cost is estimated at \$2,610,461.

Plan of Finance

The 2004 base value of the TIRZ is \$1,721,605. Starting in 2005, the property taxes generated from the value of 167 new single-family homes and supporting public infrastructure will be captured as TIF revenue, as specified on Page 7 of the Plan of Finance. Collection of this tax increment will then commence in tax year 2006 (fiscal year 2007). Captured value grows from \$5,304,000 in tax year 2006 to a total of \$19,963,500 by tax year 2028 net of exemptions.

The taxing jurisdictions and tax rate per \$100 valuation utilized in the analysis include: City of San Antonio at \$0.520686 and Bexar County at \$0.140760. This produces annual revenues of \$34,206 in fiscal year 2007, \$78,937 in fiscal year 2008, \$109,854 each fiscal year from 2009 through fiscal year 2011 and \$128,746 each fiscal year from 2012 through fiscal year 2029. A reserve in the amount of \$32,669 for each fiscal year from 2008 through fiscal year 2029 will be set aside for Medina Base Road improvements and park improvements. No growth in tax rate or values is assumed.

The cost of the public infrastructure improvements is incurred by the Developer and reimbursed over time from revenues produced by the TIRZ, except for the revenue set aside for the Medina Base Road improvements. In addition to the capital costs, other costs to be reimbursed from TIRZ revenues include the City's Financial Advisor and certain City of San Antonio and/or Administrator fees. Revenues derived from the TIRZ will be used to pay costs in the following order of priority of payment: (i.) first, to the payment of eligible costs incurred by the Governmental Entities Participating in the TIRZ; (ii.) second, all other ongoing administrative fees pertaining to the City; (iii.) third, Medina Base Road Improvement Reserve and (iv.) fourth, to the Developer, on an annual basis, as TIRZ revenues are available for such reimbursements.

The proposed Developer's capital cost for public infrastructure improvements is \$2,610,461. Revenues from the TIRZ are used to reimburse this amount plus financing costs if any on the unpaid balance at a rate of 4.54%. It is projected that the Developer would not receive any payments until fiscal year 2007. The earliest projected payoff of the capital cost would occur in fiscal year 2029 and includes an estimated Developer contribution of \$1,249,856.

The TIRZ collections for this project shall not extend beyond September 30, 2029 and may be terminated earlier once each taxing entity has deposited its respective amount described in the table below.

TABLE – TIRZ Contributions		
Participating Taxing Entities	Maximum Dollar Contribution	Max. Length of Contribution
City of San Antonio	\$ 3,156,646	September 30, 2029
Bexar County	\$ 853,351	September 30, 2029
Total Contribution to the TIRZ Fund.	\$ 4,009,997	

Limited Obligation of the City or Participating Governmental Entities

The City and Participating Governmental Entities shall have a limited obligation to impose and collect taxes, and deposit such tax receipts into a TIRZ fund so long as the project is viable and capital costs incurred by the Developer have not been fully paid. The TIRZ collections for this project shall not extend beyond September 30, 2029, and may be terminated prior to September 30, 2029, upon payment of public improvements capital costs incurred by the Developer totaling \$2,610,461 or for the failure of the Developer to perform. The City may elect to terminate a TIRZ if 50% of the housing and/or commercial construction projected for years 1, 2, and 3 from date the TIRZ is created is not complete. Only housing and/or commercial components count towards completion of the construction schedule, infrastructure construction does not. Furthermore, any default of the terms contained in the Interlocal and/or Development Agreements that is not cured within the timeframe contained in the Interlocal and/or Development Agreements may also result in Zone Termination.

Any costs incurred by the Developer are not and shall never in any event become general obligations or debt of the City or any of the Participating Governmental Entities. The public improvement infrastructure costs incurred by the Developer shall be paid solely from the TIRZ revenues and shall never constitute a debt, indebtedness or a pledge of the faith and credit or taxing power of the State, the City, the Participating Governmental Entities, any political corporation, subdivision, or agency of the State.

Developer's Risk

All financing, developmental costs, construction costs, improvements, damages, or other costs incurred with respect to this project are at the sole risk of the Developer. Neither the City nor any Participating Governmental Entity shall incur any risk whatsoever associated with the development, construction, completion or failure of the project. In the event that the project fails, is abandoned by the Developer or for any reason is not completed, the City shall have the right to terminate the TIRZ and any funds remaining in the TIRZ account shall be distributed to the City and Participating Governmental Entities on a pro rata basis in accordance with each entity's participation level.

Compliance

The Developer shall comply with all federal, state and local laws, rules and regulations including the 2004 TIF Guidelines.

Reporting

The Developer shall submit a project status report and financial report on a quarterly basis (January 15th, April 15th, July 15th and October 15th) to the City.

Inspection

The City, Participating Governmental Entities, or Administrator shall have the right to inspect the project site or sites and the premises of the Developer without notice.

**City of San Antonio
Heathers Cove - TIF Reinvestment Zone
Summary Fact Sheet
December 16, 2004**

Agenda: Preliminary Finance Plan

Plan of Finance: Site Area 47.002 Acres
Single Family Development 47.002 Acres

Base Value (2004) In City \$ 1,721,605

*Average Single Family Home Price Per Home \$ 102,000

Project Year:

** Phase I	2003 & 2004	59	Single Family Homes
Phase II	2005	68	Single Family Homes
Phase III	2006	47	Single Family Homes
	2007-2028		Medina Base Road & park Improvements
Total		<u>174</u>	

Phase VI 2010 255,219 Sq. Ft Retail /Commerical/Mixed Use

Experience of Housing Developer

HLH Developments LP,
San Antonio, Texas

HLH Developments LP was formed over 6 years ago.
Harry Hausman is the principal operations officer of the partnership.
SEDA Consulting Engineers, Inc. are the architect/engineers.
HLH Development LP and SEDA Consulting Engineers, Inc. have completed the following projects:
- La Coste Heights, 57 homes, La Coste, TX
- Legend Oaks, 80 homes, San Antonio, TX
- Hunters Oaks, 15 homes, San Antonio, TX

Performance Bonds: See Development Agreement

Payment Bonds: See Development Agreement

Assumptions:	Captured Value	\$ 19,963,500	
	Assessed Value Growth Factor	0.00%	
	Collection Rate	97.50%	
	Estimated Total TIF Revenues	\$ 2,741,249	
	Estimated TIF Life (12/16/2004 to 9/30/2029)	<u>24.81</u>	Years

*Average single family home price provided by the developer

** In 2003, 7 homes were constructed in Phase I, the values of which are included in the 2004 base year figure.

Heathers Cove - Tax Increment Reinvestment Zone

Sources and Uses

Sources of Funds

TIF Revenues	\$ 2,760,141
Developer Contribution	\$ 1,249,856
Total Sources of Funds	\$ 4,009,997

Uses of Funds

	Phase I 2003 & 2004	Phase II 2005	Phase III 2006	Phase IV 2007-2028	Phase V 2010	Total Infrastructure Improvements
Begin Construction Single Family Lots/Homes	59	68	47			174
Site Work	\$ 20,473	\$ 23,596	\$ 16,309	\$ -	\$ -	\$ 60,378
Storm Water Pollution Prevention	\$ 4,425	\$ 5,100	\$ 3,525	\$ -	\$ -	\$ 13,050
Streets and Drainage	\$ 224,200	\$ 241,740	\$ 167,085	\$ -	\$ -	\$ 633,025
Sewer	\$ 64,900	\$ 74,800	\$ 51,700	\$ -	\$ -	\$ 191,400
Water	\$ 60,180	\$ 69,360	\$ 47,940	\$ -	\$ -	\$ 177,480
Street Lights/Signs	\$ 11,328	\$ 13,056	\$ 9,024	\$ -	\$ -	\$ 33,408
CPS Electric	\$ 29,500	\$ 34,000	\$ 23,500	\$ -	\$ -	\$ 87,000
Lift Station & SAWS Fees	\$ 157,825	\$ -	\$ -	\$ -	\$ -	\$ 157,825
Off Site Water	\$ 39,353	\$ -	\$ -	\$ -	\$ -	\$ 39,353
Platting, Zoning & Traffic	\$ 14,070	\$ 14,070	\$ 14,070	\$ -	\$ -	\$ 42,210
Park Fee	\$ 3,540	\$ 4,080	\$ 2,820	\$ -	\$ -	\$ 10,440
Drainage Fees	\$ 13,688	\$ 15,776	\$ 10,904	\$ -	\$ -	\$ 40,368
Medina Base Road Improvements	\$ -	\$ -	\$ -	\$ 643,730	\$ -	\$ 643,730
Park Improvements	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
Hard Costs:	\$ 643,482	\$ 495,578	\$ 346,877	\$ 718,730	\$ -	\$ 2,204,667
Engineering/Surveying Fees	\$ 67,340	\$ 50,782	\$ 35,099	\$ -	\$ -	\$ 153,221
Geotechnical	\$ 5,310	\$ 6,120	\$ 4,230	\$ -	\$ -	\$ 15,660
Phase One Environmental	\$ 2,200	\$ 2,200	\$ 2,200	\$ -	\$ -	\$ 6,600
Contingency	\$ 45,044	\$ 34,690	\$ 24,281	\$ -	\$ -	\$ 104,016
Construction Management	\$ 32,174	\$ 24,779	\$ 17,344	\$ -	\$ -	\$ 74,297
Legal/Formation Expense	\$ 52,000	\$ -	\$ -	\$ -	\$ -	\$ 52,000
Soft Cost Total	\$ 204,068	\$ 118,571	\$ 83,154	\$ -	\$ -	\$ 405,794
Grand Total	\$ 847,550	\$ 614,149	\$ 430,031	\$ 718,730	\$ -	\$ 2,610,461
Total Infrastructure	\$ 2,610,461					
Financing Cost @ 4.54%	\$ 964,537					
Total Payments to Heathers Cove	\$ 3,574,997					
Total Admin. Expenses	\$ 435,000					
Grand Total	\$ 4,009,997					
Project Financing Surplus (Shortage)	\$ (0)					

Heathers Cove - TIF Reinvestment Zone

Projected Tax Increment Revenue

Tax Year	Tax Increment Zone				City of San Antonio			Bexar County			Combined TIF Collections	Fiscal Year Ending
	Beginning Assessed Value	Annual Value of New Development	Projected Year-End Assessed Value	Projected Captured Value	Captured Taxable Value	Tax Rate Contribution	Tax Increments	Captured Taxable Value	Tax Rate Contribution *	Tax Increments		
2004	1,721,605	-	1,721,605	-	-	0.520686	-	-	0.140760	-	-	2005
2005	1,721,605	5,304,000	7,025,605	-	-	0.520686	-	-	0.140760	-	-	2006
2006	7,025,605	6,936,000	13,961,605	5,304,000	5,304,000	0.520686	26,927	5,304,000	0.140760	7,279	34,206	2007
2007	13,961,605	4,794,000	18,755,605	12,240,000	12,240,000	0.520686	62,139	12,240,000	0.140760	16,798	78,937	2008
2008	18,755,605	-	18,755,605	17,034,000	17,034,000	0.520686	86,476	17,034,000	0.140760	23,378	109,854	2009
2009	18,755,605	-	18,755,605	17,034,000	17,034,000	0.520686	86,476	17,034,000	0.140760	23,378	109,854	2010
2010	18,755,605	2,929,500	21,685,105	17,034,000	17,034,000	0.520686	86,476	17,034,000	0.140760	23,378	109,854	2011
2011	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2012
2012	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2013
2013	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2014
2014	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2015
2015	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2016
2016	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2017
2017	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2018
2018	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2019
2019	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2020
2020	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2021
2021	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2022
2022	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2023
2023	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2024
2024	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2025
2025	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2026
2026	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2027
2027	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2028
2028	21,685,105	-	21,685,105	19,963,500	19,963,500	0.520686	101,348	19,963,500	0.140760	27,398	128,746	2029
\$ 19,963,500					\$ 2,172,767			\$ 587,374			<u>\$ 2,760,141</u>	
Existing Annual Value Growth Factors					Participation Level			Participation Level *				
Years				0.00%	Tax Rate Growth Factor			Tax Rate Growth Factor				
Thereafter				0.00%	Tax Rate Collection Factor			Tax Rate Collection Factor				
Combined Compound Growth Rate				0.00%								

Notes:

*Bexar County is participating at 50% of their Operation and Maintenance tax rate not the total tax rate

Heathers Cove - TIF Reinvestment Zone Reimbursement for Public Improvements

	Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Expenses for Pub. Imp. Infrastructure	Admin. Exp.*	Interest on Deficit	TIF Fund Balance
1-Sep-05	2005	-	-	-	75,000	-	(150,000)
1-Sep-06	2006	-	-	-	15,000	(6,810)	(171,810)
1-Sep-07	2007	34,206	34,206	19,794	15,000	(7,800)	(180,199)
1-Sep-08	2008	78,937	113,143	69,294	15,000	(8,181)	(193,736)
1-Sep-09	2009	109,854	222,997	83,794	15,000	(8,796)	(191,472)
1-Sep-10	2010	109,854	332,851	83,614	15,000	(8,693)	(188,925)
1-Sep-11	2011	109,854	442,704	84,388	15,000	(8,577)	(187,036)
1-Sep-12	2012	128,746	571,451	99,071	15,000	(8,491)	(180,853)
1-Sep-13	2013	128,746	700,197	91,028	15,000	(8,211)	(166,345)
1-Sep-14	2014	128,746	828,944	90,258	15,000	(7,552)	(150,409)
1-Sep-15	2015	128,746	957,690	91,442	15,000	(6,829)	(134,933)
1-Sep-16	2016	128,746	1,086,437	92,490	15,000	(6,126)	(119,802)
1-Sep-17	2017	128,746	1,215,183	93,401	15,000	(5,439)	(104,895)
1-Sep-18	2018	128,746	1,343,930	94,177	15,000	(4,762)	(90,088)
1-Sep-19	2019	128,746	1,472,676	95,816	15,000	(4,090)	(76,247)
1-Sep-20	2020	128,746	1,601,423	96,273	15,000	(3,462)	(62,236)
1-Sep-21	2021	128,746	1,730,169	98,595	15,000	(2,825)	(49,909)
1-Sep-22	2022	128,746	1,858,916	100,689	15,000	(2,266)	(39,118)
1-Sep-23	2023	128,746	1,987,662	101,557	15,000	(1,776)	(28,704)
1-Sep-24	2024	128,746	2,116,409	103,242	15,000	(1,303)	(19,503)
1-Sep-25	2025	128,746	2,245,155	105,701	15,000	(885)	(12,343)
1-Sep-26	2026	128,746	2,373,902	107,888	15,000	(560)	(7,045)
1-Sep-27	2027	128,746	2,502,648	109,802	15,000	(320)	(3,420)
1-Sep-28	2028	128,746	2,631,395	112,443	15,000	(155)	(2,272)
1-Sep-29	2029	128,746	2,760,141	109,767	15,000	(103)	1,604
		<u>\$ 2,116,409</u>		<u>\$ 2,134,524</u>	<u>\$ 435,000</u>	<u>\$ (114,013)</u>	

* Annual Administrative Expenses from FY 2006 - FY 2024 includes a \$2,000 annual administrative expense for Bexar County

Heathers Cove - TIF Reinvestment Zone Combined Participation

Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Project	TIF Revenues	TIF Expenses
City of San Antonio	0.5785400	90%	0.520686	78.72%	\$ 2,157,895	\$ 3,153,831
Bexar County	0.2815190	50%	0.140760	21.28%	\$ 583,354	\$ 852,590
Total	0.8600590		0.661446	100.00%	\$ 2,741,249	\$ 4,006,421

Heathers Cove - TIF Reinvestment Zone Projected New Value of Tax Increment

Tax Year	Phase I 2005	Phase II 2006	Phase III 2007	Phase IV 2008	Phase V 2009	Phase VI 2010	Total	Cumulative Total	Fiscal Year
2005	\$ 5,304,000						\$ 5,304,000	\$ 5,304,000	2006
2006		\$ 6,936,000					\$ 6,936,000	\$ 12,240,000	2007
2007			\$ 4,794,000				\$ 4,794,000	\$ 17,034,000	2008
2008				\$ -			\$ -	\$ 17,034,000	2009
2009					\$ -		\$ -	\$ 17,034,000	2010
2010						\$ 2,929,500	\$ 2,929,500	\$ 19,963,500	2011
2011							\$ -	\$ 19,963,500	2012
2012							\$ -	\$ 19,963,500	2013
2013							\$ -	\$ 19,963,500	2014
2014							\$ -	\$ 19,963,500	2015
2015							\$ -	\$ 19,963,500	2016
2016							\$ -	\$ 19,963,500	2017
2017							\$ -	\$ 19,963,500	2018
2018							\$ -	\$ 19,963,500	2019
2019							\$ -	\$ 19,963,500	2020
2020							\$ -	\$ 19,963,500	2021
2021							\$ -	\$ 19,963,500	2022
2022							\$ -	\$ 19,963,500	2023
2023							\$ -	\$ 19,963,500	2024
<hr/>									
	\$ 5,304,000	\$ 6,936,000	\$ 4,794,000	\$ -	\$ -	\$ 2,929,500	\$ 19,963,500		

\$ 2,929,500 Commercial New Value
\$ 17,034,000 Residential New Value
\$ - Multi Family New Value
\$ 19,963,500 Total New Value

Heathers Cove - TIF Reinvestment Zone

Projected Uses of Tax Increment Construction Completed Cost

Tax Year	Phase I 2003 & 2004	Phase II 2005	Phase III 2006	Phase IV 2007-2028	Total
2003					\$ -
2004	\$ 847,550				\$ 847,550
2005		\$ 614,149			\$ 614,149
2006			\$ 430,031		\$ 430,031
2007				718,730.00	\$ 718,730
2008					\$ -
2009					\$ -
2010					\$ -
2011					\$ -
2012					\$ -
2013					\$ -
2014					\$ -
2015					\$ -
2016					\$ -
2017					\$ -
2018					\$ -
2019					\$ -
2020					\$ -
2021					\$ -
	\$ 847,550	\$ 614,149	\$ 430,031	\$ 718,730	\$ 2,610,461

Heathers Cove - TIF Reinvestment Zone

Projected Tax Increment Revenue

Principal and Interest Requirements

Date	Principal	Interest Rate	Interest	Semi-annual Debt Service	Annual Debt Service
03/01/03	-		-	-	-
09/01/03	-	4.54%	-	-	-
03/01/04	-		-	-	-
09/01/04	-	4.54%	-	-	-
03/01/05	-		-	-	-
09/01/05	-	4.54%	-	-	-
03/01/06	-		-	-	-
09/01/06	-	4.54%	-	-	-
03/01/07	-		9,579	9,579	
09/01/07	-	4.54%	9,579	9,579	19,159
03/01/08	-		28,829	28,829	
09/01/08	12,000	4.54%	28,829	40,829	69,658
03/01/09	-		28,557	28,557	
09/01/09	26,000	4.54%	28,557	54,557	83,113
03/01/10	-		27,966	27,966	
09/01/10	27,000	4.54%	27,966	54,966	82,933
03/01/11	-		27,354	27,354	
09/01/11	30,000	4.54%	27,354	57,354	84,707
03/01/12	-		26,673	26,673	
09/01/12	30,000	4.54%	26,673	56,673	83,345
03/01/13	-		25,992	25,992	
09/01/13	39,000	4.54%	25,992	64,992	90,983
03/01/14	-		25,106	25,106	
09/01/14	40,000	4.54%	25,106	65,106	90,212
03/01/15	-		24,198	24,198	
09/01/15	43,000	4.54%	24,198	67,198	91,396
03/01/16	-		23,222	23,222	
09/01/16	46,000	4.54%	23,222	69,222	92,444
03/01/17	-		22,178	22,178	
09/01/17	49,000	4.54%	22,178	71,178	93,356
03/01/18	-		21,066	21,066	
09/01/18	52,000	4.54%	21,066	73,066	94,131
03/01/19	-		19,885	19,885	
09/01/19	56,000	4.54%	19,885	75,885	95,770
03/01/20	-		18,614	18,614	
09/01/20	60,000	4.54%	18,614	78,614	97,228
03/01/21	-		17,252	17,252	
09/01/21	63,000	4.54%	17,252	80,252	97,504
03/01/22	-		15,822	15,822	
09/01/22	68,000	4.54%	15,822	83,822	99,644
03/01/23	-		14,278	14,278	
09/01/23	73,000	4.54%	14,278	87,278	101,557
03/01/24	-		12,621	12,621	
09/01/24	78,000	4.54%	12,621	90,621	103,242
03/01/25	-		10,851	10,851	
09/01/25	84,000	4.54%	10,851	94,851	105,701
03/01/26	-		8,944	8,944	
09/01/26	90,000	4.54%	8,944	98,944	107,888
03/01/27	-		6,901	6,900.80	
09/01/27	96,000	4.54%	6,901	102,900.80	109,801.60
03/01/28	-		4,722	4,721.60	
09/01/28	103,000	4.54%	4,722	107,721.60	112,443.20
03/01/29	-		2,384	2,383.50	
09/01/29	105,000	4.54%	2,384	107,383.50	109,767.00
	<u>1,270,000</u>		<u>845,984</u>	<u>2,115,984</u>	<u>2,115,984</u>