



CITY OF SAN ANTONIO
**NEIGHBORHOOD & HOUSING
SERVICES DEPARTMENT**

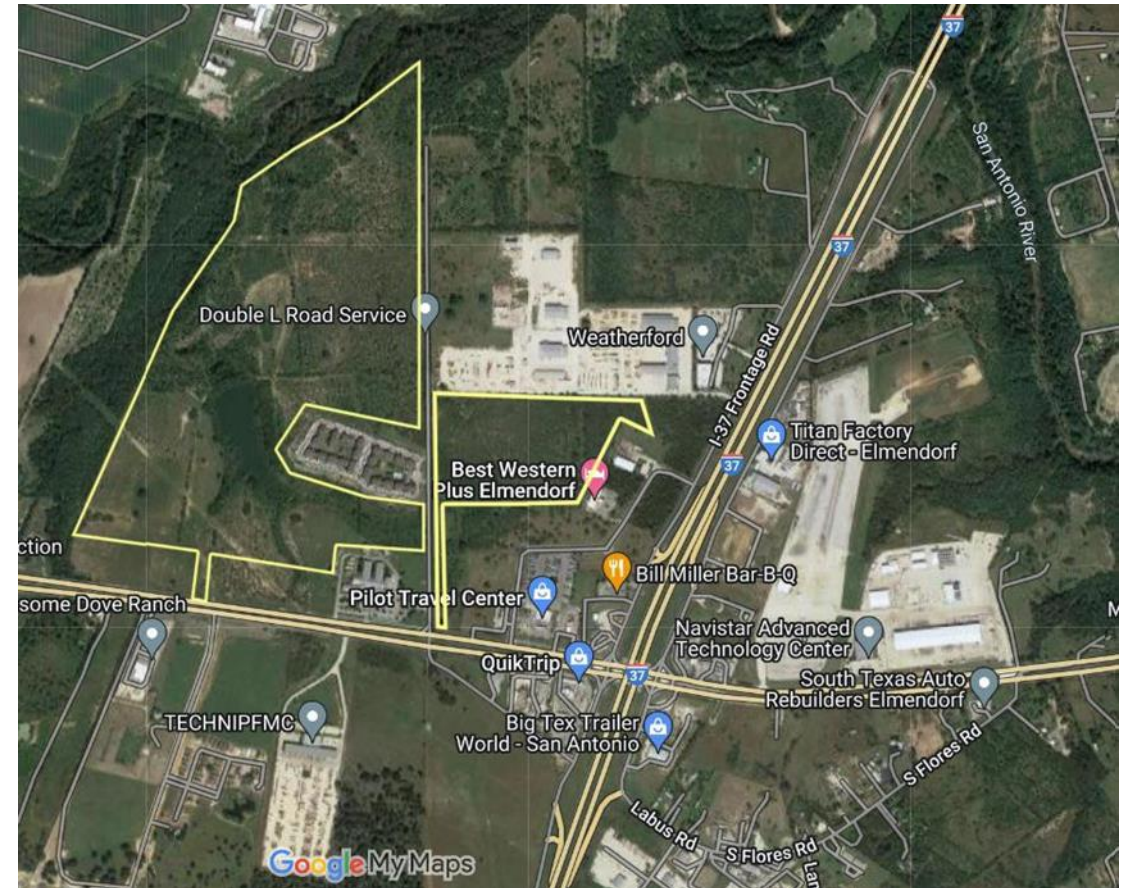
Designation of the Lone Oak Tax Increment Reinvestment Zone City Council A Session January 12, 2023 - Item #16

Veronica Garcia, Director, NHSD

Background Information

Location

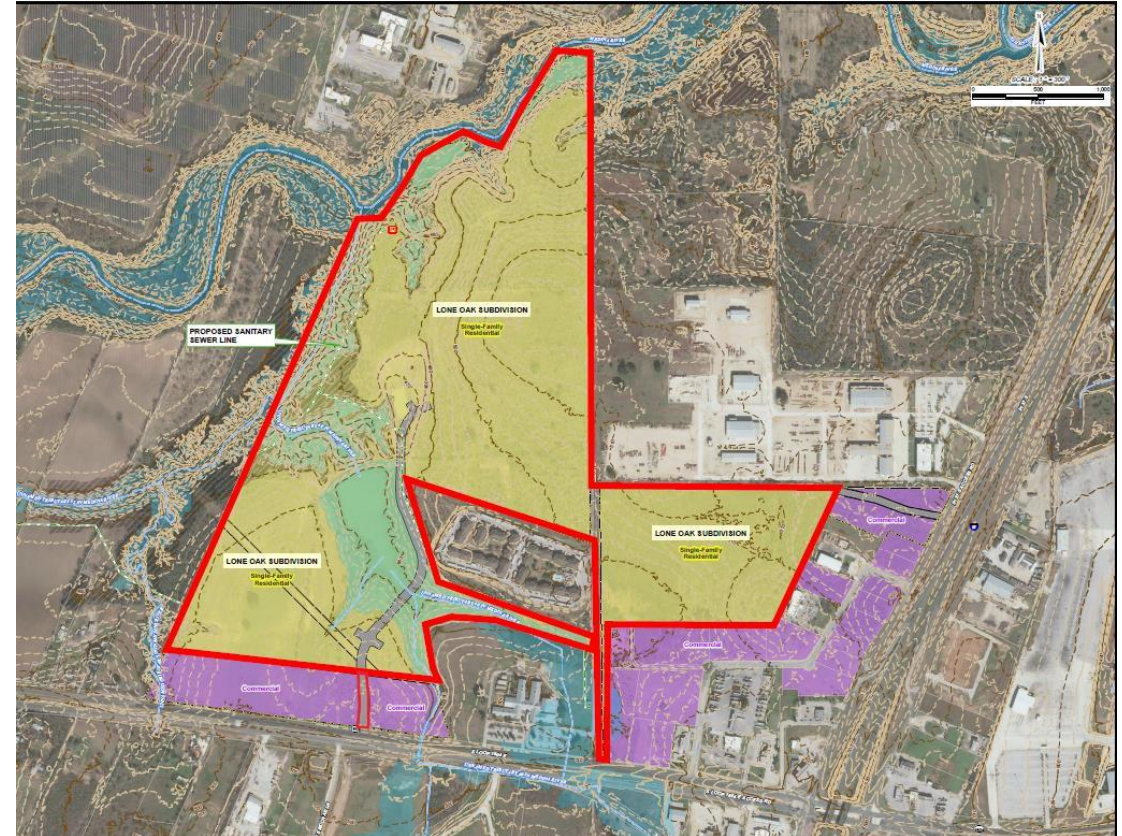
- Approximately 240-acres near Loop 1604 and IH-37
- City Council District 3
- Southside Independent School District
- Direct access to Loop 1604 and IH-37
- Within vicinity of major employers
 - Navistar Advanced Technology Center
 - Weatherford
 - Navistar Main Campus
 - TJX Distribution Center



Project Scope

Proposed Project

- 100% Single Family Residential
- 975 total lots
- Average home price \$275,000; starting in \$260,000 range
- 4,800 – 5,400 square foot lot sizes
- Adjacent to future commercial (not included in TIRZ boundary)



Issue

Costs/Revenue:

- Developer is seeking a TIRZ to reimburse infrastructure costs associated with the development estimated to be \$46.9m.
- Costs will include utilities (SAWS area sewer and lift station improvements), drainage, onsite right-of-way, curb and sidewalks, and landscaping
- Total Project Cost: \$270M
- Projected Revenue: \$27.8M*
 - *Based on 25-year TIRZ with 85% participation rate from COSA

Engineering/Testing/Surveying	\$ 4,387,500
Platting Fees	\$ 1,149,914
Grading & Clearing	\$ 3,742,600
Sewer	\$ 7,049,521
Water	\$ 8,466,602
Drainage	\$ 4,450,325
Streets & Sidewalks	\$ 8,084,506
Electric Street Lights	\$ 2,763,225
Amenity/Landscape/Hardscape	\$ 1,450,000

Issue

Lone Oak TIRZ meets following goals:

- ✓ SA Tomorrow and Housing
 - Provides a diversity of housing in Heritage South for prospective homebuyers
 - Current median home value within Census Tract is \$100,900 and 89% of homes in this census tract are valued below \$200,000.
 - The Lone Oak TIRZ can bring market rate homes to an area oversaturated with homes under \$200,000 and underserved with market rate homes providing more housing options in District 3.
- ✓ Transportation
 - Reduce traffic burden by providing alternate routes in the area
 - In conversation on VIA route extension to serve area
- ✓ Targeted investment area
 - Located within Census Tract 1522.001, Block Group 5, a tract eligible for Community Development Block Grants

Issue

- ✓ Income Diversity and Educational Attainment
 - In an area with poverty and unemployment levels higher than the City average and educational attainment levels lower than City average
 - Per 2020 Census data, 33.9% of persons in this tract are below the poverty line, compared to 17.6% in San Antonio.
 - 65.9% of persons in this tract have an educational attainment of high school or higher, as compared to 82.7% in San Antonio. Lone Oak would add additional revenue for Southside Independent School District
- ✓ The Lone Oak TIRZ will adopt sustainable building practices, including:
 - Incorporation of energy efficient roofs for all homes within the development;
 - Compliance with “Dark Sky” lighting requirements;
 - Utilization of native plant and tree species in open space areas with drip irrigation to ensure viability of plantings; and
 - Good faith effort to use xeriscape landscaping where possible as part of overall design in the community.

Recommendation

Staff recommends:

- 25-year TIRZ with Termination Date of September 30, 2048
- 85% participation rate from City
- Designation Fee - \$50,000
- Annual Administrative Expenses – lesser of 20% of the Fiscal Year increment or \$75,000
- City's Maximum Contribution Amount - \$48,805,362*
 - *Based on eligible public infrastructure expenses and includes administrative expenses. Funding subject to actual increment collected and available for reimbursement.



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