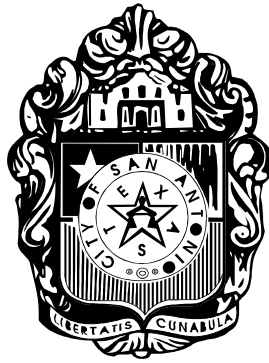


**AMENDED PROJECT PLAN
FOR**

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

“MISSION DEL LAGO”



City of San Antonio

Approved August 26, 1999

Amended:

June 29, 2006

May 1, 2014

February 1, 2019

April 12, 2019

_____, 2024

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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 TIRZ is located south of Loop 410 along US Highway 281, adjacent to Mitchell Lake, and surrounds the Mission Del Lago Municipal Golf Course (see Exhibit A: TIRZ Boundary). The TIRZ is in the Southside Independent School District. The zone includes approximately 812 acres (see Exhibit B: Vicinity/School Districts Map).

TIRZ HISTORY

The original Project and Finance Plans, adopted in 1999, called for the construction of public infrastructure to support 3,200 single-family homes. After a change in the Mission Del Lago Ltd. Partnership in 2006, the scope of the project was revised to reduce the number of homes to be developed to 2,734 and decrease the cost of proposed infrastructure as reflected in amendments to the Project and Finance Plans. The Project and Finance Plans were further amended in May 2014 as the result of a Settlement and Release Agreement between the City of San Antonio and Mission Del Lago Ltd., the initial developer; and, the single-family unit total was further reduced to 2,241 (the “2014 Amendment”). The 2014 Amendment also added street repairs to Unit 8 of the subdivision and the City of San Antonio’s (the “City”) tax reimbursement agreement with the developer of the Villa Espada apartment project (approved by the TIRZ Board in May 2013). In addition, the 2014 Amendment extended the term of the TIRZ for the City by two years until September 2027. The current projection is to construct 2,510 single-family homes and 520 multi-family units, as well as 288,600 sq. ft. of commercial space. The TIRZ term was extended to September 30, 2032 after City Council authorized the extension through Ordinance 2019-05-09 0387. On December 6, 2023, the Southside Independent School District notified the City of its intent to terminate its involvement as a Participating Taxing Entity in connection with Tax Increment Reinvestment Zone Number Six, which was accepted by the Board on February 23, 2024. In response to the Southside Independent School District’s exit, Bexar County agreed to modify its participation in the TIRZ to contribute one hundred percent (100%) of its General Fund Operation and Maintenance tax from the captured appraised Captured Appraised Value Tax Increment Base each year beginning with the 1999 Tax Year through the 2031 Tax Year, and modified its contribution cap to Sixteen Million, Eight Hundred Thirty-Six Thousand, Seven Hundred Sixty dollars and no cents (\$16,836,760.00). Also in response to the Southside Independent School District’s exit, the City agreed to modify its participation in the TIRZ to contribute one hundred percent (100%) of its Tax Increment each year during the initial term of this Agreement, beginning with the 1999 Tax Year and running through the 2031 Tax Year, and modified its contribution cap to Thirty-Nine Million, Eight Hundred Ninety-Seven Thousand, Six Hundred Ninety dollars and no cents (\$39,897,690.00).

DEVELOPER

In April 2014, 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

initial developer's assets. In addition, Mission Del Lago Ltd. entered into an operating agreement, approved by the City, delegating authority to SouthStar to serve as the "Operating Agent" for the TIRZ. On January 18, 2018, the City approved the Assignment and Assumption Agreement between Mission Del Lago, Ltd. and SouthStar Mission Del Lago Holdings L.P. ("SouthStar"), formally designating SouthStar as the "Developer" for the TIRZ. The 2019 Project Plan reflects SouthStar's development plan for the TIRZ.

PARTICIPATING JURISDICTIONS

With this amendment, Participating Taxing Entities (PTEs) in the TIRZ are the City of San Antonio, Bexar County, and University Health System. Alamo Community College District was an initial participant in the TIRZ until its commitment terminated in 2014. See Table below for the maximum dollar contribution and maximum length of participation per Participating Taxing Entities.

TABLE – TIRZ Contributions		
Participating Taxing Entities	Maximum Dollar Contribution **	Max. Length of Contribution
City of San Antonio	\$ 39,897,690	September 30, 2032
Bexar County	\$ 16,836,760	September 30, 2032
University Health System	\$ 6,706,771	September 30, 2025
Southside ISD*	\$ 74,018,165	September 30, 2032 or upon earlier termination
Alamo Community College District	\$ 365,066	September 30, 2014
Maximum Reimbursable Amt.	\$ 137,824,452	

PROJECT PLAN SUMMARY

The Project and Finance Plans will support public improvements that will facilitate the development of 2,510 single-family homes, 520 multi-family units and 288,600 square feet of commercial space. On February 1, 2019 the TIRZ #6 Board approved amendments to the Project and Finance Plans authorizing the term extension to September 30, 2032, subsequently approved by City Council on April 12, 2019. On February 23, 2024, the TIRZ #6 Board approved amendments to the Development Agreement, Interlocal Agreements, Finance Plan, and Project Plan which terminated Southside ISD's participation in the TIRZ and modified the participation by the City and Bexar County to address the deficit created by Southside ISD's exit and additional development costs.

Under the current Project and Finance Plans the total cost of public improvement is estimated to be approximately \$65,305,994 which is reimbursable through the TIRZ. The Developer is eligible for interest accrued on outstanding invoices up to \$15,684,049.00. TIRZ expenses also include administrative fees for all Participating Taxing Entities pursuant to the initial 1999 Project Plan approved by City Council, August 26, 1999 by Ordinance #90383. Revised, on-going administrative fees are included in the 2019 Finance Plan.

The public infrastructure improvements and related capital costs include all work which facilitates the development of the project.

2. 2018 PROJECT PLAN

2.1. Overview

The Mission Del Lago TIRZ will support public improvements to develop 2,510 single-family homes, 520 multi-family units, and 288,600 square feet of commercial space.

As of February of 2024, the Developers have been reimbursed a total of \$37,047,812.21 in approved project expenses, and Unit 8 street repairs which resulted in the development of 866 single-family homes; 280 apartment units;¹ 101 single-family lots;; one public park, including tennis court and playground; one Southside ISD elementary school; more than \$1 million in non-reimbursable common area improvements; a non-reimbursable \$2.5 million club house with a pool, tot pool, playground, dog park; and a convenience store.



The approximate 812 acre tract is being developed for single-family residential uses. The first 12 phases of the residential development have been constructed. As of December, 2022, 1,704 lots were developed and the remaining lots are projected to be developed by 2032. The development is committed to varied, affordable housing options for different lifestyles and incomes. The single family homes in the Mission Del Lago development currently sell from \$180,000 to \$240,000. The community is enhanced by an active, on-site homeowner's association (the "HOA") which is active and pulls the community together through events and upkeep.

The area directly adjacent to US Highway 281 will be developed for office, retail, and other commercial services

The Major Thoroughfare Plan calls for the extension of the Del Lago Parkway near the northern boundary of the site. The Del Lago Parkway expansion proposed in this project

¹ This figure does not include the 240 apartment units in the Villa Espada multifamily project.

plan will provide increased ingress and egress connectivity to US 281. It will also provide additional direct access from the community to Julian Gallardo Elementary School, as well as a second potential school site. The streets within the zone are being developed as public streets.

The Development supports the SA Tomorrow Guiding Principles, by providing the framework for the amenities that create a great, strong, engaged neighborhood.

- The community is being developed as walkable, with sidewalks and street lights. Landscaping is designed to enhance the pedestrian walks from adjacent residential areas to the commercial areas.
- The project will provide pedestrian linkages between park facilities and the hike/bike trails to area schools, institutions, and neighborhoods.
- Safety throughout the TIRZ is promoted through the HOA, including funding supplemental patrols and encouraging engagement with SAFFE officers (San Antonio Fear Free Environment), a program of the San Antonio Police Department.
- The Developer has provided a \$2.5 million clubhouse for the neighborhood that includes a pool, tot pool, playground, and dog park. (This project was not reimbursed with any public dollars.)
- Over 29 acres have been dedicated and/or allocated to public parks and public school sites. The HOA provides legacy maintenance funds for parkland donated to the City.
- 75% of home purchasers have children enrolled in Southside ISD.
- The TIRZ project includes connections and extensions to the Medina River Trail.
- Residents have safe and convenient access to jobs, housing, and a variety of amenities and basic services, including great parks, strong schools, and convenient shopping.
- The HOA creates a sense of community through such things as an annual lunch, monthly meetings, community garage sale, annual barbeque, pool party, dive-in movie nights, national night out activities, and back to school events.
- In coordination with San Antonio Water System (SAWS) and Audubon Society, environmental buffers, conservation easements and/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.
- Housing is varied and affordable, and includes single-family and multi-family. The average home price is currently \$180,000 to \$240,000.
- A portion of the site is dedicated to commercial and retail projects (288,600 sf). The initial retail project, a convenience store and gas station, has already opened.
- The TIRZ is located directly across from the planned TJ Maxx distribution center, providing nearby employment opportunity.

Using the TIRZ program allows the developer to construct the public infrastructure necessary to create an attractive residential subdivision to encourage San Antonian's 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 seven 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 directly east of the TIRZ includes the TJ Maxx site, a 200 acre site including a \$150 million distribution center designed to employ 1,000 people. The western boundary of the TIRZ is Mitchell Lake (see Exhibit D: Existing Land Use). The Mission Del Lago municipal Golf Course is a full service golf facility with 18 holes and a part of the Alamo City Golf Trail. 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 Mission Del Lago is located approximately seven miles from Brooks City Base and approximately six miles from the new Texas A&M San Antonio campus. Downtown San Antonio is accessible to the area from Highway 37 or directly from 281/South Presa.

Since designation, 1,704 single-family homes have been developed. In addition, the 280 unit Rancho Sierra multifamily project and the 240 unit Villa Espada multifamily project were developed off Clubhouse Drive. In 2011, the Southside Independent School District built the Julian Gallardo Elementary School at the intersection of Del Lago Parkway and Club House Boulevard.

The development of the site requires 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.

2.4. Project Plan Objective

The objective of the plan is to develop approximately 812 acres of land into 2,510 single-family homes, 520 multi-family units, and 288,600 square feet of commercial space. In addition, 29 acres are allocated for public parks and schools. This development will help to increase area population (including school-aged children), provide additional housing for a variety of incomes, and encourage economic development.

The use of TIRZ #6 funds will facilitate the development of an attractive residential subdivision which, includes parks and trails and a major thoroughfare, encouraging relocation to the Southside. Without the creation of the Tax Increment incentives, the development would not be financially feasible.

2.5. Relocation

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

2.6. Municipal Ordinances

There are no anticipated changes to Municipal Ordinances as a result of this Plan. The City 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 TIRZ is required to comply with the Universal Design Policy and all City Codes, regulations and ordinances. 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 by Ordinance 2014-05-01-0286 (see Exhibit E: Non-Compliant Universal Design List and Universal Design Requirements).

2.7. Non-Project Costs

Non-Project costs included one-time start-up fee for all PTE's and annual administrative fees for the City of San Antonio and Bexar County.

On May 14, 2015, City Council approved Ordinance No. 2015-05-14-0419, amending the 2008 Tax Increment Financing Program Policy, which included adjustments to the administrative fees collected by the City for newly created TIRZs and allowed for renegotiation of TIRZs administrative fees.

Mission Del Lago annual administration fee for the City was amended as indicated by the table below:

	FY18	FY19	FY20	FY21 and beyond
COSA Admin Fee	15,000	30,000	50,000	75,000

The annual administrative fee for Bexar County remains the same at \$2,000.

Exhibits

EXHIBIT A

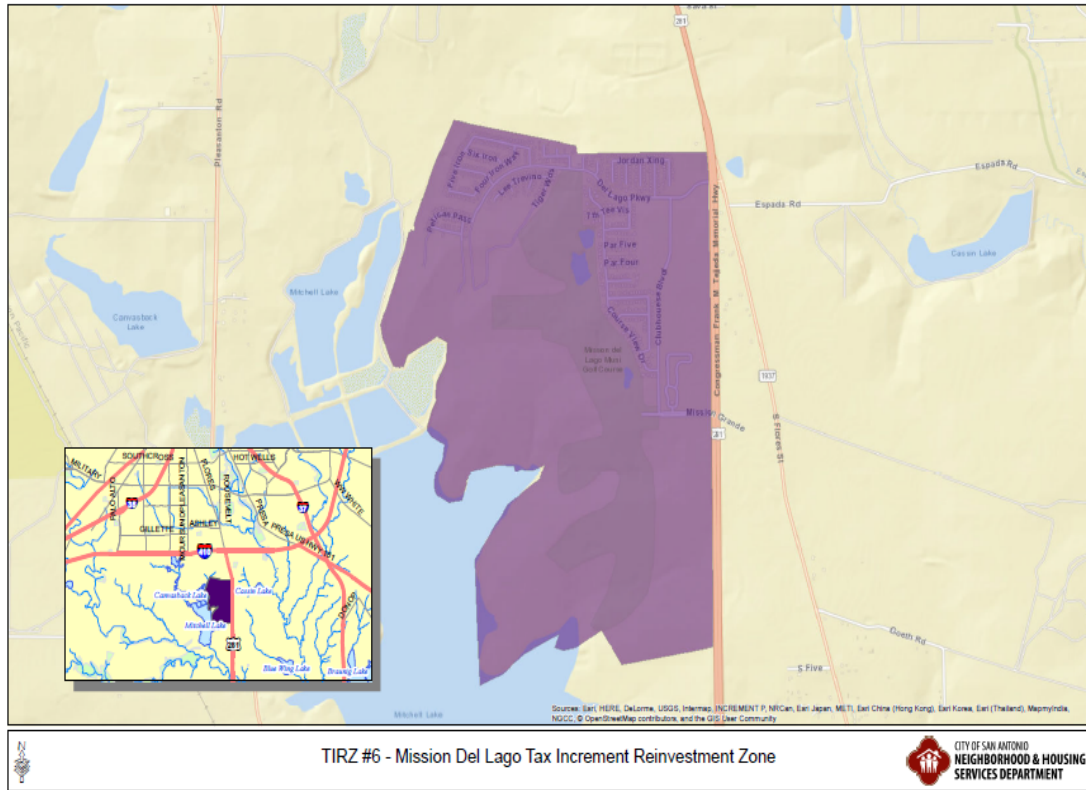


EXHIBIT B

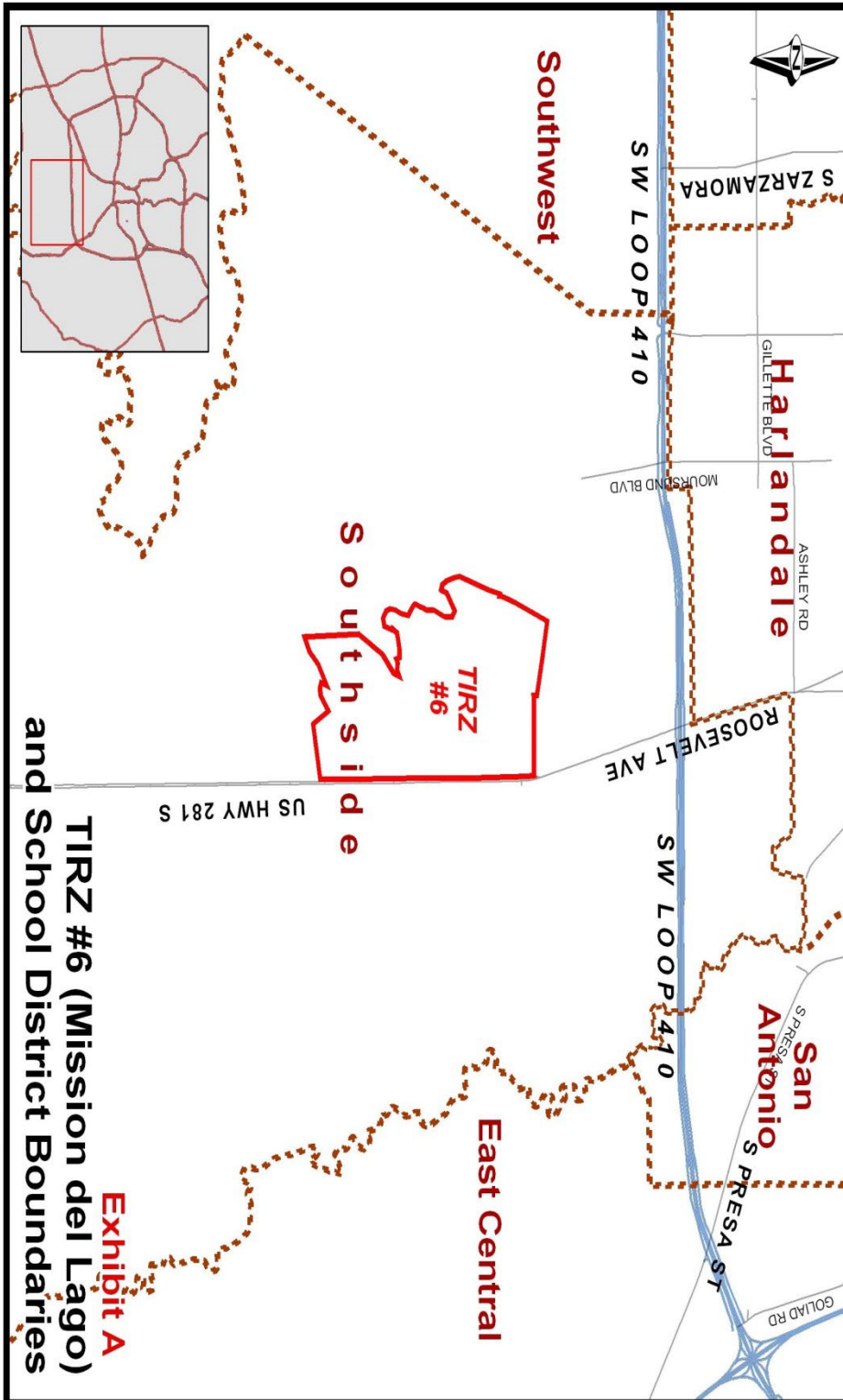


EXHIBIT C

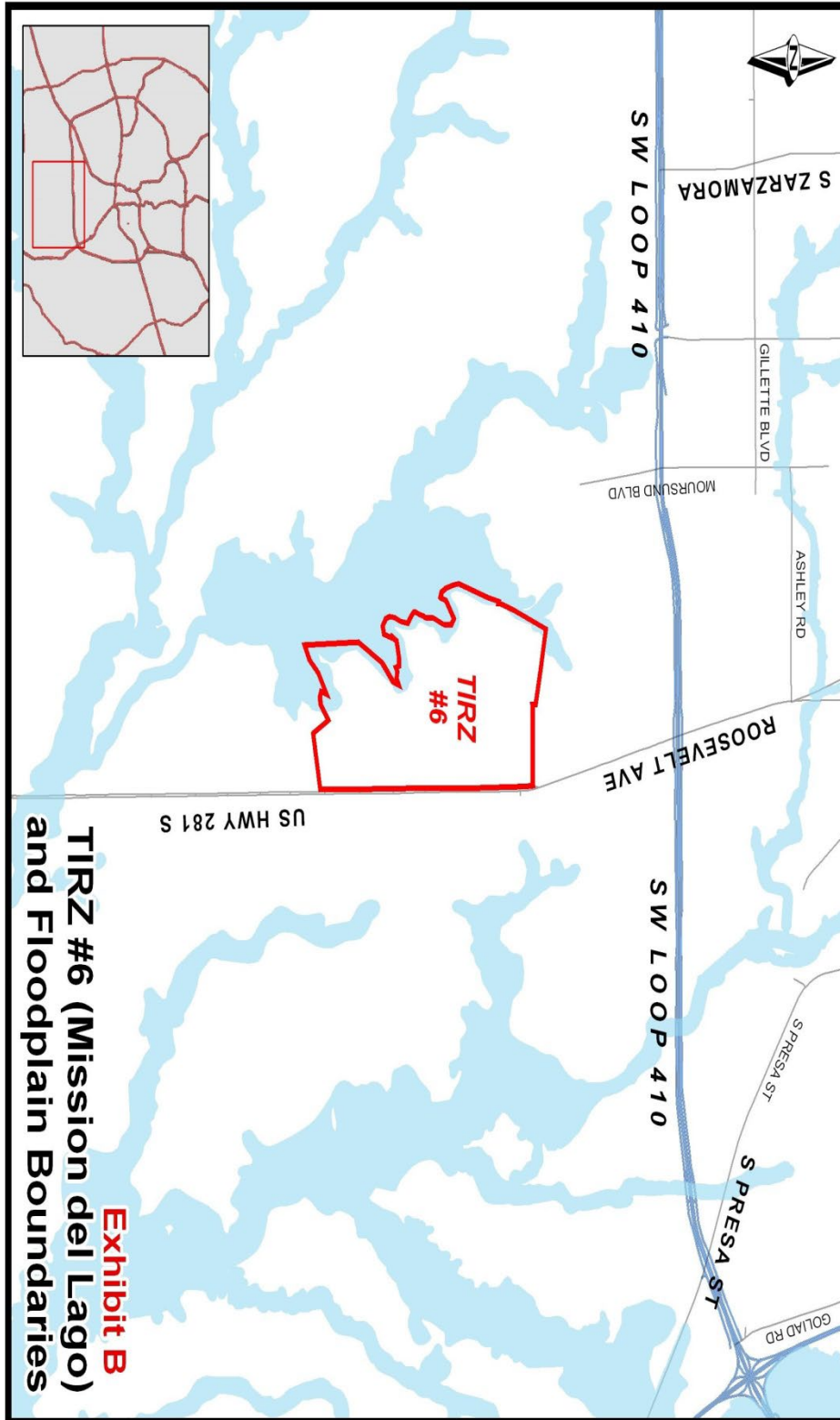


EXHIBIT D

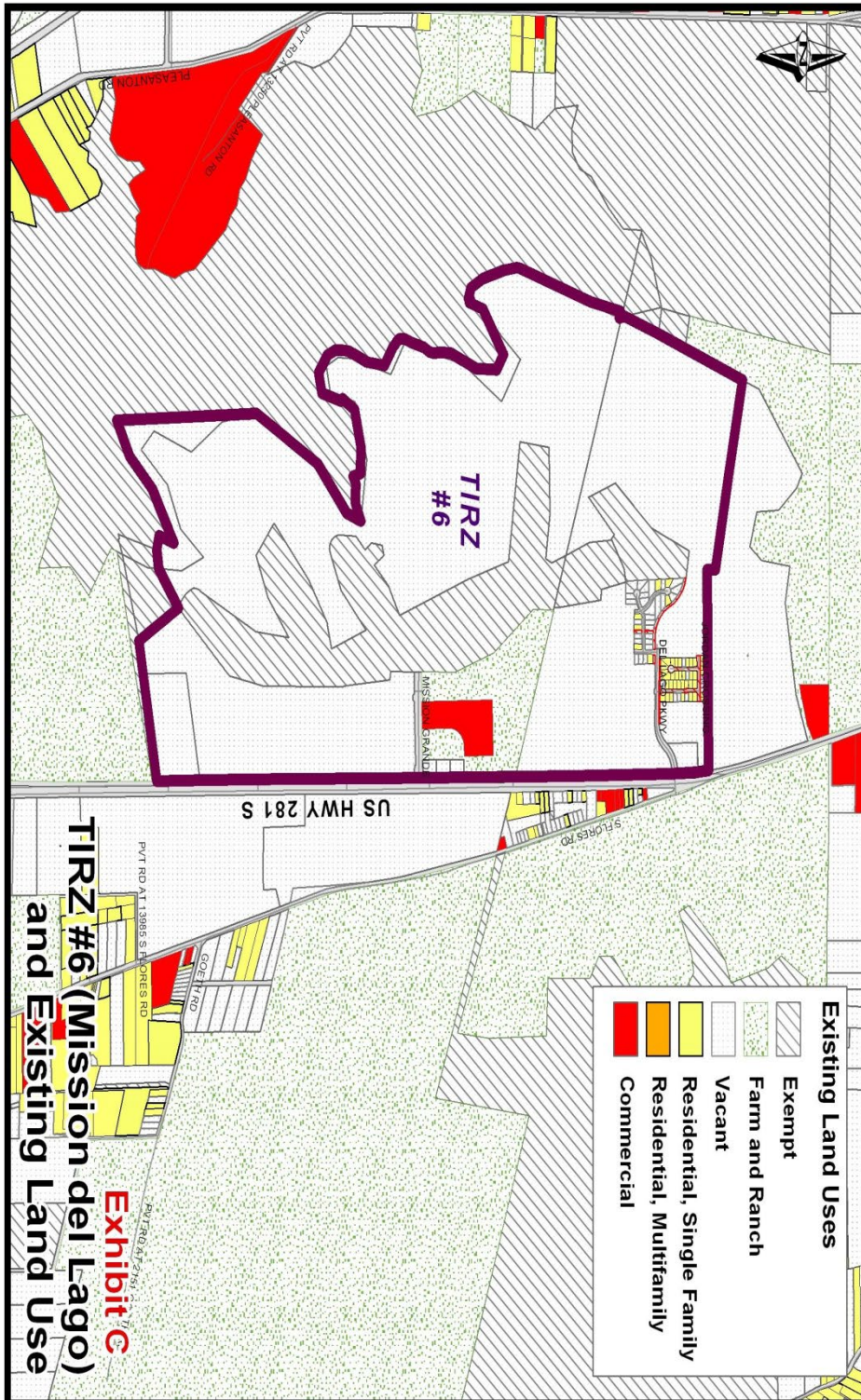


EXHIBIT E

(Non-Compliant Universal Design List and Universal Design Requirements)