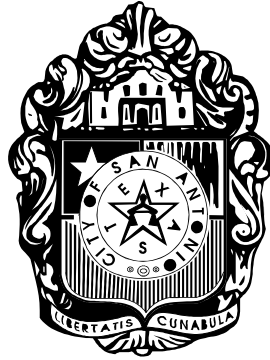


CITY OF SAN ANTONIO, TEXAS



Lone Oak Tax Increment Reinvestment Zone Number Forty

**Participation Level:
City (85%)**

Finance Plan

Preliminary: January 12, 2023

Lone Oak Development Tax Increment Reinvestment Zone #40 Preliminary Finance Plan

Introduction

The Lone Oak Tax Increment Reinvestment Zone (TIRZ) Number 40 is generally located northwest of the intersection of Loop 1604 and Interstate 37, in the City of San Antonio (the “City”). The property lies in City Council District 3. The development is located in the Southwest Independent School District and encompasses approximately 248.44 acres. The Developer of the project is VT Lone Oak Development Company, LLC.

The total Public Infrastructure Improvements and related capital costs are estimated at \$46,955,362. The Tax Year 2023 Beginning Assessed Value is estimated at \$1,338,620 and the projected Tax Year 2047 Year End Assessed Value is \$281,714,444 assumes no exemptions during TIRZ term.

The project plans to construct 975 single-family homes with an average home sales price of \$275,000 in 2022. Construction will be completed by the end of 2028. The life of the Tax Increment Reinvestment Zone (“TIRZ”) is projected to be 25.72 years with the TIRZ being in existence through Fiscal Year 2048.

Public Infrastructure

The Public Infrastructure Improvements and related capital costs (the “Public Improvements”) include Engineering, Testing, Surveying, Platting Fees, Grading & Clearing, Sewer, Water, Drainage, Streets & Sidewalks, Electric Street Lights, Amenity/Landscaping and Hardscape, Texas Pollutant Discharge Elimination System (TPDES), and project contingency. The Public Improvements are estimated at \$46,955,362.

Finance Plan

The Tax Year 2022 Beginning Assessed Value of the TIRZ is estimated at \$1,338,620. Projected Captured Values will be taxed to produce revenues to pay for the TIRZ expenses forecasted to commence in Tax Year 2023 with collections commencing in Tax Year 2024 (Fiscal Year 2025). The City’s Captured Taxable Values are projected to grow from \$34,375,000 in Tax Year 2024 to an estimated amount of \$280,375,824 in Tax Year 2047.

The City is the only participating taxing entity, and the City’s current participation is at 85% of the current tax rate which is \$0.460368 in Tax Year 2023. Annual tax increment is projected to grow from \$155,086.47 in Fiscal Year 2025 to \$1,264,945.36 in Fiscal Year 2048. No growth in tax rate or Assessed Values is assumed at this time.

The Designation Fee of \$50,000 is due once designated, and annual administrative expenses of the lesser of 20% of the Fiscal Year increment or \$75,000 are anticipated to be paid when increment is available. The Public Improvements estimated at \$46,955,362 will be incurred by the Developer.

Revenues derived from the TIRZ will be used to pay costs in the following order of priority of payment:

- (i) to reimburse eligible Designation Fee;
- (ii) to pay all other ongoing Administrative Costs to the City;
- (iii) to reimburse the City for costs of the repair, replacement, or re-construction of public infrastructure and associated costs as described in the Development Agreement;
- (iv) to reimburse the City under any reclaim of funds pursuant to the Development Agreement; and
- (v) to reimburse the Developer for eligible expenses, on an annual basis, as provided in the Development Agreement to the extent that funds in the Tax Increment Fund are available for this purpose.

The TIRZ collections for this project shall not extend beyond September 30, 2048 and may be terminated earlier once the City has deposited its respective maximum dollar amount or reached its maximum length of contribution as described in the table below.

TABLE – TIRZ Contributions		
Participating Taxing Entity	Maximum Dollar Contribution	Maximum Length of Contribution
City of San Antonio	\$48,805,362	September 30, 2048
Maximum Contribution Amount	\$48,805,362	

Limited Obligation of the City

The City shall have a limited obligation to impose, 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 reimbursed. The TIRZ collections for this project shall not extend beyond September 30, 2048, and may be terminated prior to September 30, 2048, upon reimbursement of Public Improvements incurred by the Developer. Furthermore, any default of the terms contained in the Development Agreement that is not cured within the timeframe contained in the Development Agreement may also result in TIRZ termination.

Any costs incurred by the Developer are not and shall never in any event become general obligations or debt of the City. The Public Improvements 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, any political corporation, subdivision, or agency of the State.

City of San Antonio, Texas
Lone Oak
Tax Increment Reinvestment Zone #40
Summary Fact Sheet

Final			
Finance Plan - FY 2023			
Site Area (Acres)		248.44	+/-
Single Family Homes			+/-
Open Space			+/-
Beginning Assessed Value (2022) ¹	\$	1,338,620	
Project			
Single Family Homes	\$	275,000	
	Projected Completion	Projected	Projected Average
	<u>Tax Year</u>	<u>Single Family Homes</u>	<u>Assessed Value</u>
	2023	125	\$ 275,000
	2024	130	\$ 279,125
	2025	160	\$ 283,312
	2026	160	\$ 287,562
	2027	105	\$ 291,875
	2028	220	\$ 296,253
	2029	75	\$ 300,697
	Total:	975	
Developer	VT Lone Oak Development Company, LLC		
Performance Bonds	Per Texas Government Code Chapter 2253		
Payment Bonds	Per Texas Government Code Chapter 2253		
Assumptions			
Captured Value	\$	280,375,824	
Growth Factor		0.00%	
Collection Rate		98.00%	
Estimated Total Tax Increment Revenues	\$	26,529,439.66	
Estimated TIF Life (Years)		25.72	+/-
		(1/12/2023 to 9/30/2048)	

¹ Based on the Tax Year 2022 Values. The Tax Increment Base for the Proposed Lone Oak Grove TIRZ will be the total value of all real property taxable by the City and located in the TIRZ, determined as of January 1, 2023. These values are subject to the appeals and certification of the 2023 appraisal roll.

**Lone Oak
Tax Increment Reinvestment Zone #40
Sources & Uses**

	Final Finance Plan - FY 2023
Sources of Funds	
Tax Increment Revenues	\$ 26,529,439.66
Interest Earned in TIRZ Fund	-
Developer Contribution	22,220,698.78
Total Project Funds	\$ 48,750,138.44
Uses of Funds	
	Projected Total Costs
Public Improvements	
Engineering / Testing / Surveying	\$ 4,387,500.00
Platting Fees	1,149,914.00
Grading & Clearing	3,742,600.00
Sewer	7,049,521.00
Water	8,466,602.00
Drainage	4,450,325.00
Streets & Sidewalks	8,984,506.00
Electric Street Lights	2,763,225.00
Amenity/Landscaping And Hardscape	1,450,000.00
Texas Pollutant Discharge Elimination System (TPDES)	242,500.00
Contingency	4,268,669.00
Total	\$ 46,955,362.00
Total Public Improvements	\$ 46,955,362.00
Payments to Developer	\$ 46,955,362.00
Administrative Expenses	
Designation Fee	\$ 50,000.00
Annual Administrative Costs	1,744,776.44
	\$ 1,794,776.44
Total TIF Expenses ¹	\$ 48,750,138.44
Project Financing Surplus	\$ -

¹ The difference between Maximum Contribution of \$48,805,362.00 and estimated Total TIF Expenses of \$48,750,138.44 is made up of the maximum Administrative Costs of \$1,800,000.00 and the projected Administrative Costs of \$1,744,776.44.

Tax Year	Tax Increment Zone				City of San Antonio								Total Tax Increment	Fiscal Year
	Beginning Assessed Value	New Values	Appraisal Growth	Year-End Assessed Value	Less Exemptions	Year End Taxable Value	Base Taxable Value	Captured Taxable Value	Tax Rate Contribution	Actual Tax Increment	Projected Tax Increment			
2023				\$ 1,338,620.00	\$ -	\$ 1,338,620.00	\$ 1,338,620.00	\$ -	\$ -	\$ -		\$ -	2023	
2024		1,338,620.00	34,375,000.00	-	35,713,620.00	35,713,620.00	1,338,620.00	34,375,000.00	0.460368	-	155,086.47	155,086.47	2024	
2025		35,713,620.00	36,286,250.00	-	71,999,870.00	71,999,870.00	1,338,620.00	70,661,250.00	0.460368	-	318,795.75	318,795.75	2025	
2026		71,999,870.00	45,329,901.00	-	117,329,771.00	117,329,771.00	1,338,620.00	115,991,151.00	0.460368	-	523,306.42	523,306.42	2026	
2027		117,329,771.00	46,009,850.00	-	163,339,621.00	163,339,621.00	1,338,620.00	162,001,001.00	0.460368	-	730,884.75	730,884.75	2027	
2028		163,339,621.00	30,646,873.00	-	193,986,494.00	193,986,494.00	1,338,620.00	192,647,874.00	0.460368	-	869,151.38	869,151.38	2028	
2029		193,986,494.00	65,175,682.00	-	259,162,176.00	259,162,176.00	1,338,620.00	257,823,556.00	0.460368	-	1,163,198.41	1,163,198.41	2029	
2030		259,162,176.00	22,552,268.00	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2030	
2031		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2031	
2032		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2032	
2033		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2033	
2034		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2034	
2035		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2035	
2036		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2036	
2037		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2037	
2038		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2038	
2039		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2039	
2040		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2040	
2041		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2041	
2042		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2042	
2043		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-	1,264,945.36	1,264,945.36	2043	
2044		281,714,444.00	-	-	281,714,444.00	281,714,444.00	1,338,620.00	280,375,824.00	0.460368	-				

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**Lone Oak
Tax Increment Reinvestment Zone #40
Reimbursements**

Tax Year	Actual		Projected		Cumulative TIRZ Fund Interest Rate	Actual		Projected		Actual	Projected	Actual		Actual	Projected	Annual Cash Flow Fund Balance	Annual Cumulative Fund Balance	Fiscal Year
	Tax Increment Revenues	Tax Increment Revenues	Tax Increment Revenues	Tax Increment Revenues		Interest Earned in TIRZ Fund	Interest Earned in TIRZ Fund	Start-Up and Designation Fee ¹ Expenses	Start-Up and Designation Fee ¹ Expenses			Administrative ¹ Expenses	Administrative ¹ Expenses			Developer Project Reimbursements	Developer Project Reimbursements	
2023	\$ -	\$ -	\$ -	\$ -	0.5046%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2023
2024	-	-	155,086.47	155,086.47	2.2375%	-	-	-	(50,000.00)	-	(31,017.29)	-	(74,069.18)	-	-	-	-	2024
2025	-	-	318,795.75	473,882.22	2.7500%	-	-	-	-	-	(63,759.15)	-	(255,036.60)	-	-	-	-	2025
2026	-	-	523,306.42	997,188.64	2.7500%	-	-	-	-	-	(75,000.00)	-	(448,306.42)	-	-	-	-	2026
2027	-	-	730,884.75	1,728,073.39	2.7500%	-	-	-	-	-	(75,000.00)	-	(655,884.75)	-	-	-	-	2027
2028	-	-	869,151.38	2,597,224.77	2.7500%	-	-	-	-	-	(75,000.00)	-	(794,151.38)	-	-	-	-	2028
2029	-	-	1,163,198.41	3,760,423.18	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,088,198.41)	-	-	-	-	2029
2030	-	-	1,264,945.36	5,025,368.54	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2030
2031	-	-	1,264,945.36	6,290,313.90	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2031
2032	-	-	1,264,945.36	7,555,259.26	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2032
2033	-	-	1,264,945.36	8,820,204.62	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2033
2034	-	-	1,264,945.36	10,085,149.98	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2034
2035	-	-	1,264,945.36	11,350,095.34	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2035
2036	-	-	1,264,945.36	12,615,040.70	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2036
2037	-	-	1,264,945.36	13,879,986.06	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2037
2038	-	-	1,264,945.36	15,144,931.42	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2038
2039	-	-	1,264,945.36	16,409,876.78	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2039
2040	-	-	1,264,945.36	17,674,822.14	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2040
2041	-	-	1,264,945.36	18,939,767.50	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2041
2042	-	-	1,264,945.36	20,204,712.86	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2042
2043	-	-	1,264,945.36	21,469,658.22	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2043
2044	-	-	1,264,945.36	22,734,603.58	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2044
2045	-	-	1,264,945.36	23,999,548.94	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2045
2046	-	-	1,264,945.36	25,264,494.30	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2046
2047	-	-	1,264,945.36	26,529,439.66	2.7500%	-	-	-	-	-	(75,000.00)	-	(1,189,945.36)	-	-	-	-	2047
	\$ -	\$ -	\$ 26,529,439.66			\$ -	\$ -	\$ -	\$ (50,000.00)	\$ -	\$ (1,744,776.44)	\$ -	\$ (24,734,663.22)					2048

¹ Designation Fee of \$50,000, due once designated, and annual administrative expenses of the lesser of 20% of the Fiscal Year increment or \$45,000. Both are anticipated to be paid when increment is available

**Lone Oak
Tax Increment Reinvestment Zone #40
Participation**

Taxing Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Project	Tax Increment Revenues ¹	TIF Expenses
City of San Antonio	\$ 0.541610	85.0%	\$ 0.460368	100.00%	\$ 26,529,439.66	\$ 48,750,138.44
Total	\$ 0.541610		\$ 0.460368	100.00%	\$ 26,529,439.66	\$ 48,750,138.44

¹ Tax Increment Revenues exclude Interest Earned in TIRZ Fund.

**Lone Oak
Tax Increment Reinvestment Zone #40
Collections**

Taxing Entity	Maximum Length of Contribution	Maximum Dollar Contribution	Tax Increment Revenues Collected	Remaining (Refund)
City of San Antonio	September 30, 2048	\$ 48,805,362.00	\$ -	\$ 48,805,362.00
Total		\$ 48,805,362.00	\$ -	\$ 48,805,362.00

Lone Oak
Tax Increment Reinvestment Zone #40
New Values

Tax Year	Single Family Homes	Multi-family	Retail	Annual Total	Fiscal Year
2023				\$ -	2024
2024	34,375,000			\$ 34,375,000	2025
2025	36,286,250			\$ 36,286,250	2026
2026	45,329,901			\$ 45,329,901	2027
2027	46,009,850			\$ 46,009,850	2028
2028	30,646,873			\$ 30,646,873	2029
2029	65,175,682			\$ 65,175,682	2030
2030	22,552,268			\$ 22,552,268	2031
2031	-			\$ -	2032
2032	-			\$ -	2033
2033	-			\$ -	2034
2034				\$ -	2035
2035				\$ -	2036
2036				\$ -	2037
2037				\$ -	2038
2038				\$ -	2039
2039				\$ -	2040
2040				\$ -	2041
2041				\$ -	2042
2042				\$ -	2043
2043				\$ -	2044
2044				\$ -	2045
2045				\$ -	2046
2046				\$ -	2047
2047				\$ -	2048
<div> <div>\$ 280,375,824</div> <div>\$ -</div> <div>\$ -</div> <div>\$ 280,375,824</div> </div>					