

AN ORDINANCE 2009-02-12-0099

AMENDING THE FINAL PROJECT AND FINANCE PLANS FOR TIRZ NUMBER ELEVEN, CITY OF SAN ANTONIO, TEXAS ("INNER CITY" TIRZ); APPROVING PAYMENT OF INCREMENTAL AD VALOREM TAXES GENERATED FROM TWO ADDITIONAL PROJECTS INTO THE TAX INCREMENT FUND; AND AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY, THE TIRZ BOARD, AND UNIVERSITY OF THE INCARNATE WORD, FOR THE PUBLIC IMPROVEMENT PORTION OF THE UIW EASTSIDE EYE CLINIC.

* * * * *

WHEREAS, tax increment financing is an economic development tool authorized by the Tax Increment Financing Act, Texas Tax Code, Chapter 311; and

WHEREAS, the City recognizes the importance of its continued role in economic development, community development, planning and urban design; and

WHEREAS, in accordance with the Act and by Ordinance Number 93101, dated December 14, 2000, the City created Tax Increment Reinvestment Zone Number Eleven, City of San Antonio, Texas (the "Inner City TIRZ") and created a Board to oversee operation of the TIRZ; and

WHEREAS, the Board continues to support the City in development activities for the Inner City Revitalization Project and actively participates in the development of TIRZ Projects; and

WHEREAS, the Board at their meeting on January 12, 2009, approved the addition of three projects to the Project and Finance Plans:

- Acquisition of 1511 E. Commerce Street by the City of San Antonio, Texas on behalf of the Inner City TIRZ Board for redevelopment,
- St. Paul's Square Association Garage Project at 243 Center Street with a current appraised value of \$1,885,000,
- Addition of five Community Development Block Grant (CDBG) funded City-owned properties in St. Paul's Square with a total appraised value of \$1,700,000:
 - 1156 East Commerce
 - 1164 East Commerce
 - 1170 East Commerce
 - 121 Heiman Street
 - 123 Heiman Street; and

WHEREAS, at that same meeting the TIRZ Board approved the execution of a Development Agreement with the University of the Incarnate Word for reimbursement of up to \$410,423 for the public improvement portion of the UIW Eastside Eye Clinic; and

WHEREAS, the City Council conducted a public hearing on the proposed changes to the Project Plan and the Finance Plan on February 12, 2009, after the required public notice and prior to acting on this ordinance as required by Section 311.011(e) of the Act; and

WHEREAS, also pursuant to Section 311.011(e) of the Act, following action by the Board, the amendment to the Project Plan and Finance Plan is effective only when approved by the governing body of the municipality by a duly authorized ordinance; and

WHEREAS, the meeting at which this Ordinance was passed was open to the public and public notice of the time, place and purpose of said meeting was given all as required by Chapter 551, Texas Government Code; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The Final Project Plan, attached as Exhibit A, is approved as amended by the Board and is incorporated into this Ordinance for all purposes.

SECTION 2. The Final Financing Plan, attached as Exhibit B and incorporated into this Ordinance for all purposes, is approved as amended by the Board to reflect changes in the Final Project Plan and includes the payment of additional tax increment into the established TIRZ Fund due to the new projects.

SECTION 3. The City Council hereby finds that the amended Final Project Plan and Final Finance Plan for the TRIZ are feasible and in compliance with the City's Master Plan and the City's adopted Guidelines and Criteria for use of tax increment financing by encouraging community revitalization, infrastructure improvements and housing within certain areas of the City which would not have occurred without tax increment financing.

SECTION 4. The City Council approves the draft Development Agreement, in substantially final format, as approved on January 12, 2009 by the Board and attached as Exhibit C and incorporated into this Ordinance for all purposes. The City Manager or her designee is authorized to execute the Agreement to fulfill the purpose and intent of this ordinance and to implement the goals of the Inner City TIRZ.

SECTION 5. Fund 29086007 TIRZ Inner City is established to record the collection of revenue recorded in internal order 207000000243 TIRZ Inner City, and payments using Cost Center 703290001 TIRZ Inner City, in accordance with the Agreement.

SECTION 6. Any proceeds from the sale of the St. Paul's Square Association Garage Project at 243 Center Street will be deposited in the Parking Operating Fund. Also, any proceeds from the sale of any of five Community Development Block Grant (CDBG) funded City-owned properties in St. Paul's Square shall be receipted as CDBG Program Income, and any future distribution of said CDBG Program Income funds shall be made through a public hearing and approved by City Council. No sale proceeds from either transaction will be deposited into the TIRZ Fund.

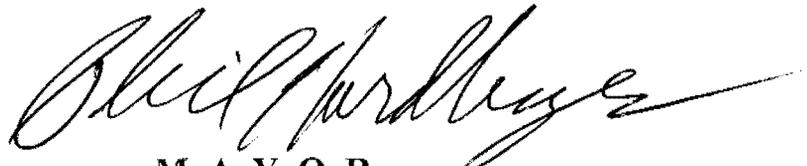
SECTION 7. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager or the City Manager's designee, create, direct, and correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

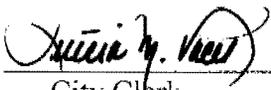
SECTION 8. The statements set out in the recitals of this Ordinance are true and correct and are incorporated as part of this Ordinance.

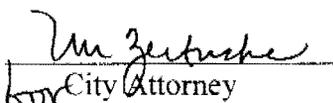
SECTION 9. If any provision of this Ordinance or the application of any provision of this Ordinance to any circumstance is held invalid, the remainder of this Ordinance and the application of the remainder of this Ordinance to other circumstances shall nevertheless be valid and this Ordinance would have been enacted without such invalid provision.

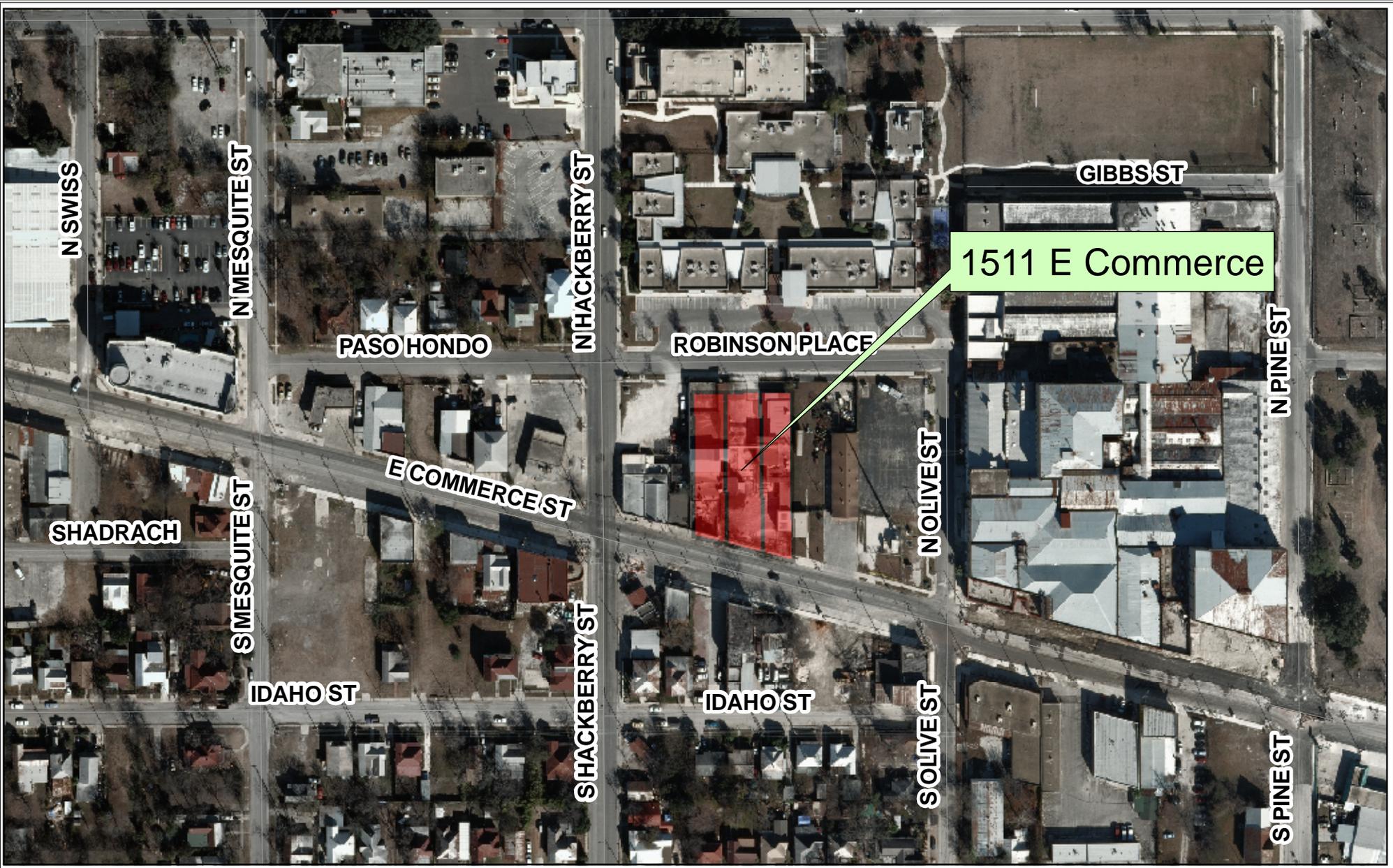
SECTION 10. This Ordinance shall take effect immediately upon passage by eight (8) affirmative votes; otherwise, it shall be effective ten (10) days after its passage.

***PASSED AND APPROVED** this 12th day of February, 2009.*

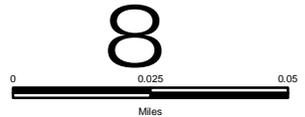

M A Y O R

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
for City Attorney



 1511 E Commerce St.



Data Source: City of San Antonio Enterprise GIS, Bexar Metro 911, Bexar Appraisal District
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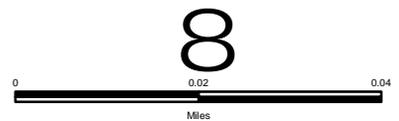
City of San Antonio
 1511 E Commerce St.

City of San Antonio
Housing & Neighborhood
Services Department
 David D. Garza, Director
 Tax Increment Financing (TIF) Unit
 1400 S. Flores
 San Antonio, TX 78204



SPS Properties

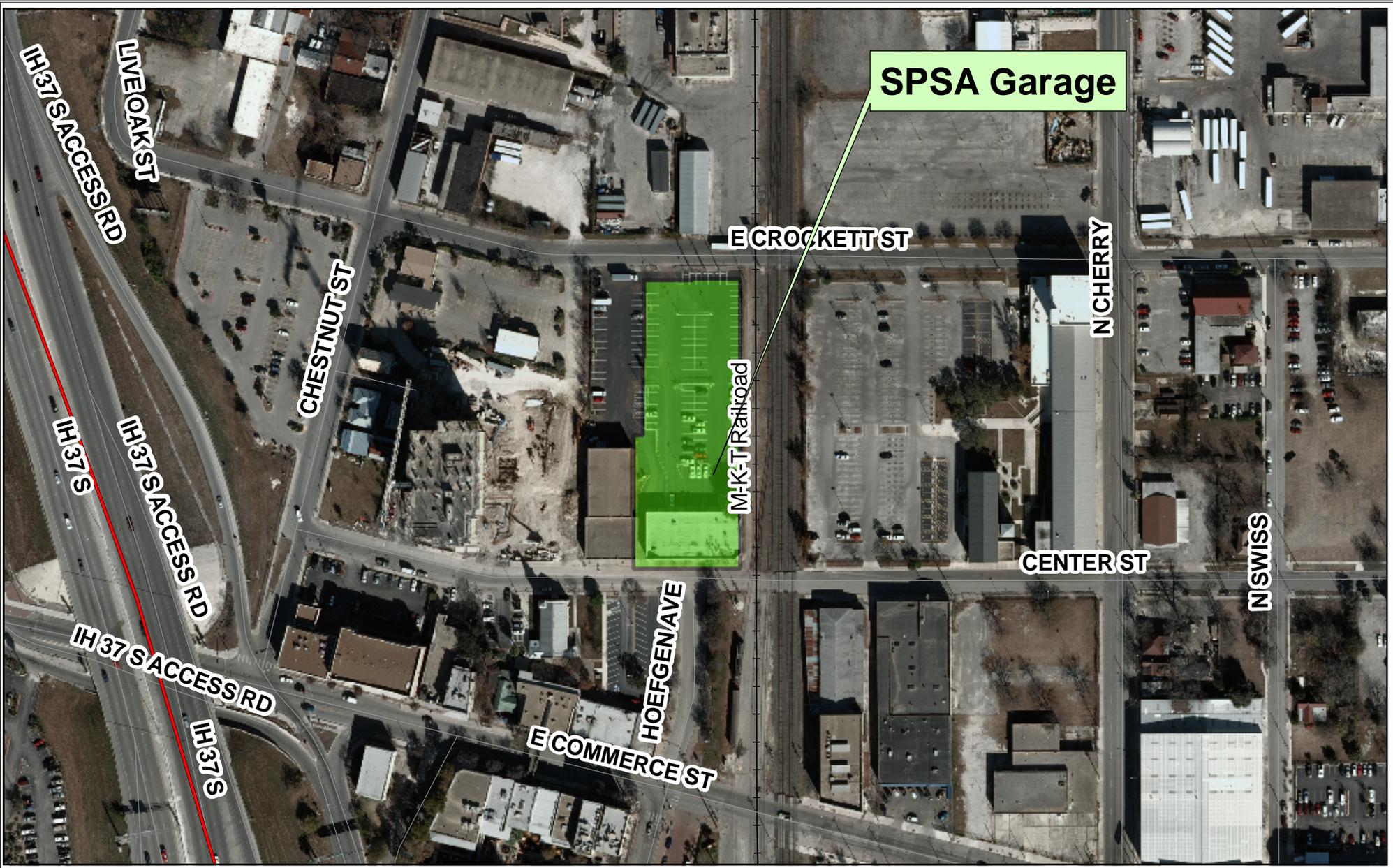
SPS Properties



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Housing & Neighborhood
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David D. Garza, Director
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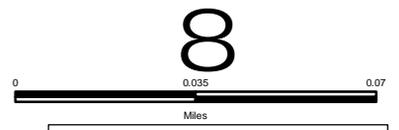
**City of San Antonio
SPS Properties**

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SPSA Garage

 SPSA Garage - 243 Center St



Data Source: City of San Antonio Enterprise GIS, Bexar Metro 911, Bexar Appraisal District
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City of San Antonio
SPSA Garage

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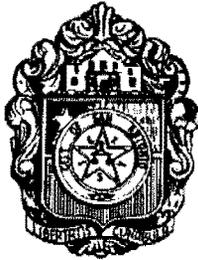
ACW
2/12/09
Item No. 5

Exhibit A
Inner City TIRZ
Final Project Plan

City of San Antonio

Tax Increment Reinvestment Zone Number 11
City of San Antonio, Texas

Inner City TIRZ



FINAL PROJECT PLAN

Approved:
May 24, 2001

Amended:
December 18, 2003
September 2, 2004
June 30, 2005
August 25, 2005
December 15, 2005
March 2, 2006
September 4, 2008
February 12, 2009

PROJECT PLAN

Tax Increment Reinvestment Zone Number 11

Section 1: Executive Summary

Tax Increment Reinvestment Zone Number 11 (Inner City TIRZ) was designated on December 14, 2000 to support redevelopment and public infrastructure improvements within the boundaries of the following three enterprise zones: 1) Enterprise Community Enterprise Zone, 2) Eastside Enterprise Zone, and 3) Southside Enterprise Zone.

When the TIRZ was created, several projects were identified as eligible for TIF funds. In May of 2001, the TIRZ Board and City Council approved the Final Project and Final Financing Plans that identified six projects that were eligible for TIF funds. In August 2002, the TIRZ Board re-prioritized the existing projects and began to evaluate those projects further along in the development process. In December 2003, the Board and City Council approved an amendment to the TIRZ boundaries to include the Walters, Houston and Hackberry corridors, in an effort to focus on potential corridor development. This amendment included the addition of 214 new parcels in the zone. In February of 2004, the Board approved the addition of the Eastside Sports Complex. During the September 1, 2004 TIRZ Board meeting, the Board directed staff to develop a Request for Proposals to solicit new projects to be considered for TIRZ funds. On December 13, 2004, staff presented the draft RFP to the TIRZ Board. Staff released the RFP on December 22, 2004, stipulating a deadline to submit proposals on January 24, 2005. On June 27, 2005, the Board approved amending the boundaries of the TIRZ to include a City owned parcel located at 600 E. Market Street, where a convention center hotel is under construction, and to add several projects to the list of eligible projects. The Board is using the projected revenue of \$16,237,198 for effectively by encouraging private investment, maximizing public benefit and furthering other City goals.

Seven proposals were submitted in response to the 2004 RFP. During the June 27, 2005 TIRZ Board meeting, the Board approved the addition of these seven projects and furthermore deleted the following projects from being eligible to receive TIRZ Funds: Ellis Alley Restoration, Southtown (South Alamo), East Side Cemeteries, New Light Village Housing and Good Samaritan Hospital. These projects remain on the Project Plan and may be reconsidered for TIF Funds by the Board if proper plans and proof of financing are presented in the future. During the January 30, 2006 Board meeting, the Board approved the complete removal of the Merchants Ice Building project from the Project and Financing Plans.

On January 14, 2008, the Board approved the removal of the Friedrich Building Project and the Oscar Eason Multiuse Center from Project List A to B, defunding the two projects.

In the spring of 2008, Staff released a second RFP for projects within the TIRZ, and three proposals were received. Those proposals are discussed below, in the Proposed Projects section.

In its meeting on August 22, 2008, the Board voted to approve moving the Southtown Project

from approved list “A” to the active project list “B”, in response to Southtown’s proposal for funding for specific improvements within its boundaries.

On August 29th, 2008 the Inner City TIRZ board amended the Project and Finance Plans to include the River Bend Garage. The amendment was subsequently approved by City Council in September of 2008. Located at the corner of Market and Presa Streets, within the TIRZ, the River Bend Garage has become important to the vitality of the downtown area and the Zone specifically. After being added to the list of approved projects for the TIRZ, the garage was transferred to private ownership at which point it began to generate ad valorem tax increment for the TIRZ, thus enabling the Board to finance additional projects within the boundaries of the TIRZ.

In January of 2009 several projects were added to the Inner City TIRZ Final Project and Finance Plans. Each of the projects serves the purpose of furthering revitalization and redevelopment opportunities within the boundaries of the Inner City TIRZ. The first project, the acquisition of 1511 E. Commerce St. by the City of San Antonio on behalf of the Inner City TIRZ Board, will enable the TIRZ board to direct the redevelopment of this key property through a future RFP process. The second project, the St. Paul’s Square Garage project will address parking issues identified in the Walker Parking Study in April of 2008. The Parking Garage will facilitate further economic development opportunities. The final project added to the plan will include the sale of five City owned properties in St. Paul’s Square to East Commerce Realty. Upon the sale of these properties, the Inner City TIRZ will realize an additional \$1,700,000 in taxable value due to the change in ownership from the City, which is exempt from property taxes, to East Commerce Realty.

Section 2: TIF Policy and Program

Policy

The City of San Antonio is dedicated to the revitalization of inner-city neighborhoods and commercial districts, particularly in those areas located inside Loop 410 and south of Highway 90, by using a tiered system of incentive tools, such as Tax Increment Financing (TIF). A TIF project should act as an economic stimulus to the surrounding areas. By leveraging private investment for certain types of development within a targeted area, TIF can be a tool used to assist in financing needed public improvements and enhancing infrastructure.

TIRZ Designation

Once a Reinvestment Zone has been established in accordance with Chapter 311 and the TIF Guidelines, incremental real property taxes resulting from new construction, public improvements, and redevelopment efforts will accrue to the various taxing entities. Participating taxing entities may deposit all, a predetermined portion, or none of the incremental property taxes in a designated TIF Fund for the purpose of financing the planning, design, construction or acquisition of public improvements in the Reinvestment Zone. Under the TIF Guidelines, the City of San Antonio will enter into a written agreement with all participating taxing entities to specify: (1) the conditions for payment of the tax increment into a TIF Fund, (2) the portion of tax increment to be paid by each entity into the TIF Fund, and (3) term of the agreement.

Participating Entities

The City is the only participating taxing entity in the Inner City TIRZ.

City of San Antonio

The City of San Antonio roles and responsibilities with the Inner City TIRZ are to administer the TIF process, which include, but are not limited to:

- Administration of TIRZ Board
- Administration of TIRZ Fund
- Review and evaluate project proposals
- Execute legal agreements
- Monitor construction of projects
- Issue reimbursement(s) for Public improvements and other eligible costs completed and submitted, upon approval of the TIRZ Board
- Prepare and send State required reports
- Give status reports to City Council

Neighborhood Associations and Community Groups

The neighborhood associations, community groups and other organizations such as community development corporations play a vital role in the revitalization, development, and/or redevelopment of the Inner City TIRZ. The City strongly encourages community participation in the development of project proposals.

Bexar County

Bexar County does not contribute their increment to the Inner City TIRZ fund; however, Bexar County has committed funds for improvements that would enhance Commerce Street access from IH-37 to the SBC Center. Improvements would include street reconstruction, necessary drainage improvements, signage, sidewalk repair and other aesthetic improvements that would create a “grand boulevard” effect on this important thoroughfare between downtown San Antonio and the SBC Center.

Developer

Since the project plan identifies several projects that are eligible for TIRZ funds, the Inner City TIRZ may enter into multiple agreements with multiple developers to revitalize, develop and/or redevelop areas within the Inner City TIRZ boundaries. As projects and improvements are proposed and approved by the Board and City Council, the various agreements will outline the scope of services and deliverable details for each specific project.

Section 3: Existing Conditions

Regional

The Inner City TIRZ is located in the center and the eastern quadrant of the City of San Antonio, inside Loop 410, primarily south of Interstate Highway 35, north of Interstate Highway 10, and straddling both sides of Interstate Highway 37. The zone is approximately 2.5 square miles (1570 acres) in size.

Urban Setting

Due to its size and location, the zone contains a wide variety of neighborhoods, business and entertainment districts that are broadly representative of the City’s development history. The zone also includes some key landmarks such as the Riverwalk, Alamodome, SBC Center, and Sunset Station.

School District(s)

Project is located in San Antonio Independent School District area.

Neighborhood Associations

The neighborhood association for the area include: Lone Star, King William, Lavaca, Downtown, Historic Gardens, Nevada Street, Coliseum Oaks, Coliseum Willow Park, Jefferson Heights, Harvard Place/Eastlawn, Government Hill, and Dignowity Hill.

Major Thoroughfare Plan

The TIRZ has two major highways crossing through the zone: IH-37 north and south and IH 35 east and west. Several corridors make up the major transportation arteries including: Alamo Street, South Presa Street, Hackberry Street, New Braunfels Avenue, Walters Street, East Houston Street, and East Commerce Street.

Demographics

Fourteen Census Tracts overlap Zone boundaries.

	Percentage of civilians unemployed	Percentage of population living below poverty level	Percentage of population without high school degree	Unhealthy Zip Code ¹
COSA	6.2%	17.3%	24.9%	
TIRZ 11 ²	5.9%	34.5%	42.4%	
110100	9.0%	37.5%	35.0%	--
110200	6.5%	44.7%	45.0%	--
110300	5.4%	32.9%	55.0%	Yes
110400	3.5%	18.9%	20.7%	--
110900	2.4%	39.6%	40.2%	--
111000	5.4%	29.9%	54.5%	--
130100	7.7%	45.0%	52.1%	--
130200	6.7%	35.7%	49.0%	--
130500	5.7%	44.5%	43.2%	--
130600	5.7%	43.9%	40.7%	--
130700	5.5%	47.3%	50.4%	--
130800	7.1%	27.5%	31.1%	--
140100	10.1%	23.5%	52.0%	Yes
150200	2.7%	12.0%	24.7%	Yes

Education

A higher percentage of people living in the TIRZ do not have a high school degree (42.4%) compared to the City average (24.9%).

¹ According to Metropolitan Health District.

² Average of the fourteen Census Tracts.

Poverty level

The poverty rate within the TIRZ is nearly double that of the City.

Employment

The unemployment rate within the TIRZ is slightly lower than the City.

Section 4: Proposed Projects

The proposed projects eligible for Inner City TIRZ funding have changed from time to time since the designation of the zone. In the spring of 2008, the Inner City TIRZ Board released a second RFP to solicit new projects. Three proposals were submitted. During the August 22, 2008 TIRZ Board meeting, the Board approved the addition of the, Southtown (South Alamo), project, and requested additional information on the University of Incarnate Word and SPSA Garage projects. The addition of the River Bend Garage, at the recommendation of the City, was considered by the Board at the August 29, 2008 meeting, and added to the approved active project list B.

Future projects may be added to the Project and Finance Plans. The TIRZ Board will approve the process to solicit new projects. All new projects will be evaluated and added to the Project Plan and Finance Plans upon approval of the TIRZ Board and City Council.

Project List A

Project	Estimated Costs	Fund Source
Arena Townhomes (New Light Village)	\$ 0	TIRZ
Good Samaritan Hospital	\$ 0	TIRZ
Ellis Alley Restoration	\$ 0	TIRZ / CDBG
Friedrich/Carver	\$ 0	TIRZ
Friedrich Building	\$ 0	TIRZ
Oscar Eason Multiuse Center	\$ 0	TIRZ
TOTAL	\$ 0	

The projects in Project List A will remain on the Project Plan and may be reconsidered for TIRZ Funds by the Zone Board if proper plans and proof of financing is presented in the future.

Project List B

Project	Estimated Costs	Fund Source
Eastside Sports Complex	\$1,832,992	TIRZ
Victoria Commons	\$3,362,169	TIRZ
Staybridge Hotel	\$1,000,000	TIRZ
Barrio Comprehensive	\$1,700,000	TIRZ
Eastside Cemeteries	\$152,787	TIRZ
Convention Center Hotel & Condominium Project	\$ 0	PRIVATE
Hays Street Bridge	\$235,000	TIRZ
Quiet Zone	\$800,000	TIRZ
Southtown (S. Alamo St.)	\$694,002	TIRZ
River Bend Garage	\$0.00	PRIVATE
Incarinate Word University	\$1,242,220	TIRZ
1511 E Commerce	\$160,500	TIRZ
SPSA Garage	\$2,000,000	TIRZ
SPS Properties	\$0	PRIVATE
TOTAL	\$13,179,670	

All project developers must enter into a contractual agreement with the Board and the City, which will stipulate the scope of work, the eligible TIF costs and the amount the TIF fund will reimburse the schedule to complete projects, and other requirements. These agreements will be presented to the Board for consideration as they are completed.

The following are descriptions of projects listed on Project List B which are scheduled to receive TIRZ funding:

Convention Center Hotel & Condominium Unit Project - District 1

The City San Antonio hired Faulkner USA, Inc. to develop the parcel of land adjacent to the Convention Center as a convention center hotel. The project is located at 600 E. Market and will be a Grand Hyatt Hotel, which will include condominium units above the hotel. It is proposed that 144 units will be constructed with state of the art finishes, floor to ceiling skyline views and every amenity of living in a hotel with all the advantages of a private residence. The sizes range from a 765 square foot one bedroom unit to a 3,903 square foot penthouse with a private roof deck. The average projected sales price per square foot is \$300.00 to \$400.00. The annual ad valorem taxes levied by the City and paid by the private owners of the condominiums will result in additional revenue to be deposited in the TIRZ Fund. The City Council approved a Purchase and Sale Agreement for the air space in which the condominiums shall be constructed. The City Council declared the Upper Commercial Condominium Unit as surplus, and authorized the sale of the surplus Upper Commercial Condominium Unit, to be located in the airspace immediately above the new Convention Center Hotel Project in accordance with the terms and conditions of

the Purchase and Sale Agreement. The declaration of the Upper Condominium Unit is subject to the Developer and the City having met all conditions precedent to the closing, as more particularly set out in the Purchase and Sale Agreement, and provided, further, that the foregoing authorization shall also not be effective until after the date and time the Board approves expansion of the boundaries of the Inner City TIRZ to add the site.

The annual ad valorem taxes levied by the City, that are anticipated to be paid by the condominium owners once the units are all bought, are estimated to be \$350,000. The resulting increment contributed to the TIRZ fund will enable the Inner City TIRZ to accomplish more public improvements than previously contemplated. The developer and City agree that the developer shall not seek reimbursement from the TIF Fund for infrastructure improvements related to the construction of the Convention Center Hotel or the Upper Condominium Unit or the addition of the site and Convention Center Hotel and Condominium Project to the Inner City TIRZ boundaries. The inclusion of the site and Convention Center Hotel and Condominium Project in the Inner City TIRZ is a means to enhance the performance of the Inner City TIRZ, without requiring any payment from the fund to the developer.

Dr. Frank Bryant Family Health Center – District 2

The Dr. Frank Bryant Health Center will be operated by Barrio Comprehensive Family Health Care Center, Inc. This facility will be a two-story, 40,000 square foot building with a free standing 6,000 square foot storage building and parking lot on a 3.7 acre located at the intersection of East Commerce Street and Spriggsdale Boulevard. The main building will house four medical clinics, an 18-chair dental clinic, a full-service pharmacy and laboratory and behavior health services. The medical clinic will be staffed by Board-certified physicians in family practice, pediatrics, obstetrics-gynecology, and internal medicine.

Barrio Comprehensive Family Health Care Center, Inc will operate the Center. The project will add an estimated 64 new full time jobs and the project will cost \$8.9 million. In the first year of operation, the Center is expected to serve 22,100 patients during 54,150 visits and to serve to increase access to primary health care services on the east side residents.

This Center will accept referrals of patients from the San Antonio Metropolitan Health District (SAMHD) and become the health care provider of record for such referrals to the extent of the available capacity at the Center. Barrio will charge fees to such referrals on a sliding scale based on their income as provided by federal law and Barrio will also cooperate with the SAMHD in coordinating health services to the community surrounding the Health Center.

East Side Cemeteries - District 2

The African American and historic cemeteries that are located off East Commerce Street and South New Braunfels have been in deplorable condition. Those cemeteries are located in an area

bounded by E. Houston on the north, New Braunfels on the east, Nevada on the south and Pine Street on the west.

TIF Funds have been used to providing new wrought iron fencing for the cemeteries. The project also focuses on providing gated entrances, gateway signage, historical markers, and landscaping, and TIF funds may be used in the future to acquire cemeteries for public ownership.

Eastside Sports Complex – District 2

The Antioch Community Transformation Network, Inc. (ACTN), a 501 (c)(3) non-profit community development corporation established in April 2000 by the Antioch Missionary Baptist Church, has proposed to make an investment into the community by constructing a privately-owned sports complex & gymnasium. The Eastside Sports Complex will be located on Walters Street and Eross Street in the central eastside of San Antonio. This 22,600 square foot, two-story, state-of-the-art sports complex will house:

- NCAA regulation basketball court with seating for 250 people
- Aerobics/Fitness room
- Ballet & Dance Studio
- Walking Track
- Weight Training Equipment
- Men's & Women's Health Club
- Team Locker and Training Room
- Concession Stand
- Offices

The cost of building the facility is estimated to be approximately \$4 million. ACTN proposes to pay for the construction through a private construction loan, private donations, and grants. No TIRZ funds will be used to pay for the construction of the facility. In order to meet the costs of operating the facility, ACTN proposes to lease the court and other amenities to the Silver Stars WNBA professional basketball team for specific hours and days during the course of their three seasons (training camp, regular season, & off season). ACTN also proposes to lease the court and other amenities to the Amateur Athletic Union for basketball tournaments.

ACTN proposes to offer this facility for public usage in return for a "user fee." TIRZ funds would be used to pay ACTN for allowing the public to use the facility. The City of San Antonio, the Tax Increment Reinvestment Zone Number Eleven (11) Board and the Antioch Community Transformation Network would enter into a "use agreement" that will outline the specifics of the public use. The total fees for public use of the facility for eight (8) years beginning in FY 2008 are \$1.8 million. Annual fees are outlined in the Finance Plan.

The proposed "use agreement" will allow for this facility to open for public use and allow for activities such as:

- Middle school and high school basketball and volleyball

- Wheelchair basketball
- Basketball camps for community youth
- Non-traditional sports programs (i.e. martial arts, wrestling)
- Senior health and fitness programs
- Health & nutrition fairs
- Mother's day out programs
- Dances
- Community theatre
- Community exercise equipment

In addition to improving the attractiveness of the neighborhood, this facility will offer positive alternatives for neighborhood youth that in many instances live in poor distressed neighborhoods and face many social problems that range from crime, drug use and gangs. It also will offer opportunities for other potential partnerships with other local community organizations to address issues such as health and wellness for residents of the eastside and San Antonio in general.

River Bend garage – District 1

This project will provide for an increase of approximately \$22 million in taxable value. On August 29, 2008, the Board of Directors of Tax Increment Reinvestment Zone Number 11 (Inner City) approved the addition of the River Bend Garage to the Final Project and Finance Plans in order to reflect the anticipated captured value and to facilitate the exchange of properties. On September 4, 2008, the City Council approved an item that authorized the exchange of the City-owned River Bend Garage located at 412 East Commerce Street for a 4.67 acre property site at 315 South Santa Rosa Street. The 315 South Santa Rosa Street property was acquired as a potential site for the proposed Public Safety Headquarters facility.

San Antonio Staybridge Hotel – District 2

Zachry Realty, Inc. and Woodward Interest LLC propose to acquire land from the VIA Metropolitan Transit Authority in order to construct a 13-story, 138 room extended stay Staybridge Hotel. The 1.99-acre site is located directly south of the St. Paul Square/Sunset Station. TIRZ Funds will be utilized for construction of approaches, parking, landscaping, an urban park, sidewalks, utility infrastructure, and historical façade enhancements. The estimated value of the development is \$18,315,000. This hotel could help compliment the redevelopment efforts of the St. Paul Square area and the revitalization efforts of the East Town at Commerce Neighborhood Commercial Revitalization.

Southtown (South Alamo) - District 1

The Southtown area has grown in recognition as a restaurant and arts district. In a recent market feasibility study commissioned by the City of San Antonio Neighborhood Commercial Revitalization (NCR) Program, the future of Southtown's development is critical upon much needed infrastructure. The condition of sidewalks, curbs, lighting, lack of parking, street landscape, and signage is holding the area back from attaining its full potential.

Street improvements have been targeted for South Alamo between Probandt and Durango, Pereida between South Alamo and South St. Mary's, and South St. Mary's between Durango and the intersection of Pereida, including the stretch of Presa from Pereida to South Alamo. All improvements are public infrastructure and imperative as demonstrated in the Southtown Market Feasibility Study as critical to the neighborhoods commercial district development potential.

Victoria Commons – District 2

The Victoria Commons master planned community will be the result of the redevelopment efforts of the former site of the Victoria Courts public housing development. The San Antonio Housing Authority was awarded a HOPE VI Revitalization Grant of \$18 million to partially fund the redevelopment of the original site. TIRZ Funds will be utilized for the reconstruction of water, sanitary, storm-water, streets, sidewalks and drainage along Labor and Leigh Streets in order to facilitate the construction of 172 new single-family homes. Some utility lines serving this area are estimated to be more than 100 years old. This estimated value of the development of the 172 single-family homes is \$25.8 million.

Labor Street Improvements include: replace existing roadway including curb, sidewalks, driveways, and side street connections to the extent required and increase the water line to a 12" water line.

Leigh Street Improvements include; replace existing roadway including curb, sidewalks, and driveways on both sides of the street; install new handicap ramps at intersections; replace existing drainage inlets with larger curb inlets; replace existing underground drainage system with larger capacity reinforced concrete pipe drainage system; increase water line to an 8" water line, replace existing sewer line with an 8" sewer line, provide new water and sewer services.

Quiet Zone – District 2

The Proposed Quiet Zone Project involves the potential closure of two streets and the conversion of three streets to one way. The Project encompasses approximately two miles of Union Pacific Rail Road (UPRR) rail line from Essex Street on the south to Sherman Street on the north. A map depicting the boundaries of the proposed project is attached to this Plan. The purpose of the Project is to relieve noise along this major economic development commercial node, prevent trains from sounding off their horns along this corridor, and improve the safety along these crossings within the corridor. These public infrastructure improvements will help facilitate the commercial redevelopment in the area along the rail line.

University of Incarnate Word Community Clinic – District 2

In July of 2008, the Inner City TIRZ Board approved up to \$1,242,220 from the TIRZ Number 11 Fund for the UIW Eastside Eye Clinic. The Eastside Eye Clinic will offer the following health related services: an optometry clinic and pharmaceutical, nursing and nutritional counseling. These services will be housed in a new 30,000 square foot facility at the corner of Commerce and Walters two blocks north of St. Phillip's College. TIRZ funding for this project may be divided between two separate agreements; 1) \$410,423 for public improvements associated with the development of the facility and 2) up to \$831,797 for a public use agreement enabling the Community Clinic to provide discounted services to the surrounding community.

Hays Street Bridge – District 2

The main objective of this project is to rehabilitate the bridge solely for pedestrian and bicycle use and to restore the bridge's function as a "gateway". For more than seven decades, the Hays Street Bridge had provided an important transportation link for automobiles between San Antonio's Eastside and downtown. One of the primary objectives for the adaptive reuse of this historic landmark is to reestablish a significant link between the Dignowity Hill neighborhood and downtown, which is separated from the neighborhood by industrial property and Interstate Highway 37. Developments of plans for the rehabilitation of the Hays Street Bridge are underway.

1511 E. Commerce St. (Roegline Building) – District 2

On December 11, 2008 City Council approved the acquisition of 1511 E. Commerce on behalf of the Inner City TIRZ Board for \$150,500. In addition, \$10,000 was approved to cover acquisition related costs. The property is being acquired to further revitalization and redevelopment opportunities within the boundaries of the Inner City TIRZ. The TIRZ Board anticipates that this property, once acquired, could be subject to a Request for Proposals that will solicit proposals to redevelop the property. The TIRZ Board anticipates setting criteria that will maximize the goals of providing for economic development, job creation, and private investment.

SPSA Garage Project (243 Center St.) – District 2

In October of 2008, the Inner City TIRZ Board approved up to \$2,000,000 from the TIRZ number 11 fund for the St. Paul's Square Association Parking Garage Project. The City owned property at 243 Center St. will be sold to the St. Pauls Square Association for \$1,885,000 to develop a \$10,500,000 elevated parking garage. The elevated garage project, roughly one block from St. Paul's Square, will provide approximately 600 public parking spaces serving the businesses, employees, tenants and patrons of Sunset Station, St. Paul's Square, The Alamodome and the Via Park and Ride Facility at Chestnut and Ellis Alley. In addition to adding

\$10,500,000 of taxable value to the Inner City TIRZ, the project allows excess City owned property to be converted to an essential service necessary to support future development in the St. Paul's Square area and the EastTown @ Commerce Neighborhood Commercial Revitalization Project.

SPS Properties – District 2

The Inner City TIRZ Board approved the addition of the “St. Paul Square Properties”, which include; 119 Heiman, 123 Heiman, 1156 E. Commerce, 1164 E. Commerce & 1170 E. Commerce, to the approved project list. These City-owned properties will be sold to East Commerce Realty for the appraised value of \$1,700,000. The sale of these properties will add \$1,700,000 of taxable value to the Inner City TIRZ.

The following are descriptions of projects listed on Project List A that the Board and City may consider funding in the future:

New Light Village Housing - District 2

This project includes the acquisition and demolition of the old Super S commercial strip and all the expenses associated with the pre-development costs paid by CERA for the housing project. The 10.072 acres is privately owned, and 3.911 acres owned by the Dellcrest Church of Christ will be sold to a private housing developer for construction of 85 new town homes in the \$75,000 to \$85,000 price range. All land will be dedicated for the public infrastructure improvements for streets, drainage, utilities, etc. will be deeded to the City of San Antonio.

Good Samaritan Hospital - District 2

A 12,000 square foot building, with historic significance as an African American hospital, is currently in private ownership. CERA, the non profit sponsor, will use the TIRZ funds to acquire the property and provide a portion of the environmental remediation to the structure. Once in public ownership, CERA will apply for a federal or state grant that would be used to renovate the building and its adjacent lot into a first class East Side Telecommunications Business Incubator. Renovations include new electrical, HVAC, plumbing, windows, doors, elevator, rest rooms, interior finish out and installation of telecommunications T1 line, and other necessary equipment. It will also include the paving of a parking lot, fencing, security gate, and security systems. Included in this price is the property acquisition, condemnation costs, and adjacent land parcels surrounding the property currently owned by SADA.

The Telecommunications Incubator will be managed and operated by CERA for the City of San Antonio. The estimated cost of this project is \$1,592,357. The estimate with environmental remediation is \$1.8 million. CERA will seek a \$1.3 million grant to construct the project. The

TIRZ will fund the property acquisition, adjacent land for parking and future development, and a portion of the environmental remediation.

Ellis Alley Restoration - District 2

The City of San Antonio and VIA Metropolitan Transit have entered into a collaborative agreement to develop four historic buildings located in the Ellis Alley Transit Center. The buildings are owned by VIA Metropolitan Transit, a public entity. The four buildings are composed of three houses and one commercial structure. All four buildings have significant historical aspects to the history of African Americans in the East side of San Antonio. The buildings were once home to African American freedman slaves. Based on a Market Feasibility Study commissioned by the City of San Antonio a community cultural development plan was developed for the restoration and operations of the Ellis Alley buildings. A limited portion of the TIRZ funds will be used to renovate the four buildings from foundations, structural stabilization, restoration of windows, doors, roof, interior finish-out, electrical, plumbing, HVAC including the site work surrounding and linking the project with walkways, landscape and lighting. The funds will assist to convert the use of the Beacon Light buildings into a community cultural center which will include: arts and crafts gallery and retail sales, multimedia presentation and community room. The three smaller buildings will be converted into office space and rented to small and minority owned businesses. Other activities include: neighborhood cultural bus tours, self-guided bicycle tours, arts and cultural ticket sales, and as a historical attraction for the site itself. Such funds shall be used to create historical displays, videos, presentation equipment, gallery lighting, sound systems, etc. The balance of funds needed to complete this project will be identified through private foundations, future CDBG and future general revenue funds.

Friedrich Building – District 2

Plan B Development from Dallas, TX plans to redevelop this formal industrial building along E. Commerce Street. Phase I of this 400,000 square foot facility includes the redevelopment of 90,000 square feet of commercial space, 20 residential units and the creation of a major interior courtyard. The total redevelopment cost for Phase I is \$23 million, with an estimated property value of \$8 million upon completion. TIRZ funds were proposed to be utilized for façade improvements and environmental abatement of asbestos linked to a baking oven and ceiling tiles, and to address transformers containing PCB. The redevelopment of this building will help fulfill the goals of the TIRZ and the East Town on Commerce Neighborhood Commercial Revitalization activities.

Friedrich/Carver Joint Use Parking – District 2

Plan B Development from Dallas, TX plans to acquire all property bounded by Commerce, Hackberry, Olive and David Robinson Way, remove existing structures, and build a shared parking facility (200 parking spaces) that would be utilized by principally the Carver Cultural Center, the Carver Academy and the Friedrich Lofts. The contractual agreement entered into by

the developer, the TIRZ Board and the City will outline the scope of work, the eligible reimbursable expenses and other requirements. If the parking lot is privately owned and operated, the estimated value of the development is \$1,500,000.

Oscar Eason Multiuse Center – District 2

Inner City Enterprises, Inc. proposes to demolish five existing structures to construct a four story 48,900 square foot mixed use facility. This building would be located at 1602 E. Commerce Street and consist of a 68-unit senior apartment complex with a storefront and community center, underground parking facilities. The first floor will contain approximately 12,242 square feet for commercial and retail spaces and for a community room. A total of forty-five of residential parking spaces will be provided below grade. The total cost of the project is estimated to be \$4,150,800. The development of this facility could help compliment the revitalization efforts in the East Town at Commerce Neighborhood Commercial Revitalization activities. The estimated value of the development is \$5,000,000.

Section 5: Priority of Projects

The Eastside Sports complex remains first in priority to receive TIRZ Funds at the funding level previously approved by the TIRZ Board and City Council. The remaining completed projects with an approved development agreement will receive payments outlined in the respective legal agreements. In the event of a shortfall of the projected revenue, these projects will receive a pro-rata share calculated based on the annual payment projected for the respective project.

Inner City TIRZ #11

12/5/2005

Land Use

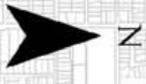
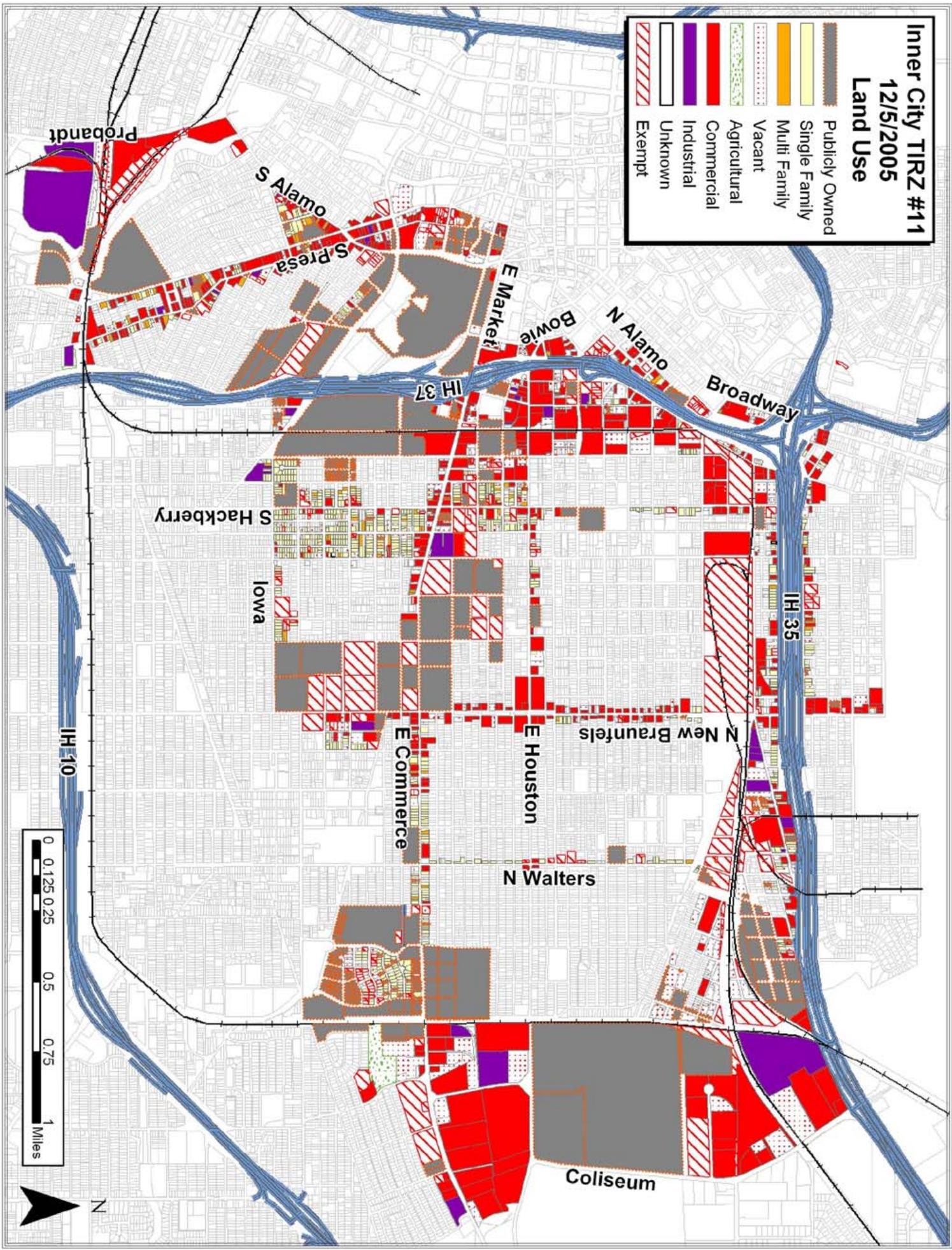
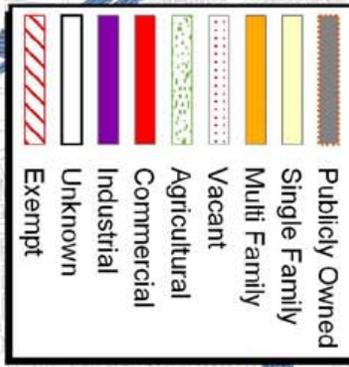
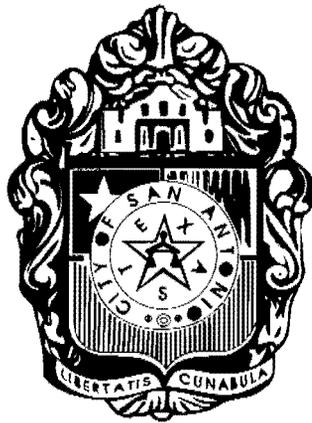


Exhibit B
Inner City TIRZ
Final Financing Plan

CITY OF SAN ANTONIO, TEXAS
Housing and Neighborhood Services Department



Inner City
Tax Increment Reinvestment Zone Eleven

Participation Level of City (100%)

February 12, 2009

Inner City Redevelopment Project Tax Increment Reinvestment Zone No. 11 Final Plan of Finance

Introduction

The Inner City Tax Increment Reinvestment Zone is located in the eastside of the City and encompasses approximately 2.5 square miles (1,570 acres). The approximate boundaries of Tax Increment Reinvestment Zone Number Eleven ("TIRZ 11") lie approximately one block north of IH-35 on the north between Broadway on the west and Coliseum Rd. on the east, then south on Coliseum Rd. to Commerce St., then west along Commerce St. to New Braunfels St., then south to Iowa St., then east to Hoefgen Ave., then south to Westfall Ave., then west on Westfall Ave. into Star Blvd. to Probrandt St., then north on Probrandt to Alamo St., then northeast on Alamo St. to St. Mary's St., then north on St. Mary's into Navarro St., and continuing north on Navarro St. to Commerce St., then east to Bowie St., and going north on Bowie St. to Alamo St., and continuing northeast on Alamo St. to Jones Ave., then west on Jones Ave. to Broadway, and then north on Broadway to IH-35. The purpose of the TIRZ 11 is to fund public improvements and encourage economic development. The life of TIRZ 11 is projected to be 14.79 years with a termination date of September 30, 2015 (Fiscal Year).

Public Infrastructure

The public infrastructure improvements and related capital costs include streets, drainage, utilities, sidewalks, and park improvements and other costs approved by the TIRZ Board and City Council. The TIRZ 11 will provide a source of funding for public improvements. Annual construction of public improvements will be made in the amount of the TIRZ 11 revenues received through September 30, 2015. The estimated TIRZ 11 revenue to be received through September 30, 2015 is \$16,577,892. The TIRZ 11 revenues in excess of the estimated \$16,577,892 received through September 30, 2015 may be allocated to other projects as directed by the TIRZ 11 Board of Directors.

Plan of Finance

The tax year 2000 base value of the TIRZ 11 is \$303,184,690. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements commence in tax year 2001 with collections commencing in tax year 2001 (fiscal year 2002). Captured values grow from \$13,111,197 in tax year 2001 to \$429,888,147 in tax year 2014.

The City of San Antonio is the sole taxing jurisdiction participating in TIRZ 11. The City's participation level is 100% and the City's current tax rate per \$100 valuation is \$0.56714. This produces annual revenues of \$1,219,748 in fiscal year 2008 to \$2,368,733 in fiscal year 2015. Assessed values are increased at 1.50% per year with no projected increases in the tax rate.

The cost of the public infrastructure improvements and other approved costs will be paid annually from revenues produced by the TIRZ 11. In addition to the capital costs, other costs to be paid

from the TIRZ 11 revenues include City annual administrative fees. Revenues derived from the TIRZ 11 will be used to pay costs in the following order of priority of payment: (i) administrative fees pertaining to the City; and (ii) second, to fund public improvements, on an annual basis, as TIRZ 11 revenues are available for such payments.

Limited Obligation of the City or Participating Governmental Entities

The City shall have a limited obligation to impose, collect taxes, and deposit such tax receipts into a TIRZ 11 fund. The TIRZ 11 collections shall not extend beyond September 30, 2015, and may be terminated prior to September 30, 2015. The public improvement infrastructure costs incurred shall be payable from the TIRZ 11 revenues or other sources of funding that may become available.

Reporting

The City shall submit a project status report and financial report at least annually to the City Council. The City shall also submit a project status report, financial report, or any other report as requested by the City Council within thirty (30) days of such request.

Inspection

The City shall have the right to inspect a project site or sites without notice and request information from developers.

Inner City Tax Increment Financing Zone

Sources and Uses of Funds

Sources of Funds	
Projected TIF Revenues	\$ 16,577,892
Total Sources of Funds	\$ 16,577,892
Proposed Projects	
Eastside Sports Complex (1), (2)	\$ 1,832,992
Quiet Zone (3)	\$ 800,000
Victoria Commons	\$ 3,362,169
Barrio Comprehensive	\$ 1,700,000
Staybridge	\$ 1,000,000
Eastside Cemeteries	\$ 152,787
SouthTown	\$ 694,002
Hays Street Bridge	\$ 235,000
University of Incarnate Word	\$ 1,242,220
1511 E. Commerce	\$ 160,500
SPSA Garage	\$ 2,000,000
Total Project Expenses	\$ 13,179,670
Public Improvements	\$ 13,179,670
Administrative Costs	\$ 140,000
Total TIF Expenses	\$ 13,319,670
Total Ending TIF Fund Balance	\$ 3,258,222

(1) The TIRZ fund will only reimburse up to \$1,832,992 for "user fees" for the Eastside Sports complex, \$249,148 in tax year 2007, \$218,148 in tax years 2008-2011, and \$237,084 in tax years 2012-2014.

(2) Tax year 2007 reimbursement to the Eastside Sport Complex for \$249,148 includes: \$218,148 plus a \$31,000 processing fee which is charged to the project.

(3) The TIRZ fund will reimburse the Quiet Zone for 40% of the Quiet Zone's total project cost, not to exceed \$800,000.

Inner City Tax Increment Financing Zone

Projected Tax Increment Revenue

Tax Year	Tax Increment Zone										City of San Antonio			Total Tax Increments	Fiscal Year Ending	
	(1) Beginning Assessed Value	(2) Amended Assessed Value	(3) Abatement Value Adjustment	(4) Beginning Taxable Assessed Value	(4) Value New Improvements	(4) Value Scheduled Improvements	(5) Projected Year-End Assessed Value	(5) Projected Year-End Taxable Value	(5) Projected Captured Value	Captured Taxable Value	Tax Rate	Tax Increments				
1998															1999	
1999															2000	
2000	303,184,690		8,887,100	11,990,607	282,306,983	9,398,474	1,533,300	314,116,464	296,344,180						2001	
2001	314,116,464		9,146,300	9,628,184	295,341,980	6,732,015	316,700	321,165,179	300,849,457	13,111,197	0.57854	65,180	65,180		2002	
2002	321,165,179		9,146,300	11,169,422	300,849,457	25,372,242	2,246,775	348,784,196	329,874,556	18,589,707	0.57854	100,079	100,079		2003	
2003	348,784,196	28,030,994	9,146,300	37,794,334	329,874,556	19,205,080	12,927,500	408,947,770	362,007,136	46,775,060	0.57854	249,076	249,076		2004	
2004	408,947,770		7,392,500	11,517,140	399,038,130	3,711,021	6,570,000	419,228,790	400,319,150	51,731,650	0.57854	293,125	293,125		2005	
2005	419,228,790			18,909,640	400,319,150	48,351,265	8,543,600	476,123,655	457,214,015	80,307,711	0.57854	454,486	454,486		2006	
2006	476,123,655			19,193,285	457,214,015	7,141,855	54,230,000	537,495,510	518,585,870	145,272,429	0.57854	833,565	833,565		2007	
2007	537,495,510			19,481,184	518,585,870	8,062,433	18,000,000	563,557,943	544,648,303	218,184,076	0.57230	1,219,748	1,219,748		2008	
2008	563,557,943			19,773,402	544,648,303	8,453,369	2,030,000	574,041,312	612,681,672	234,310,326	0.56714	1,295,646	1,295,646		2009	
2009	574,041,312			20,070,003	612,681,672	8,610,620	59,580,000	642,231,932	621,292,291	302,343,695	0.56514	1,665,949	1,665,949		2010	
2010	642,231,932			20,371,053	621,292,291	9,633,479	-	651,865,410	630,925,770	310,954,314	0.56514	1,713,394	1,713,394		2011	
2011	651,865,410			20,676,619	630,925,770	9,777,981	77,191,100	738,834,492	717,894,852	320,587,793	0.56514	1,766,476	1,766,476		2012	
2012	738,834,492			20,986,768	717,894,852	11,082,517		749,917,009	728,977,369	407,556,875	0.56514	2,245,685	2,245,685		2013	
2013	749,917,009			21,301,569	728,977,369	11,248,755		761,165,764	740,226,124	418,639,392	0.56514	2,306,751	2,306,751		2014	
2014	761,165,764			21,621,093	749,226,124	11,417,486		772,583,251	751,643,611	429,888,147	0.56514	2,368,733	2,368,733		2015	
												\$ 43,718,590	\$ 198,198,592	\$ 243,168,975		
Existing Value Growth Factors																
Base Model Growth Factor														1.50%	100%	
Growth Factor Above Base														0.00%	0.00%	
Combined Growth Rate														1.50%	97.50%	

(1) Tax year 2000 value based on estimated certified values of existing property within the proposed zone. (Provided by the City of San Antonio, Texas)

Note: Base value adjusted from \$304,895,290 to \$304,204,890, from \$304,204,890 to \$304,186,890 from \$304,186,890 to \$303,650,690 and from \$303,650,690 to \$303,184,690.

(2) Gaylord Container received an ad valorem tax abatement through tax year 2004. The land value is taxable, improvements value is abated.

(3) Type of exemptions include Historic, Over-65, Disabled Vets and appraised value limitations. Length of tax exemptions also vary.

(4) Projected value of proposed improvements based on compound annual growth rate of 1.50%.

(5) Projected total taxable value increased over base year 2000 taxable value

Inner City Tax Increment Financing Zone

TIF Revenues Available for Construction

Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	TIF Admin. Exp.	Public Improvement Construction Funding	Cumulative Construction
2000					
2001	-	-	-	-	-
2002	65,180	65,180	10,000	55,180	55,180
2003	100,079	165,259	10,000	90,079	145,259
2004	249,076	414,334	10,000	239,076	384,334
2005	293,125	707,459	10,000	283,125	667,459
2006	454,486	1,161,945	10,000	444,486	1,111,945
2007	833,565	1,995,510	10,000	823,565	1,935,510
2008	1,219,748	3,215,258	10,000	1,209,748	3,145,258
2009	1,295,646	4,510,904	10,000	1,285,646	4,430,904
2010	1,665,949	6,176,852	10,000	1,655,949	6,086,852
2011	1,713,394	7,890,246	10,000	1,703,394	7,790,246
2012	1,766,476	9,656,722	10,000	1,756,476	9,546,722
2013	2,245,685	11,902,407	10,000	2,235,685	11,782,407
2014	2,306,751	14,209,159	10,000	2,296,751	14,079,159
2015	2,368,733	16,577,892	10,000	2,358,733	16,437,892
	<u>\$ 16,577,892</u>		<u>\$ 140,000</u>	<u>\$ 16,437,892</u>	

**Inner City Tax Increment Financing Zone
Participation Levels**

<u>Entity</u>	<u>Tax Rate</u>	<u>Level of Participation</u>	<u>% of Project</u>	<u>TIF Revenues</u>
City of San Antonio	0.5671400	100%	100.00%	\$ 16,577,892
	0.5671400		100.00%	\$ 16,577,892

**Inner City Tax Increment Financing Zone
Property Improvement Value
(Property Values Added to Tax Roles)**

Fiscal Year	La Contessa Hotel	Holiday Inn Express	Best Western Hotel	Ruth's Chris Steakhouse	Victoria Commons	SPS Properties	SPSA Garage	Historic Gardens Phase II	McDonald's	Springview Hope I Project	Springview Hope II Project	Springview Hope III Project	New Light Village Homes Phase I	New Light Village Homes Phase II	New Light Village Homes Phase III
2000															
2001				721,300					70,200						
2002									310,500						
2003								1,391,775					855,000		
2004								507,500		4,200,000	4,800,000			3,420,000	
2005												4,650,000			1,920,000
2006		1,800,000	2,313,600		4,430,000										
2007	23,000,000	1,800,000			4,430,000										
2008															
2009						1,700,000.00									
2010					25,800,000		10,500,000								
2011															
2012															
	\$ 23,000,000	\$ 3,600,000	\$ 2,313,600	\$ 721,300	\$ 34,660,000	\$ 1,700,000	\$ 10,500,000	\$ 1,899,275	\$ 380,700	\$ 4,200,000	\$ 4,800,000	\$ 4,650,000	\$ 855,000	\$ 3,420,000	\$ 1,920,000

Notes:

- La Quinta Inn/San Antonio Convention Center Inn and Suites project added. Current assessed value is \$6,709,600 (\$6,000,000 land value and \$709,600 improvement value).
- Historic Gardens Phase III property values are projected to come on the tax roles in FY 2009

Fiscal Year	La Quinta Convention Center Inn	Staybridge	Convention Center Condominium Project	Historic Gardens Phase III	Riverbend Garage	Annual Total	Fiscal Year
2000						-	2000
2001						1,533,300	2001
2002						316,700	2002
2003						2,246,775	2003
2004						12,927,500	2004
2005						6,570,000	2005
2006						8,543,600	2006
2007	25,000,000					54,230,000	2007
2008		18,000,000				18,000,000	2008
2009				330,000		2,030,000	2009
2010				880,000	22,400,000	59,580,000	2010
2011						-	2011
2012			77,191,100			77,191,100	2012
	\$ 25,000,000	\$ 18,000,000	\$ 77,191,100	\$ 1,210,000	\$ 22,400,000	\$ 243,168,975	

Inner City Tax Increment Financing Zone

Improvements

Tax Year	Improvements	Other Improvements	Total New Improvements Base Model
1999			-
2000	-	-	-
2001	1,533,300	-	1,533,300
2002	316,700	-	316,700
2003	2,246,775	-	2,246,775
2004	12,927,500	-	12,927,500
2005	6,570,000	-	6,570,000
2006	8,543,600	-	8,543,600
2007	54,230,000	-	54,230,000
2008	18,000,000	-	18,000,000
2009	2,030,000	-	2,030,000
2010	59,580,000	-	59,580,000
2011	-	-	-
2012	77,191,100	-	77,191,100
	<u>\$ 243,168,975</u>	<u>\$ -</u>	<u>\$ 243,168,975</u>

ACW
2/12/09
Item No. 5

Exhibit C
Inner City TIRZ
Development Agreement with University of the Incarnate Word

**DEVELOPMENT AGREEMENT WITH THE CITY OF SAN ANTONIO, TEXAS
UNIVERSITY OF THE INCARNATE WORD, AND
THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ELEVEN,
CITY OF SAN ANTONIO, TEXAS**

This Development Agreement ("Agreement"), pursuant to Ordinance No. 2009-_____, passed and approved on the _____ day of _____, 2009, is entered into by and between the City of San Antonio, a Texas municipal corporation in Bexar County, Texas ("the City"), University of the Incarnate Word, or its affiliated entity, ("the Developer") and the Board of Directors for Reinvestment Zone Number Eleven, City of San Antonio, Texas, a tax increment reinvestment zone (the "Board").

BACKGROUND:

WHEREAS, the City recognizes the importance of its continued role in economic development, community development, planning and urban design; and

WHEREAS, by Ordinance Number 93101, dated December 14, 2000, pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (as amended, hereinafter called the "Act"), the City created Reinvestment Zone Number Eleven, City of San Antonio, Texas ("Zone") in accordance with the Act, to promote development and redevelopment of the Zone Property through the use of tax increment financing, in which development and redevelopment would not otherwise occur solely through private investment in the reasonably foreseeable future, and established a Board of Directors for the Zone; and

WHEREAS, the Act authorizes the expenditure of funds derived within a reinvestment zone, whether from bond proceeds or other funds, for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a municipality establishing a reinvestment zone, for costs of public works or public improvements in the reinvestment zone, plus other costs incidental to those expenditures and obligations, consistent with the Project Plan of the reinvestment zone, which expenditures and monetary obligations constitute project costs, as defined in Section 311.002 (1) of the Act ("Project Costs"); and

WHEREAS, in accordance with the Act, the City created the Board and authorized the Board to exercise all the rights, powers, and duties as provided to such boards under the Act or by action of the City Council; and

WHEREAS, on the 12th day of January, 2009, the Board adopted and approved a final Project Plan and a final Financing Plan defined hereunder and referred to herein as "Project Plan" and "Financing Plan" providing for development of the Zone Property; and

WHEREAS, the City approved the Final Project Plan and Final Financing Plan for the Zone by Ordinance Number 2009-_____ on the _____ day of _____, 2009 and authorized the City Manager of the City of San Antonio or her designated representative to execute this

Agreement on behalf of the City, and to bind the City to the terms and conditions of this Agreement;
and

WHEREAS, pursuant to the Act (as amended) and City of San Antonio Ordinance Number 100073, dated December 9, 2004, the Board has authority to enter into agreements that the Board considers necessary or convenient to implement the Project Plan and Financing Plan and to achieve the purposes of developing the Zone Property within the scope of those plans; and

WHEREAS, pursuant to said authority above, the Board, the City and the Developer each hereby enters into a binding agreement with the others to develop and/or redevelop the Zone Property as specified in the Proposal, Project Plan, Financing Plan and this Agreement; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, obligations, and benefits contained in this Agreement, the City, the Board, and the Developer hereby agree as follows:

I. DEFINITIONS

- 1.1 The "City," the "Board" and the "Developer" shall have the meanings specified above.
- 1.2 "Act" means the Tax Increment Financing Act, Texas Tax Code Chapter 311, as it may be amended from time to time.
- 1.3 "Agreement" means this document by and among the City, the Board and the Developer, which may be amended from time to time.
- 1.4 "Available Tax Increment Funds" means the Tax Increment contributed by the City to the fund established and maintained by the City for the purpose of implementing the projects of the Zone less the City's administrative costs.
- 1.5 "City Manager" means the City Manager of the City or her designee.
- 1.6 "City Code" means the City Code of the City of San Antonio, as amended.
- 1.7 "Completion" means construction of a Public Improvement in the Zone in accordance with the engineer's design, Project Plan, Financing Plan and this Agreement.
- 1.8 "Construction Schedule" means the timetable for constructing the improvements specified in the Project Plan, Financing Plan and this Agreement, which timetable is more particularly set forth in **Exhibit A**, attached hereto and incorporated herein for all purposes and which timetable may be amended from time to time pursuant to the provisions of this Agreement.
- 1.9 "Contract Progress Payment Request" ("CPPR") means a request, prepared in accordance with the requirements of **Exhibit D**, attached hereto and incorporated herein for all purposes, for reimbursement due to the Developer for work completed in accordance with paragraph 1.7 above on a specific improvement in the Zone in accordance with the Public Improvements in the Project Plan

and the timeline detailed in **Exhibit A**, Construction Schedule. The CPPR shall also reflect all waivers granted through the Incentive Scorecard System.

1.10 "CPPR Approval" means a written acknowledgment from the City to the Developer that the Contract Progress Payment Request was completed and submitted correctly, and that the Contract Progress Payment Request is ready for presentation to the Board for approval and consideration for reimbursement to the Developer.

1.11 "Developer" means University of the Incarnate Word.

1.12 "Effective Date" means the date that the last party signs this Agreement.

1.13 "Financing Plan" means the final Reinvestment Zone Financing Plan as defined in the Act, as approved and as may be amended from time to time by the Board and the City Council, which Plan is hereby incorporated into this document by reference for all purposes, as if set out in its entirety.

1.14 "Guidelines" means the 2006 Tax Increment Financing (TIF) and Reinvestment Zone Guidelines and Criteria as passed and approved by the City Council of the City of San Antonio.

1.15 "Project" has the meaning specified in paragraph 3.1 of this Agreement, and as more specifically detailed in the Project Plan and Financing Plan as (either or both) may be amended from time to time.

1.16 "Project Costs" has the meaning provided by Section 311.002(1) of the Act.

1.17 "Project Plan" means the final Project Plan as defined in the Act, as approved and as may be amended from time to time by the Board and the City Council, which Plan is hereby incorporated by reference into this document as if set out in its entirety, for all purposes.

1.18 "Project Status Report" means a report, prepared and submitted by the Developer in accordance with the requirements of paragraph 5.5, paragraph 5.17, and **Exhibit B** attached hereto and incorporated herein for all purposes, which report provides quarterly updates of Project construction and compliance with laws, ordinances, and contractual requirements.

1.19 "Public Improvements" include those improvements that provide a public benefit and that are listed in the Project Plan and the Financing Plan as part of the Eastside Community Clinic. When an improvement has both private and public benefits, only that portion which is dedicated to the public may be reimbursed to the Developer, such as, but not limited to, grading and environmental studies.

1.20 "Public Infrastructure" includes any infrastructure owned and maintained by a public entity including but not limited to streets, street landscaping, utilities, drainage, street light, street signs etc.

1.21 "Tax Increment" has the meaning assigned by Section 311.012 of the Texas Tax Code, and applies only to taxable real property within the Zone.

1.22 "TIF" means Tax Increment Financing.

1.23 "TIF Fund" means the tax increment fund created by the City for the deposit of Tax Increments for the Zone, entitled "Reinvestment Zone Number Eleven, City of San Antonio, Texas Tax Increment Fund."

1.24 "TIF Unit" means the employees of the City responsible for the management of the City's TIF Program.

1.25 "Zone" means Tax Increment Reinvestment Zone Number Eleven, City of San Antonio, Texas.

1.26 "Zone Property" means the contiguous geographic area of the City that is included in the boundaries of the Zone, which are more particularly described in the Project and Financing Plans as the Eastside Community Clinic.

Singular and Plural: Words used herein in the singular, where the context so permits, also include the plural and vice versa, unless otherwise specified.

Gender: The gender of the wording throughout this Agreement shall always be interpreted to mean either sex.

II. REPRESENTATIONS

2.1 **No Tax Increment Bonds or Notes** The City, the Board and the Developer represent that they understand and agree that neither the City nor the Board shall issue any bonds or notes to cover any Project Costs directly or indirectly related to the Developer's improvements in the Zone under this Agreement. The City and the Board understand that Developer may choose to issue notes utilizing TIF reimbursements for eligible costs directly or indirectly related to Public Improvements made by the Developer in the Zone under this Agreement. The City and the Board will not be parties to the Developer's notes.

2.2 **City's Authority.** The City represents to the Developer that as of the Effective Date the City is a home rule municipality located in Bexar County, Texas, and has authority to carry out the obligations contemplated by this Agreement.

2.3 **Board's Authority.** The Board represents to the Developer that as of the date of the Board's signature to this document the Zone is a Tax Increment Reinvestment Zone established by the City pursuant to Ordinance Number 93100, passed and approved on December 14, 2000, and that the City and the Board have authority to carry on the functions and operations contemplated by this Agreement.

2.4 **Developer's Authority and Ability to Perform.** The Developer represents to the City and to the Board that the Developer is a private institution of higher learning; that the Developer has been authorized by its governing body to enter into this Agreement and to perform the requirements

of this Agreement; that the Developer's performance under this Agreement shall not violate any applicable judgment, order, law or regulation; that the Developer's performance under this Agreement shall not result in the creation of any claim against the City for money or performance, any lien, charge, encumbrance or security interest upon any asset of the City or the Board, except that this Agreement shall constitute a claim against the TIF Fund only from Available Tax Increment Funds to the extent provided herein; and that Developer shall have sufficient capital to perform all of its obligation under this Agreement when it needs to have said capital.

2.5 All Consents and Approvals Obtained. The City, the Board and the Developer represent each to the others that the execution, delivery, and performance of this Agreement on its part does not require consent or approval of any person that has not been obtained.

2.6 Right to Assign Payment. The City and the Developer may rely upon the payments to be made to them out of the TIF Fund as specified in this Agreement and the Developer may assign its rights to such payments, either in full or in trust, for the purposes of financing its obligations related to this Agreement, but the Developer's right to such payments is subject to the other limitations of this Agreement. Notwithstanding the forgoing, the City shall issue a check or other form of payment made payable only to the Developer.

2.7 Reasonable Efforts of all Parties. The City, the Board and the Developer represent each to the others that they shall make reasonable efforts to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

2.8 Developer's Continuing Duty to Complete Improvements. The City, the Board and the Developer represent each to the others that they understand and agree that even after the Zone terminates, the Developer shall diligently work to successfully complete any and all required Public Improvements that were not completed before the Zone terminated but that are the subject of reimbursement. Such completion shall be at no additional cost to the City and/or the Board.

2.9 No Interlocal Agreements. The City, the Board and the Developer represent each to the others that they understand and agree that the City is the only taxing entity contributing a percentage of its tax increment to the TIF Fund, and therefore, no other agreements are necessary with any other public entity to make this Agreement effective.

2.10 Developer Bears Risk of Reimbursement. The City waives the Guidelines requirement of no retroactive TIF appearing on page 21 of the Guidelines. Costs incurred by the Developer prior to the date of execution of this Development Agreement and approval of Final Project and Financing Plans may be eligible for reimbursement or financing via TIF. The Developer shall bear all risks associated with reimbursement, including, but not limited to: pre-development agreement costs, incorrect estimates of tax increment, changes in tax rates or tax collections, changes in state law or interpretations thereof, changes in market or economic conditions impacting the Project, changes in interest rates or capital markets, changes in building and development code requirements, changes in City policy, default by tenants, unanticipated effects covered under legal doctrine of force majeure, and/or other unanticipated factors.

2.11 Not an Obligation of the General Fund. The Developer represents that it understands that any contributions made by the Developer in anticipation of reimbursement from tax increments shall never be obligations of the general funds of the City, but only obligations of the TIF Fund.

III. THE PROJECT

3.1 The Project. The Project includes the following Public Improvements to be constructed by the Developer and known as the Eastside Community Clinic, and includes those costs incurred or yet to be incurred: demolition, water, sewer, fireline, electrical service, driveways and sidewalks, lighting, landscaping, and architectural, engineering and legal fees to support the development of a medical technology-based office/clinic space and other amenities within the Zone as more thoroughly set forth in the Project Plan and Financing Plan.

3.2 Competitive Bidding. Contracts for the construction of Public Improvements reimbursed by the Available Tax Increment Funds shall be competitively bid, and be constructed by or on behalf of the Developer, in compliance with all applicable law if in substantially the same format as reflected in Exhibit F. Should the Developer not competitively bid a Public Improvement, the Developer must obtain written approval by the City in order to be eligible for partial reimbursement at a rate of 30% of those Project Costs not competitively bid.

3.3 Financing. The cost of the Public Improvements and all other improvement expenses associated with the Project shall be funded through the use of Developer's own capital or through credit secured solely by the Developer. The Developer may use any or part of the Zone Property as collateral for the construction loan or loans as required for the financing of the Project; however, no property with a lien still attached may be offered to the City for dedication. The City and the Board pledge to use Available Tax Increment Funds, up to the maximum amount provided herein, to reimburse the Developer for eligible Project Costs it has expended. These Available Tax Increment Fund reimbursements made to the Developer are not intended to reimburse the Developer for all its costs incurred in connection with performing its obligations under this Agreement.

3.4 Reimbursement. The parties hereto agree that neither the City nor the Board can guarantee that those Available Tax Increment Funds shall completely reimburse the Developer, but that those Available Tax Increment Funds shall constitute the total reimbursement to the Developer for the construction of the Public Improvements. The parties hereto agree that the Developer is eligible for reimbursement for Project Costs as of the date the Zone was established and for funds already expended in the Zone. Developer understands that reimbursement may be limited to partial reimbursement per paragraph 3.2.

IV. TERM

4.1 The term of this Agreement shall commence on the Effective Date and end on the date which is the earlier to occur of the following: (i) the date the Developer receives final reimbursement for completing the Project; (ii) the date this Agreement is terminated as provided in Article X; or (iii)

September 30, 2015, provided that all existing warranties on the Project shall survive termination of this Agreement.

V. DUTIES AND OBLIGATIONS OF DEVELOPER

5.1 **Compliance with Laws and Ordinances.** The Developer shall comply with applicable provisions of the Guidelines, the City charter, the City Code, state and federal law, as they may be amended from time to time.

5.2 **Duty to Complete.** Subject to Article VII, the Developer agrees to complete, or cause to be completed, the Public Improvements related to the Eastside Community Clinic described in the Project Plan, Financing Plan and in this Agreement. The Developer agrees to provide, or cause to be provided, all materials, labor, and services for completing the Project. The Developer also agrees to obtain or cause to be obtained, all necessary permits and approvals from the City and/or all other governmental agencies having jurisdiction over the construction of the Public Improvements in the Zone Property. City agrees to cooperate reasonably with such issuance of permits and approvals and the TIF Unit will help Developer, if necessary, in working with other City departments.

5.3 **Commencement of Construction.** From the Effective Date of this Agreement forward, the Developer shall not commence any construction on the Project until the plans and specifications have been approved in writing by the appropriate department of the City and all federal and state law requirements have been met.

5.5 **Supervision of Construction.** The Developer agrees to retain and exercise supervision over the construction of all public and private improvements of the project, and cause the construction of all project improvements to be performed, at a minimum, in accordance with federal, state and local laws and ordinances, including, but not limited to the Guidelines, the Project Plan, the Financing Plan, the Unified Development Code, City Ordinance No. 2008-11-20-1045, as amended, Chapter 2258 of the Texas Government Code, the City Code, and the plans and specifications approved by the appropriate department(s) of the City. The Developer also agrees to provide reports of such construction and of compliance with such laws, ordinances, and contractual requirements to the City and to the Board quarterly, or more often if requested by the City or the Board, using the form attached as **Exhibit B**, as it may be amended from time to time. Without limiting other material breaches, failure of the Developer to comply with this paragraph is a material breach of this Agreement.

5.6 **No Vesting of Rights.** The Developer agrees that the TIF program is a discretionary program and that, except as expressly provided herein, the City has no obligation to extend TIF to the Developer.

5.7 **Payment of Applicable Fees.** The Developer shall be responsible for paying, or causing to be paid, to the City and all other governmental agencies the cost of all applicable permit fees and licenses which have not been waived and are required for construction of the Project.

5.8 **Delays.** The Developer agrees to commence and complete the Project in accordance with the Construction Schedule. If completion of the Project is delayed by reason of war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, fire or other casualty, court injunction, necessary condemnation proceedings, interference by third parties, or any circumstances reasonably beyond the Developer's control, then at the City's reasonable discretion, the deadlines set forth in the Construction Schedule may be extended by the period of each such delay. In the event that the Developer does not complete the Project substantially in accordance with the Construction Schedule, then the parties, in accordance with paragraph 23.2 of this Agreement, may extend the deadlines set forth in the Construction Schedule, but not past the expiration of the Zone. If the parties cannot reach an agreement on the extension of the Construction Schedule, or if the Developer continues to fail to complete the Project in accordance with the revised Construction Schedule, then the City may exercise its termination remedies under Article X of this Agreement.

5.9 **Litigation against the City.** Developer acknowledges that it is aware that the City's policy on litigation is that, except to the extent prohibited by law, persons who are engaged in litigation related to TIF or TIRZ or adversarial proceedings related to TIF or TIRZ against the City are ineligible to obtain or continue the use of TIF as principals or participants for the duration of the litigation. A principal or participant includes the TIF applicant, the Developer, the Developer's contractors, officers and Members of the Board of Trustees. Accordingly, the City shall not consider a project proposing the use of TIF, designate a TIRZ, enter into any TIF contracts or agreements with, or authorize or make any TIF payments to persons engaged in litigation related to TIF or TIRZ or adversarial proceedings related to TIF or TIRZ with the City. Ineligible persons shall be excluded from participating as either participants or principals in all TIF projects during the term of their litigation. "Person" includes an individual, corporation, organization, government or governmental subdivision or agency, business trust, estate, partnership, association, and any other legal entity. This TIRZ may not be terminated for violations of this policy which occur more than 60 days prior to the execution of this Agreement.

5.10 **Small, Minority, or Women-owned Business Enterprises.** With respect to Public Improvements, the Developer shall make a good faith effort to comply with the City's policy regarding the participation of business enterprises eligible as Small, Minority, or Women-owned Business Enterprises in subcontracting any of the construction work required to be performed under the Project Plan, Financing Plan, or this Agreement. A list of those business enterprises certified by the City as Small, Minority, or Women-owned Business Enterprises is available from the City. The Developer shall maintain records showing (i) its contracts, supply agreements, and service agreements with and to business enterprises that are Small, Minority, or Women-owned Business Enterprises, (ii) specify its efforts to identify and award contracts to business enterprises that are Small, Minority, or Women-owned Business Enterprises, and (iii) provide reports of its efforts under this paragraph to the City, in a form and manner the City may reasonably prescribe, at least annually during construction of the Project and upon completion of the Project.

5.11 **Tree Ordinance.** In accordance with paragraphs 5.5 and 5.6 above, the Developer shall comply and shall cause its contractors and subcontractors to comply with the City Code provisions for tree preservation, located in Chapter 35, Article IV of the City's Unified Development Code, as it may be amended from time to time.

5.12 **Infrastructure Maintenance.** The Developer shall, at its own cost and expense, maintain or cause to be maintained all Public Improvements, until acceptance by the City as evidenced by any written acceptance required under paragraph 1.7 and for one (1) year after Completion.

5.13 **Utility payments.** The Developer shall pay, or cause to be paid, monthly rates and charges for all utilities (such as water, electricity, and sewer services) used by the Developer in regard to the development of the Zone Property for all areas owned by the Developer during construction of the Project, and for so long as the Developer owns those areas. Projects within the Zone shall be subject to Section 35.501 et seq. of the San Antonio City Code (impact fees, unless waived) and the Developer shall not be prohibited from applying for the benefits of any impact fee credits or waivers allowed by that section.

5.14 **Duty to Cooperate.** The Developer shall cooperate with the City and the Board in providing all necessary information to the City and to the Board in order to assist the City and the Board in determining Developer's compliance with this Agreement.

5.15 **Universal Design and Determination of Tax Increment Portion.** The Project will be built per the Universal Design requirement outlined in the Guidelines.

5.16 **Quarterly Status and Compliance Reports.** The Developer shall submit to the City and the Board written and signed Project Status Reports (see paragraphs 1.18 and 5.5 above) containing all the information requested, starting no later than thirty (30) days following the beginning of construction of the Project, and on the 15th day of January, April, July and October thereafter throughout the duration of the Project, on its construction progress and construction expenses, and its compliance with laws, ordinances, and contractual requirements. If Project Status Reports are not submitted on the assigned dates as above, the Developer understands that no Available Tax Increment Funds will be paid to the Developer and the City may exercise its rights in accordance with Article X herein.

5.17 **Duty to Comply.** The Developer shall comply and shall cause all contractors and subcontractors to comply with the City of San Antonio Unified Development Code, as amended from time to time, where applicable regarding the development of the Project.

VI. DUTIES AND OBLIGATIONS OF CITY AND BOARD

6.1 **No Bonds.** Neither the City nor the Board shall sell or issue any bonds to pay or reimburse the Developer or any third party for any improvements to the Zone Property performed under the Project Plan, Financing Plan or this Agreement.

6.2 **Pledge of Funds.** Subject to the terms and conditions of this Agreement and termination of the Zone, the City and the Board hereby pledge all Available Tax Increment Funds to the Developer, up to the maximum total amount specified in this Agreement, excluding those taxes collected after September 30, 2015.

6.3 **Co-ordination of Board Meetings.** The City and the Board hereby agree that all meetings of the Board shall be coordinated through and facilitated by the TIF Unit, and that all notices for meetings of the Board shall be timely received and posted by City staff, in accordance with Chapter 2, Article IX, of the City Code.

6.4 **Collection Efforts.** The Board shall use reasonable efforts to cause the City to levy and collect their ad valorem taxes due on the Zone Property and to contribute the Available Tax Increment Funds towards reimbursing the Developer for the construction of the Public Improvements required under the Project Plan, Financing Plan and this Agreement.

6.5 **Form of Reimbursement Requests.** The City and the Board hereby agree that all reimbursement requests from the Developer shall be initiated by the submission of a CPPR form, attached hereto as **Exhibit D**.

VII. COMPENSATION TO DEVELOPER

7.1 **Obligation Accrues as Increment is Collected.** Without waiving the City's obligations to diligently pursue the collection thereof, the City's obligation to contribute its Tax Increment payments to the TIF Fund shall accrue as the City collects its Tax Increment. The City agrees to deposit its Tax Increment payments in the TIF Fund on or before April 15 and September 15 (or the first business day thereafter) of each year.

7.2 **CPPR Approval.** Upon completion of the Public Improvements of the Project, the Developer shall submit to the Board a completed Contract Progress Payment Request (hereinafter "CPPR"), as detailed in **Exhibit D** hereof. The CPPR shall be presented to the Board for review and possible reimbursement authorization after the City review and approval, as evidenced by a written CPPR Approval issued by the City.

7.3 **Maximum Compensation to Developer.** Following the Board's authorizations, the Developer shall receive, in accordance with the Financing Plan and the Project Plan, total reimbursements for Public Improvements of a maximum of four hundred ten thousand four hundred and twenty-three dollars (\$421,423.00) as outlined in Exhibit G, as full reimbursement for designing and constructing the Public Improvements required under the Project Plan, Financing Plan and this Agreement.

7.4 **Processing of Payment Requests.** Board-authorized reimbursements of Available Tax Increment Funds shall be made to the Developer within thirty (30) days if funds are available for disbursement or otherwise within thirty (30) days after deposit of a Tax Increment payment to the TIF Fund, if the Developer is in compliance with laws, statutes, ordinances and the requirements of this Agreement.

7.5 **Available Tax Increment Funds.** The sole source of the funds to reimburse the Developer for Project Costs shall be the Available Tax Increment Funds levied and collected on the Zone Property and contributed by the City to the fund created and maintained by the City for the purpose of implementing the Public Improvements of the Project.

7.6 **Order or Priority of Payment.** The parties agree that the City and the Board may use funds in the TIF Fund to pay eligible expenditures in the following order or priority of payment: (i) to pay ongoing Administrative Costs to the City for administering the TIF Fund and/or the Zone; (ii) to reimburse the City under any reclaim of funds pursuant to Article X (iii) the Eastside Sports Complex; and (iv) to reimburse the Developer for Public Improvements, including financing costs, as provided in this Agreement and in the Project Plan to the extent that funds in the TIF Fund are available for this purpose, subject to proration of payment if the funds in the TIF Fund are not sufficient to pay developers other than the Eastside Sports Complex for all eligible expenses approved for reimbursement. The foregoing notwithstanding, no funds will be paid from the TIF Fund to any party of this Agreement for its financial or legal services in any dispute arising under this Agreement.

7.7 **Partial Payments.** If TIF Funds do not exist in an amount sufficient to make payments in full when the payments are due under this Agreement, partial payment shall be made in the order of priority above, and the remainder shall be paid as TIF Funds become available. No fees, costs, expenses or penalties shall be paid to any party on any late payment.

7.8 **Repayment of Invalid Payments.** If any payment to the Developer is held invalid, ineligible, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the charter, codes or ordinances of the City, then and in that event it is the intention of the parties hereto that such invalid, ineligible, illegal or unenforceable payment shall be repaid in full by the Developer to the City for deposit in the TIF Fund for purposes of implementing the Public Improvements of the Project, and that the remainder of this Agreement shall be construed as if the invalid, illegal or unenforceable payment was never contained herein.

VIII. INSURANCE

Developer will require that the Insurance requirements contained in this Article be included in all its contracts or agreements for Public Improvements where Developer is seeking payment under this Agreement, unless specifically exempted in writing by the City.

8.1 Prior to the commencement of any work under this Agreement, Developer shall furnish copies of all required endorsements and an original completed Certificate(s) of Insurance to the City's TIF Unit, which shall be clearly labeled "**University of the Incarnate Word Eastside Community Clinic**" in the description of operations block of the certificate. The original certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The City will not accept a Memorandum of Insurance or Binders as proof of insurance. The original certificate(s) or form must have the agent's original signature, including the signer's company affiliation, title and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the City at the address listed in paragraph 8.4. The City shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City's TIF Unit. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

8.2 The City reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by the City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will the City allow modification whereupon the City may incur increased risk.

8.3 The Developer's financial integrity is of interest to the City, therefore, subject to the Developer's right to maintain reasonable deductibles in such amounts as are approved by the City, the Developer or the Developer's contractor, shall obtain and maintain in full force and effect during the construction of all Public Improvements required by the Project Plan and Financing Plan, and any extension hereof, at the Developer's or the Developer's contractor's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed:

TYPE	AMOUNTS
1. Workers' Compensation	Statutory
2. Employers' Liability	\$1,000,000/\$1,000,000/\$1,000,000
3. Broad Form Commercial General Liability Insurance to include coverage for the following: a. Premises operations b. Independent Contractors c. Products/completed operations d. Personal Injury e. Contractual Liability f. Environmental Impairment/ Impact -- sufficiently broad to cover disposal liability.	For Bodily Injury and Property Damage of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage
4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000 per occurrence

8.4 The City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page and all endorsements thereto as they apply to the limits required by the City and may require the deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties thereto or the underwriter of any such policies). Developer and/or Developer's contractor shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to the City at the addresses provided below within 10 days of the requested change. Developer and/or Developer's contractor shall pay any costs incurred resulting from said changes.

City of San Antonio
Housing and Neighborhood Services Department
TIF Unit
P.O. Box 839966
San Antonio, Texas 78283-3966

8.5 Developer agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- a. Name the City and their respective officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under this Agreement, with the exception of the workers' compensation and professional liability policies;
- b. Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;
- c. Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City; and
- d. Provide thirty (30) calendar days advance written notice directly to City at the same address listed in paragraph 8.4 of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.

8.6 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Developer and/or Developer's contractor shall provide a replacement Certificate of Insurance and applicable endorsements to the City at the address listed in paragraph 8.4. City shall have the option to suspend Developer's performance should there be a lapse in coverage at any time during this Agreement. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

8.7 In addition to any other remedies the City may have upon Developer's and/or Developer's contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Developer to stop work hereunder, and/or withhold any payment(s) which become due to the Developer hereunder until Developer and/or Developer's contractor demonstrates compliance with the requirements hereof.

8.8 Nothing herein contained shall be construed as limiting in any way the extent to which Developer may be held responsible for payments of damages to persons or property resulting from Developer's or its subcontractors' performance of the work covered under this Agreement.

8.9 It is agreed that Developer's and/or Developer's contractor's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this Agreement.

8.10 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement.

8.11 Developer agrees to obtain all insurance coverages with minimum limits of not less than those limits delineated in paragraph 8.3 from each subcontractor to Developer and provide a Certificate of Insurance and Endorsement that names the Developer and the City as an additional insured.

IX. WORKERS COMPENSATION INSURANCE COVERAGE

9.1 This Article is applicable only to construction of Public Improvements, the costs for which the Developer is seeking reimbursement from the City and the Board, and is not intended to apply to the private improvements made by the Developer.

9.2. Definitions:

- a. Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on the Project for the duration of the project.
- b. Duration of the project - includes the time from the beginning of the work on the Project until the Developer's/contractor's/person's work on the Project has been completed and accepted by the City, if necessary.
- c. Persons providing services on the Project ("subcontractor" in §406.096 of the Texas Labor Code) - includes all persons or entities performing all or part of the services the Developer has undertaken to perform on the Project, regardless of whether that person contracted directly with the Developer and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the Project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to the Project. "Services" does not include activities unrelated to the Project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

9.3 The Developer's contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Developer's contractor providing services on the Project, for the duration of the project.

9.4 The Developer's contractor must provide a certificate of coverage to the City prior to being awarded the contract.

9.5 If the coverage period shown on the Developer's contractor's current certificate of coverage ends during the duration of the project, the Developer's contractor must, prior to the end of the coverage period, file a new certificate of coverage with the City showing that coverage has been extended.

9.6 The Developer's contractor shall obtain from each person providing services on the Project, and shall provide to the City:

- a. a certificate of coverage, prior to that person beginning work on the Project, so the City will have on file certificates of coverage showing coverage for all persons providing services on the Project; and
- b. no later than seven days after receipt by the Developer's contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of project.

9.7 The Developer's contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

9.8 The Developer's contractor shall notify the City in writing by certified mail or personal delivery, within 10 days after the Developer's contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project.

9.9 The Developer's contractor shall post on the Zone Property a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the Project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

9.10 The Developer shall contractually require each person with whom it contracts to provide services on the Project, to:

- a. provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the Project, for the duration of the project;
- b. provide to the Developer, prior to that person beginning work on the Project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the Project, for the duration of the project;
- c. provide the Developer, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

- d. obtain from each other person with whom it contracts, and provide to the Developer:
 - (1) a certificate of coverage, prior to the other person beginning work on the Project; and
 - (2) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
- e. retain all required certificates of coverage on file for the duration of the project and for one year thereafter;
- f. notify the City in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project; and
- g. contractually require each person with whom it contracts with, to perform as required by subparagraphs a-g, the certificates of coverage to be provided to the person for whom they are providing services.

9.11 By signing this Agreement or providing or causing to be provided a certificate of coverage, the Developer is representing to the City that all employees of all contractors of the Developer who will provide services on the Project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Developer's contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

9.12 The Developer's failure to comply with any of these provisions is a breach of contract by the Developer which entitles the City to declare the Agreement void if the Developer does not remedy the breach within ten (10) days after receipt of notice of breach from the City without necessity of the ninety (90) day cure period as set forth in Article X.

X. DEFAULT AND TERMINATION

10.1 In the event that the Developer or his contractors fail to commence construction of the Project, fail to complete construction of the Project, or fail to perform any other obligation pursuant to the Final Project or Financing Plan, or any other term of this Agreement, the City and/or the Board may declare a material breach and notify the Developer by certified mail. The City or Board may terminate this Agreement if the Developer does not take adequate steps to commence curing its failure within ninety (90) calendar days after receiving written notice from the City and/or the Board requesting the failure be cured. In the event of such default, and as the only remedy of the City and/or the Board, the Developer shall return any payments under this Agreement for the construction

of Public Infrastructure improvements at the time of the default within ninety (90) calendar days after receiving written notice from the City and/or the Board that the Developer has defaulted on this Agreement; EXCEPT that no refund is due if Developer, with the City's and the Board's written consent, assigns its remaining obligations under this Agreement to a qualified party who timely completes the Developer's obligations under this Agreement, pursuant to Article XVI (Assignment) herein.

10.2 After sending notice of failure under paragraph 10.1 above, the City and Board shall not distribute TIF Fund money to the Developer until the Developer's default is cured or cure is commenced, if applicable. If the default is not cured, the City and Board may retain all undistributed TIF Fund money for distribution to the City.

10.3 Notwithstanding paragraph 10.1 above, in the event the Board and/or the Developer fails to furnish any documentation required in Article XIV (Examination of Records) herein within thirty (30) days following the written request for same, then the Board and/or the Developer shall be in default of this Agreement.

XI. INDEMNIFICATION

11.1 The DEVELOPER covenants and agrees to have each of its contractors FULLY INDEMNIFY and HOLD HARMLESS, the CITY (and the elected officials, employees, officers, directors, volunteers and representatives of the CITY) and the BOARD (and the officials, employees, officers, directors, volunteers and representatives of the BOARD), individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, arising out of any act or omission of DEVELOPER or any of DEVELOPER's employees, agents, consultants, contractors, representatives, guests, or invitees and their respective officers, agents, employees, directors and representatives, including any damage to or loss of any property belonging to: (a) DEVELOPER or DEVELOPER's employees, agents consultants, contractors, representatives, guests or invitees and their respective officers, agents, employees, directors and representatives, (b) the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, or (c) the BOARD and the officials, employees, officers, directors, volunteers and representatives of the BOARD.

The indemnity provided for in the foregoing paragraph shall not apply to any liability resulting from the sole negligence of CITY or BOARD, its officers or employees, in instances where such negligence causes personal injury, death, or property damage, except to the extent provided below.

IN THE EVENT DEVELOPER, CITY, OR BOARD ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE

TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS, FEDERAL, OR INTERNATIONAL LAW.

DEVELOPER shall promptly advise CITY and BOARD in writing of any claim or demand against CITY, BOARD or DEVELOPER known to DEVELOPER related to or arising out of DEVELOPER's, CITY's, or BOARD's activities under this Agreement. Further, DEVELOPER shall see to the investigation and defense of any such claim or demand against DEVELOPER, CITY, or BOARD at DEVELOPER' sole cost until such time as CITY or BOARD is found to be negligent by a court of competent jurisdiction. CITY and BOARD shall have the right, at their option and at their own expense, to participate in such defense at their sole cost and expense without relieving DEVELOPER of any of its obligations under this paragraph.

The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

XII. SITE INSPECTION AND RIGHT OF ENTRY

12.1 The Developer shall allow the City and/or the Board access to the Project property owned or controlled by the Developer for inspections during and upon completion of construction of the Project, and to documents and records considered necessary by the City and/or the Board to assess the Developer's compliance with this Agreement. The Developer shall, in each contract with a builder, retain a right of entry into the properties and structures in favor of the City for the purpose of allowing the TIF Unit employees and agents to conduct random non-destructive walk-throughs and monitoring of the properties and structures without unreasonable interference.

XIII. RESPONSIBILITY OF THE PARTIES

13.1 As between the City, the Developer, and the Board, the Developer shall be solely responsible for compensation payable to any employee, contractor, or subcontractor of the Developer, and none of the Developer's employees, contractors, or subcontractors will be deemed to be employees, contractors, or subcontractors of the City or the Board as a result of the Agreement.

13.2 To the extent permitted by Texas law, no director, officer, employee or agent of the City or the Board shall be personally responsible for any liability arising under or growing out of this Agreement.

XIV. EXAMINATION OF RECORDS

14.1 The City reserves the right to conduct, at its own expense, examinations, during regular business hours and following notice to the Board and the Developer of the books and records related to this Agreement with the City (including such items as contracts, paper, correspondence, copies,

books, accounts, billings and other information related to the performance of the Board and/or the Developer's services hereunder), excluding any attorney-client privileged matter, no matter where the books and records are located. The City also reserves the right to perform any and all additional audits relating to the Board's and/or the Developer's services, provided that such audits are related to those services performed by the Board and/or the Developer for the City under this Agreement. These examinations shall be conducted at the offices maintained by the Board and/or the Developer.

14.2 All applicable records and accounts of the Board and/or the Developer relating to this Agreement, together with all supporting documentation, shall be made available in Bexar County, Texas by the Board and/or the Developer throughout the term of this Agreement and for twelve (12) months after the termination of this Agreement, and then transferred, upon City request, at no cost to the City, to the City for retention. During this time, the City, at its own expense, may require that any or all of such records and accounts be submitted for audit to the City or to a Certified Public Accountant selected by the City within ten (10) days following written request for same.

14.3 Should the City discover errors in internal controls or in record keeping associated with the Project, the Board and/or the Developer shall correct such discrepancies either upon discovery or within a reasonable period of time, not to exceed sixty (60) days after discovery and notification by the City to the Board and/or the Developer of such discrepancies. The Board and/or the Developer shall inform the City in writing of the action taken to correct such audit discrepancies.

14.4 If it is determined as a result of such audit that the Board and/or the Developer has overcharged the City for the cost of the Public Improvements, then such overcharges shall be immediately returned to the City and become due and payable with interest at the maximum legal rate under applicable law from the date the City paid such overcharges. In addition, if the audit determined that there were overcharges of more than two percent (2%) of the greater of the budget or payments to the Developer for the year in which the discrepancy occurred, then the City is entitled to a refund as a result of such overcharges and the Developer shall pay the cost of such audit.

XV. NON-WAIVER

15.1 No course of dealing on the part of the City, the Board or the Developer nor any failure or delay by the City, the Board or the Developer in exercising any right, power or privilege under this Agreement shall operate as a waiver of any right, power or privilege owing under this Agreement.

XVI. ASSIGNMENT

16.1 All covenants and agreements contained herein by the City and/or the Board shall bind their successors and assigns and shall inure to the benefit of the Developer and their successors and assigns.

16.2 The City and/or the Board may assign their rights and obligations under this Agreement to any governmental entity the City creates without prior consent of the Developer. If the City and/or the Board assign their rights and obligations under this Agreement then the City and/or the Board

shall send the Developer written notice of such assignment within fifteen (15) days of such assignment.

16.3 With prior notice to the City and the Board, the Developer may sell or transfer its rights and obligations with an affiliated entity without the approval of the Board and the written consent of the City. The Developer may sell or transfer its rights and obligations to a non-affiliated entity under this Agreement only with the approval of the Board and the written consent of the City, as evidenced by an ordinance passed and approved by the City Council, when a qualified purchaser or assignee specifically agrees to assume specific obligations of the Developer under this Agreement. This restriction on the Developer's rights to sell or transfer is subject to the right to assign as provided in paragraph 16.6 below.

16.4 Any work or services contracted herein shall only be by written contract or agreement and, unless the City grants specific waiver in writing, shall be subject by its terms, insofar as any obligation of the City is concerned, to each and every provision of this Agreement. Compliance by the Developer's contractors and/or subcontractors with this Agreement shall be the responsibility of the Developer. Copies of those written contracts must be submitted with the CPPR in order to be considered eligible for Project Costs reimbursement.

16.5 The City shall in no event be obligated to any third party, including any contractor, subcontractor or consultant of the Developer, for performance of work or services under this Agreement except as set forth in paragraph 16.7 of the Agreement.

16.6 Any restrictions herein on the transfer or assignment of the Developer's interest in this Agreement shall not apply to and shall not prevent the assignment of this Agreement to a lending institution or other provider of capital in order to obtain financing for the Project. In no event, however, shall the City be obligated in any way to the aforementioned financial institution or other provider of capital.

16.7 Each transfer or assignment to which there has been consent, pursuant to paragraph 16.3 above, shall be by instrument in writing, in form reasonably satisfactory to the City, and shall be executed by the transferee or assignee who shall agree in writing for the benefit of the City and the Board to be bound by and to perform the terms, covenants and conditions of this Agreement. Four (4) executed copies of such written instrument shall be delivered to the City. Failure to first obtain, in writing, the City's consent, or failure to comply with the provisions herein contained shall operate to prevent any such transfer or assignment from becoming effective.

16.8 In the event the City approves the assignment or transfer of this Agreement, as provided in paragraph 16.6 above, the Developer shall be released from such duties and obligations.

16.9 Except as set forth in paragraph 16.3, the receipt by the City of services from an assignee of the Developer shall not be deemed a waiver of the covenant in this Agreement against assignment or an acceptance of the assignee or a release of the Developer from further observance or performance by the Developer of the covenants contained in this Agreement. No provision of this Agreement shall be deemed waived by the City unless such waiver is in writing, and approved by the City Council of the City in the form of a duly passed ordinance.

XVII. NOTICE

17.1 Any notice sent under this Agreement shall be written and mailed with sufficient postage, sent by certified mail, return receipt requested, documented facsimile or delivered personally to an officer of the receiving party at the following addresses:

CITY

City of San Antonio
City Manager's Office
P.O. Box 893366
San Antonio, Texas 78283-3966
FAX: (210) 207-7032

BOARD

Board of Directors, Tax Increment
Reinvestment Zone Number Eleven
City of San Antonio, Texas
C/O Housing and Neighborhood Services Dept.
ATTN: David D. Garza, Director
City of San Antonio
1400 S. Flores
San Antonio, Texas 78204
FAX: (210) 207-7914

DEVELOPER

Mr. Douglas Endsley
Vice President for Finance and Technology
University of the Incarnate Word
4301 Broadway
San Antonio, Texas 78209
FAX: (210) 829-6004

17.2 Each party may change its address by written notice in accordance with this Article. Any communication delivered by facsimile transmission shall be deemed delivered when receipt of such transmission is received if such receipt is during normal business hours or the next business day if such receipt is after normal business hours. Any communication so delivered in person shall be deemed received when receipted for by or actually received by an officer of the party to whom the communication is properly addressed. All notices, requests or consents under this Agreement shall be (a) in writing, (b) delivered to a principal officer or managing entity of the recipient in person, by courier or mail or by facsimile, telegram, telex, cablegram or similar transmission, and (c) effective only upon actual receipt by such person's business office during normal business hours. If received after normal business hours, the notice shall be considered received on the next business day after such delivery. Whenever any notice is required to be given by applicable law or this Agreement, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Each party shall have the right from time to time and at any time to change its address by giving at least fifteen (15) days written notice to the other party.

XVIII. CONFLICT OF INTEREST

18.1 The Board and the Developer each acknowledges that it is informed that the Charter of the City and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as City owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

18.2 In accordance with Section 311.0091(h)(1) of the Act, and pursuant to the paragraph above, the Board and the Developer each warrants and certifies, and this Agreement is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the City. The Board and the Developer each further warrants and certifies that each member of the Board and that the Developer has tendered to the City a **Discretionary Contracts Disclosure Statement**, provided as **Exhibit E**, in compliance with the City's Ethics Code.

XIX. INDEPENDENT CONTRACTORS

19.1 It is expressly understood and agreed by all parties hereto that in performing their services hereunder, the Board and the Developer at no time shall be acting as agents of the City and that all consultants or contractors engaged by the Board and/or the Developer respectively shall be independent contractors of the Board and/or the Developer. The parties hereto understand and agree that the City shall not be liable for any claims that may be asserted by any third party occurring in connection with services performed by the Board and/or the Developer respectively, under this Agreement unless any such claims are due to the fault of the City.

19.2 The parties hereto further understand and agree that no party has authority to bind the others or to hold out to third parties that it has the authority to bind the others.

XX. TAXES, LICENSES AND PERMITS

20.1 To the extent required by law, the Developer shall pay, on or before their respective due dates, to the appropriate collecting authority all federal, state, and local taxes and fees which are now or may hereafter be levied upon the Zone Property or upon the Developer or upon the business conducted on the Zone Property or upon any of the Developer's property used in connection therewith, including employment taxes; and the Developer shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by the Developer.

20.2 The Developer shall include in the CPPR submission evidence of payment or exemption of the taxes and fees above.

XXI. COMPLIANCE WITH CITY EMPLOYMENT POLICIES

21.1 **Agreement to Not Discriminate.** The Board and the Developer are each hereby advised that it is the policy of the City that business enterprises eligible as Small, Minority or Woman-owned Business Enterprises shall have the maximum practical opportunity to participate in the performance of public contracts. Except for those Public Improvements commenced prior to the creation of the Zone, the Board and the Developer each agrees for itself that the Board and the Developer will not discriminate against any individual or group on account of race, color, sex, age, religion, national origin or disability and will not engage in employment practices which have the effect of discriminating against employees or prospective employees because of race, color, religion, national origin, sex, age or disability. The Developer further agrees that with respect to the remaining Public Improvements the Developer will make a good faith effort to comply with the applicable terms and provisions of the City's Non-Discrimination Policy, the City's Small, Minority or Woman-owned Business Advocacy Policy and the City's Equal Opportunity Affirmative Action Policy, these policies being available in the City's Department of Economic Development, Division of Internal Review and the City's Office of the City Clerk.

XXII. PREVAILING WAGES

22.1 The TIF program is a discretionary program, and the Board and the Developer are each hereby advised that it is the policy of the City that the requirements of Chapter 2258 of the Texas Government Code, entitled "Prevailing Wage Rates," shall apply to TIF Development Agreements. In accordance with the provisions of Chapter 2258 and Ordinance No. 2008-11-20-1045, a schedule of the general prevailing rate of per diem wages in this locality for each craft or type of workman needed to perform this Agreement is included as **Exhibit C**, and made a part of this Agreement. The Developer is required, and shall require its subcontractors to comply with each updated schedule of the general prevailing rates in effect at the time the Developer calls for bids for construction of a given Phase. The Developer is further required to cause the latest prevailing wage determination decision to be included in bids and contracts with the Developer's general contractor and all subcontractors for construction of each Phase. The Developer shall forfeit as a penalty to the City sixty dollars (\$60.00) for each laborer, workman, or mechanic employed, for each calendar day, or portion thereof, that such laborer, workman or mechanic is paid less than the said stipulated rates for any work done under said contract, by the Developer or any subcontractor under the Developer. The establishment of prevailing wage rates in accordance with Chapter 2258, Texas Government Code shall not be construed to relieve the Developer from his obligation under any Federal or State Law regarding the wages to be paid to or hours worked by laborers, workmen or mechanics insofar as applicable to the work to be performed under this Agreement.

XXIII. CHANGES AND AMENDMENTS

23.1 Except when the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms hereof shall be by amendment in writing executed by the City, the Board and the Developer and evidenced by passage of a subsequent City ordinance, as to the City's approval.

23.2 Notwithstanding the above, the phasing of the Construction Schedule may be amended by approval of the Board and the City, as evidenced by an agreement in writing between the Board and the Director of the Department of the City responsible for the management of the TIF Program, as long as the overall Final Project Plan and Final Financing Plans are not materially changed (more than seven (7) percent) by such amendment. In the event an amendment to the phasing of the Construction Schedule will result in a material change (more than seven (7) percent) to the overall Final Project Plan or Final Financing Plan, then such amendment shall comply with the requirements of paragraph 23.1, above. No change under this paragraph may result in an increase in the maximum contribution of the City. The Developer may rely on the determination of the Director of the Department of the City responsible for the management of the TIF Programs whether a change in the phasing of the Construction Schedule would result in a material change to the overall Final Project Plan and Final Financing Plans.

23.3 It is understood and agreed by the parties hereto that changes in local, state and federal rules, regulations or laws applicable to the Board's and the Developer's services hereunder may occur during the term of this Agreement and that any such changes shall be automatically incorporated into this Agreement without written amendment hereto, and shall become a part hereof as of the effective date of the rule, regulation or law.

XXIV. SEVERABILITY

24.1 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the charter, code, or ordinances of the City, then and in that event it is the intent of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein. It is also the intent of the parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal, or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XXV. LITIGATION EXPENSES

25.1 Under no circumstances will the Available Tax Increment Funds received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding regarding this Agreement against the City or any other public entity.

25.2 During the term of this Agreement, if the City, Board and/or the Developer files and/or pursues an adversarial proceeding against the other regarding this Agreement without first engaging in good faith mediation of the dispute, then, at each party's option, all access to the funding provided for hereunder may be deposited with a mutually acceptable escrow agent that will deposit such funds in an interest bearing account.

25.3 The Board and/or the Developer, at the City's option, could be ineligible for consideration to receive any future funding while any adversarial proceedings regarding this Agreement against the City remains unresolved if it was initiated without first engaging in good faith mediation of the dispute.

25.4 For purposes of this Article, "adversarial proceedings" include any cause of action regarding this Agreement filed by the Board and/or the Developer against the City in any state or federal court, as well as any state or federal administrative hearing, but does not include Alternate Dispute Resolution proceedings, arbitration, or demand letters.

XXVI. LEGAL AUTHORITY

26.1 Each person executing this Agreement on behalf of the City, the Board or the Developer, represents, warrants, assures and guarantees that he has have full legal authority to (i) execute this Agreement on behalf of the City, the Board and/or the Developer, respectively and (ii) to bind the City, the Board and/or the Developer to all of the terms, conditions, provisions and obligations herein contained.

XXVII. VENUE AND GOVERNING LAW

27.1 This Contract shall be governed by the laws of the State of Texas.

27.2 Venue and jurisdiction arising under or in connection with this Contract shall lie exclusively in Bexar County, Texas.

Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in Bexar County, Texas.

XXVIII. PARTIES' REPRESENTATIONS

28.1 This Agreement has been jointly negotiated by the City, the Board and the Developer and shall not be construed against a party because that party may have primarily assumed responsibility for the drafting of this Agreement.

XXIX. CAPTIONS

29.1 All captions used herein are only for the convenience of reference and shall not be construed to have any effect or meaning as to the agreement between the parties hereto.

XXX. ENTIRE AGREEMENT

30.1 This written Agreement embodies the final and entire agreement relating to reimbursement for Public Improvements or Public Infrastructure between the parties hereto and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. The parties anticipate entering into a future public use agreement for services to be provided by the Eastside Community Clinic.

30.2 The Exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that if there is a conflict between an Exhibit and a provision of this Agreement, the provision of this Agreement shall prevail over the Exhibit.

IN WITNESS THEREOF, the parties hereto have caused this instrument to be signed on the date of the each signature below. In accordance with paragraph 1.12 above, this Agreement will become effective on the date of the last signature:

CITY OF SAN ANTONIO

DEVELOPER

SHERYL SCULLEY
City Manager
City of San Antonio
Date: _____

UNIVERSITY OF THE INCARNATE WORD,
By:
Date: _____

**BOARD OF DIRECTORS,
TAX INCREMENT REINVESTMENT
ZONE NUMBER SIXTEEN,
CITY OF SAN ANTONIO, TEXAS**

CITY CLERK

Name: Sheila D. McNeil
Title: Chairman, Board of Directors
Date: _____

Leticia M. Vacek
City Clerk
Date: _____

Approved as form: _____
City Attorney
Date: _____

EXHIBIT A

Construction Schedule and Payment/Draw Schedule

Construction Schedule

Start Date: January 2011

Completion Date: July 2012

Payment/Draw Schedule

April 2011 for:	Water/Impact Fees/Meter	\$ 110,000
	Sewer/Impact Fees	\$ 25,000
	Fire Line	\$ 11,000
	Electrical	\$ 59,000
June 2012 for:	Drives	\$ 30,000
	Sidewalks	\$ 25,723
	Lighting	\$ 35,000
	Landscape/Irrigation	\$ 36,000

EXHIBIT B

Project Status Report



CITY OF SAN ANTONIO
TAX INCREMENT REINVESTMENT ZONE
Project Status Report

Pursuant to the Development Agreement, the DEVELOPER has agreed to provide periodic reports of construction to the CITY upon reasonable request. The City requests that the Developer submit a TIRZ project status report every quarter every year until the project is complete, due by:

- January 15th, for the first quarter,
- April 15th, for the second quarter,
- July 15th, for the third quarter and
- October 15th, for the fourth quarter.

At the completion of the project, the DEVELOPER shall submit a comprehensive final report.

Each quarterly report must include the following information:

- The number of Private Improvements completed (single-family and/or multi-family and commercial when applicable) and year in which they were completed
- The Public Improvements completed and costs incurred to date by year in which improvements were completed
- Indicate whether the construction is on track with the approved Final Project and Finance Plan
- If the project timeline has slipped, the Developer is to submit an updated project timeline
- The sale prices of the single-family homes completed (Please obtain and provide sales data for original sales price of every home sold.)
- Photos of: housing and commercial developments; before, during and after construction

In addition, for the City to monitor compliance with Sections 7.3 and 7.4 of the Development Agreement, the Developer must submit annually the Certificate of Insurance reflecting proof that:

- the City and its officers, employees and elected representatives are additional insureds as respects the operations and activities of, or on behalf of, the named insured contracting with the City, with the exception of the workers' compensation policy;
- the endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City of San Antonio is an additional insured shown on the policy;
- the Workers' Compensation and employers' liability policy provides a waiver of subrogation in favor of the City of San Antonio; and
- Notification to the City of any cancellation, non-renewal or material change in coverage was given not less than thirty (30) days prior to the change or ten (10) days prior to the cancellation due to non-payment of premiums, accompanied by a replacement Certificate of Insurance.

Attached is a form you may use to fulfill this reporting requirement.

TIRZ Project Progress Report (Construction)

Name of Project:	TIRZ #:
Progress Report #:	TIRZ Term: From: To:
Period Covered by this Report: From: To:	

The number of Private Improvements (single-family and/or multi-family and commercial if applicable) completed and year in which they were done

Phase (year)	start date	end date	Private Improvements								
			Single-Family Units		Multi-family Units		Commercial Acres and Square Feet		Other Improvements (example: day care centers)		
			Proposed	Completed	Proposed	Completed	Proposed	Completed	Proposed	Completed	
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											

The Public Improvements completed and costs incurred to date by year (phase) in which improvements occurred

Phase (year)	start date	end date	Public Improvements										
			Sidewalks and Approaches Linear Feet	Streets Li.Ft.	Drainage Li.Ft.	Water Li.Ft.	Sewer Li.Ft.	Electrical (Line & Extension) Li.Ft.	Gas Li.Ft.	Street Light Number	Traffic Signal & Light Number/Location	Landscaping Li.Ft.	Other
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
TOTALS													

➤ Is Construction on track with the approved Final Project and Finance Plan? If not, please submit an updated timeline with the actual construction and the projected buildout.

Year	Original Project Plan			Actual/Projected		
	Single-Family	Multi -Family	Other	Single -Family	Multi -Family	Other
1999						
2000						
2001						
2002						
2003						
2004						
2005						
2006						
2007						
2008						

Certification: I certify, that to the best of my knowledge and belief, the data above is correct and that all outlays were made in accordance with the terms of the Development Agreement.	Signature of Certifying Individual:	Date:
	Type or printed Name and Title:	Telephone #:

EXHIBIT C

Prevailing Wage Rates

AN ORDINANCE 2008-11-20-1045

AMENDING ORDINANCE 71312 CONCERNING WAGE AND HOUR
LABOR STANDARD PROVISIONS FOR CITY OF SAN ANTONIO
CONSTRUCTION PROJECTS.

* * * * *

WHEREAS, federal and state laws require that all companies working on publicly funded construction projects must pay prevailing wage rates to its contractor and subcontractor employees, as determined by the U.S. Department of Labor; and

WHEREAS, governing procedures were established to ensure the City's compliance with various state laws through Ordinance No. 71312 approved on March 29, 1990 which provided for the Wage and Labor Standard Provision for locally funded City construction projects; and

WHEREAS, there have been changes in state law, as well as, organizational and process changes within the City that necessitate an amendment to Ordinance No. 71312; and

WHEREAS, this Ordinance amends Ordinance No. 71312 to a) reflect the changes in the Texas Government Code, Section 2258, Prevailing Wages, (superseding Article 5159a, Revised Civil Statutes), b) incorporate changes in the City's organizational structure renaming the Wage and Hour Office of the Public Works Department to the Labor Compliance Office, Capital Improvements Management Services Department, c) reflect changes in the City processes and the implementation of an electronic compliance program, and d) clarify language and eliminate ambiguities in the Ordinance, including the processes used by contractors for the restitution of underpayment of wages to workers whose contact information or current address is unknown; and

WHEREAS, approval of this Amendment will accurately reflect current laws, City organizational structure and current processes; NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

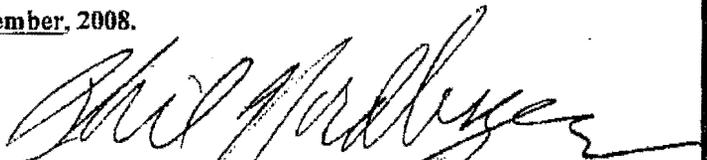
SECTION 1. Ordinance No. 71312 concerning Wage and Hour Labor Standard Provisions for City of San Antonio construction projects are hereby amended and the amended Wage and Labor Standard Provisions are attached hereto and incorporated by reference herein as Attachment I.

SECTION 2. This Ordinance shall take effect ten days after passage.

PASSED AND APPROVED this 20th day of November, 2008.

ATTEST:


City Clerk


MAYOR
PHIL HARDBERGER

APPROVED AS TO FORM:


City Attorney For

WAGE AND LABOR STANDARD PROVISIONS
CITY OF SAN ANTONIO FUNDED CONSTRUCTION

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20. EMPLOYMENT OF CERTAIN PERSONS PROHIBITED
21. PROVISIONS TO BE INCLUDED IN SUBCONTRACTS
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1. GENERAL STATEMENT

For all City of San Antonio funded public works construction contracts, the City of San Antonio, in accordance with Texas Government Code Section 2258, requires that not less than the general prevailing wage rates (minimum hourly base pay and minimum hourly fringe benefit contribution) for work of similar character be paid to contractor and subcontractor employees. These wage rates are derived from the most current applicable federal prevailing wage rates as published by the United States Department of Labor, Dallas, Texas and authority of Ordinance Nos. 60110 and 71312 as amended and passed by the City Council of the City of San Antonio.

Any deviation from Wage and Labor Standard Provisions compliance shall be cause for City's withholding either periodic interim or final payment to the contractor until such deviations are properly corrected.

2. LABOR COMPLIANCE OFFICE RESPONSIBILITIES

Labor Compliance Office, Capital Improvements Management Services Department, City of San Antonio, is primarily responsible for all Wage and Labor Standard Provisions investigation and enforcement and will monitor contractor/subcontractor practices to assure the Director of Capital Improvements Management Services Department that:

- a. Appropriate weekly compliance statements and payroll records are submitted to the City by the contractor/subcontractors and that such are reviewed for compliance with the Wage and Labor Standard Provisions.
- b. Apprentices/trainees working on the project are properly identified by the contractor/subcontractor on payroll records and documented as being included in programs currently sanctioned by appropriate federal or state regulatory agencies.
- c. Applicable Wage Determination Decisions, including any applicable modifications, and related statements must be posted at the work-site by the contractor and that proper job classification and commensurate minimum hourly base and fringe wage rates are paid.
- d. Employees are periodically interviewed (at random) to assure proper work classification and wage rates.
- e. The Labor Compliance Office will investigate all allegations that no person employed by contractor/subcontractor is induced against his will, by any means, to give up any part of the compensation to which he is otherwise entitled.

f. That any and all periodic administrative directives to the Labor Compliance Office from the Director of Capital Improvements Management Services are being implemented. For purpose of these Wage and Labor Standard Provisions, the Director of Capital Improvements Management Services means the Director, his successor, or his designee.

3. CLAIMS & DISPUTES PERTAINING TO WAGE RATES

Claims and disputes not promptly and routinely settled by the contractor/subcontractor and employee pertaining to wage rates, or to job classifications of labor employed regarding the work covered by this contract, shall be reported by the employee in writing, within sixty (60) calendar days of employee's receipt of any allegedly incorrect classification, wage or benefit report, to the Labor Compliance Office, City of San Antonio for further investigation. Claims and disputes not reported by the employee to the City's Labor Compliance Office in writing within the sixty (60) calendar day period shall be deemed waived by the employee for the purposes of the City administering and enforcing the City's contract rights against the contractor on behalf of the employee. Waiver by the employee of this City intervention shall not constitute waiver by the City to independently pursue contractual rights it has against the contractor/subcontractor for breach of contract and other sanctions available to enforce the Wage and Labor Standard Provisions.

4. BREACH OF WAGE AND LABOR STANDARD PROVISIONS

The City of San Antonio reserves the right to terminate a contract for cause if the contractor/subcontractors shall knowingly and continuously breach, without timely restitution or cure, any of these governing Wage and Labor Standard Provisions. A knowing and unremedied proven violation of these Wage and Labor Standard Provisions may also be grounds for debarment of the contractor/subcontractor from future City of San Antonio contracts for lack of responsibility, as determined by the City of San Antonio. Recurrent violations, whether remedied or not, will be considered by the Director of Capital Improvements Management Services Department when assessing the responsibility history of a potential contractor/subcontractor prior to competitive award of future Project Management Office projects. The general remedies stated in this paragraph 4. above, are not exhaustive and not cumulative for the City reserves legal and contractual rights to other specific remedies outlined herein below and in other parts of this contract and as are allowed by applicable City of San Antonio ordinances, state and federal statutes.

5. EMPLOYMENT OF LABORERS/MECHANICS NOT LISTED IN WAGE DETERMINATION DECISION

In the event that a contractor/subcontractor discovers that construction of a particular work element requires a certain employee classification and skill that is not listed in the wage determinations decision contained in the original contract

documents, contractor/subcontractors will make prompt inquiry (before bidding, if possible) to the Labor Compliance Office identifying that class of laborer/mechanics not listed in the wage determination decision who are intended to be employed, or who are being employed, under the contract. Using his best judgement and information resources available to him at the time, and any similar prior decisions, the Director of Capital Improvements Management Services Department, City of San Antonio shall classify said laborers/mechanics by issuing a special local wage determination decision to the contractor/subcontractor, which shall be enforced by the Labor Compliance Office.

6. MINIMUM WAGE

All laborers/mechanics employed to construct the work governed by this contract shall be paid not less than weekly the full amount of wages due (minimum hourly base pay and minimum hourly fringe benefit contribution for all hours worked, including overtime) for the immediately preceding pay period computed at wage and fringe rates not less than those contained in the wage determination decision included in this contract. Only payroll deductions as are mandated by state or federal law and those legal deductions previously approved in writing by the employee, or as are otherwise permitted by state or federal law, may be withheld by the contractor/subcontractor.

Should the contractor/ subcontractor subscribe to fringe benefit programs for employees, such programs shall be fully approved by the City in adopting a previous U.S. Department of Labor (DOL) decision on such fringe benefit programs or by applying DOL criteria in rendering a local decision on the adequacy of the fringe benefit programs. The approved programs shall be in place at the time of City contract execution and provisions thereof disclosed to the Labor Compliance Office, City of San Antonio, for legal review prior to project commencement.

Regular contractor/subcontractor contributions made to, or costs incurred for, approved fringe benefit plans, funds or other benefit programs that cover periods of time greater than the one week payroll period (e.g. monthly or quarterly, etc.) shall be prorated by the contractor/subcontractor on weekly payroll records to reflect the equivalent value of the hourly and weekly summary of fringe benefits per employee.

7. OVERTIME COMPENSATION NON-FEDERALLY FUNDED PROJECTS

No contractor/subcontractor contracting for any part of the City of San Antonio funded contract work (except for worksite related security guard services) which may require or involve the employment of laborers/ mechanics shall require or permit any laborer/mechanic in any seven (7) calendar day work period in which he or she is employed on such work to work in excess of 40 hours in such work period unless said laborer/ mechanic receives compensation at a rate not less than one and one-half times the basic hourly rate of pay for all hours worked in excess of 40 hours in a seven (7) calendar day work period. Fringe benefits

must be paid for straight time and overtime; however, fringe benefits are not included when computing the overtime rate.

8. PAYMENT OF CASH EQUIVALENT FRINGE BENEFITS

The contractor/subcontractor is allowed to pay a minimum hourly cash equivalent of minimum hourly fringe benefits listed in the wage determination decision in lieu of the contribution of benefits to a permissible fringe benefit plan for all hours worked including overtime as described in paragraph 6 above. An employee is not allowed to receive less than the minimum hourly basic rate of pay specified in the wage determination decision.

9. WORK CONDUCTED ON HOLIDAYS-NON-FEDERALLY FUNDED PROJECTS

If a laborer/mechanic is employed in the normal course and scope of his or her work on the jobsite on the following holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, and Martin Luther King, Jr. Day, or the calendar days observed as such in any given year, work performed shall be paid for at no less than one and one half (1 1/2) times the regular minimum hourly base pay regardless of the total number of hours the laborer/mechanic has accumulated during the pay period.

10. UNDERPAYMENT OF WAGES OR SALARIES

- a. When a "full investigation" (as called for in and as construed under Texas Government Code Section 2258) establishes underpayment of wages by contractor/subcontractor to laborers/mechanics employed upon the work covered by a contract with the City of San Antonio, the City shall withhold an amount from the contractor, out of any payments (Interim progress and/or final) due the contractor, the City of San Antonio may also consider it necessary to secure ultimate payment by the appropriate party to such laborers/mechanics, of full wages plus possible penalty (see b. below). The amount withheld, excluding any possible penalty to be retained by City, may be disbursed at an appropriate time after "full investigation" by the City of San Antonio, for and on behalf of the contractor/subcontractor (as may be appropriate), to the respective laborers/mechanics to whom the same is due or on their behalf to fringe benefit plans, funds or programs for any type of minimum fringe benefits prescribed in the applicable wage determination decision.
- b. Texas Government Code Section 2258, states that the contractor shall forfeit as a penalty to the City of San Antonio the sum of sixty dollars (\$60.00) for each calendar day, or portion thereof, for each laborer, workman, or mechanic, who is paid less than the said stipulated rate for any work done under this contract, whether by the contractor himself or by any subcontractor working under him. Pursuant to and supplemental to this statutory authority, the City of San Antonio and the contractor/subcontractor contractually acknowledge and agree that said sixty dollar (\$60.00) statutory penalty shall be construed by and between the City of San Antonio and the contractor/subcontractor as liquidated damages and will apply to

any violations of paragraphs 6, 7, or 9 herein, resulting from contractor/subcontractor underpayment violations.

- c. If unpaid or underpaid workers cannot be located by the Contractor or the City after diligent efforts to accomplish same, the contractor shall report the wages as "unclaimed property" in accordance to Texas State law.

The City of San Antonio requires that the prime contractor send to the Labor Compliance Office a copy of the supporting documentation for the unclaimed property submitted to the State.

11. DISPLAYING WAGE DETERMINATION DECISIONS/AND NOTICE TO LABORERS/MECHANICS STATEMENT

The applicable wage determination decision as described in the "General Statement" (and as specifically included in each project contract), outlining the various worker classifications and mandatory minimum wages and minimum hourly fringe benefit deductions, if any, of laborers/mechanics employed and to be employed upon the work covered by this contract, shall be displayed by the contractor/ subcontractor at the site of work in a conspicuous and prominent public place readily and routinely accessible to workmen for the duration of the project. In addition, the contractor/subcontractor agrees with the contents of the following statement, and shall display same, in English and Spanish, near the display of the wage determination decision:

NOTICE TO LABORERS/MECHANICS

Both the City of San Antonio and the contractor/subcontractor agree that you must be compensated with not less than the minimum hourly base pay and minimum hourly fringe benefit contribution in accordance with the wage rates publicly posted at this jobsite and as are applicable to the classification of work you perform.

Additionally, you must be paid not less than one and one-half times your basic hourly rate of pay for any hours worked over 40 in any seven (7) calendar day work period, and for any work conducted on the following holidays: New Year's Day, Memorial Day, Fourth of July; Labor Day, Thanksgiving Day, Christmas Day, and Martin Luther King Day or the calendar days observed as such in any given year.

Apprentice and trainee hourly wage rates and ratios apply only to apprentices and trainees recognized under approved Federal, or State, apprenticeship training program registered with the Bureau of Apprenticeship and Training, U.S. Dept. of Labor.

If you believe that your employer is not paying the posted minimum wage for the type of work you do, you must make direct inquiry to the employer and inquire in writing within sixty (60) calendar days of your receipt of any allegedly incorrect wage or benefit check or report, to the City of San Antonio Labor Compliance Office, Capital Improvements Management Services Department, P.O. Box 839966, San Antonio, Texas 78283-3966. It

is mandatory that the worker promptly file written inquiry of any allegedly incorrect wage or benefit checks or reports with the City of San Antonio, Labor Compliance Office within the sixty (60) calendar day period so that they do not waive your potential right of recovery under the provisions of the City of San Antonio Project Management Office contract that governs this project.

Both the City of San Antonio and the contractor/subcontractor agree that no laborer/mechanic who files a complaint or inquiry concerning alleged underpayment of wages or benefits shall be discharged by the employer or in any other manner be discriminated against by the employer for filing such complaint or inquiry.

12. PAYROLLS & BASIC PAYROLL RECORDS

- a. The contractor and each subcontractor shall prepare payroll reports in accordance with the "General Guideline" instructions furnished by the Labor Compliance Office of the City of San Antonio. Such payroll submittals shall contain the name and address of each such employee, his correct labor classification, rate of pay, daily and weekly number of hours worked, any deductions made, and actual basic hourly and fringe benefits paid. The contractor shall submit payroll records each week, and no later than seven (7) working days following completion of the workweek being processed, to the Labor Compliance Office, City of San Antonio. These payroll records shall include certified copies of all payrolls of the contractor and of his subcontractors, it being understood that the contractor shall be responsible for the submission and general mathematical accuracy of payrolls from all his subcontractors. Each such payroll submittal shall be on forms deemed satisfactory to the City's Labor Compliance Office and shall contain a "Weekly Statement of Compliance", as called for by the contract documents. Such payrolls will be forwarded to Capital Improvements Management Services, Labor Compliance Office, City of San Antonio, P.O. Box 839966, San Antonio, Texas 78283-3966.
- b. All City of San Antonio construction contracts are subject to contract compliance tracking, and the prime contractor and any subcontractors are required to provide any stated and/or requested contract compliance-related data electronically in the Labor Compliance Electronic Certified Payrolls System. The prime contractor and all subcontractors are required to respond not later than the stated response date or due date to any instructions or request for information from the Labor Compliance Office. All prime contractors and subcontractors shall periodically review the City of San Antonio Labor Compliance Electronic Certified Payrolls System to manage contact information and contract records. The prime contractor shall ensure that all subcontractors have completed all requested forms and that all contact information is accurate and up-to-date. The City of San Antonio Labor Compliance Office may require additional information related to the contract to be provided through the San Antonio Labor Compliance Electronic Certified

Payrolls System at any time before, during, or after contract award.

- c. A designated point of contact for contractor access to the San Antonio Labor Compliance Electronic Certified Payrolls System shall be provided for each prime contractor upon award of the contract.
- d. Copies of payroll submittals and basic supporting payroll records of the contractor/subcontractors accounting for all laborers/mechanics employed under the work covered by this contract shall be maintained during the course of the work and preserved for a period of three (3) years after completion of the project. The contractors/subcontractors shall maintain records which demonstrate: any contractor commitment to provide fringe benefits to employees as may be mandated by the applicable wage determination decision, that the plan or program is adjudged financially responsible by the appropriate approving authority, (i.e. U. S. Department of Labor, U.S. Department of Treasury, etc.), and that the provisions, policies, certificates, and description of benefits of the plan or program as may be periodically amended, have been clearly communicated in a timely manner and in writing, to the laborers/mechanics affected prior to their performing work on the project.
- e. The contractor/subcontractor shall make the above records available for inspection, copying, or transcribing by authorized representatives of the City of San Antonio at reasonable times and locations for purposes of monitoring compliance with this contract.
- f. All certified payrolls submitted to the Labor Compliance Office are deemed true and accurate. If upon review of the certified payrolls, wage underpayment violations are identified and noted, restitution will be calculated and penalties will be issued to the prime contractor of the project. In order to refute a wage violation, the contractor/subcontractor must provide supporting documentation to the Labor Compliance Office for review and consideration.

13. LABOR DISPUTES

The contractor/subcontractor shall immediately notify the Project Management Office or designated representative of any actual or impending contractor/subcontractor labor dispute which may affect, or is affecting, the schedule of the contractor, or any other contractor/subcontractor work. In addition, the contractor/subcontractor shall consider all appropriate measures to eliminate or minimize the effect of such labor disputes on the schedule, including but not limited to such measures as: promptly seeking injunctive relief if appropriate; seeking appropriate legal or equitable actions or remedies; taking such measures as establishing a reserved gate, as appropriate; if reasonably feasible, seeking other sources of supply or service; and any other measures that may

be appropriately utilized to mitigate or eliminate the jobsite and scheduling effects of the labor dispute.

14. COMPLAINTS, PROCEEDINGS, OR TESTIMONY BY EMPLOYEES

No laborers/mechanics to whom the wage, salary, or other labor standard provisions of this contract are applicable shall be discharged or in any other manner discriminated against by the contractor/subcontractors because such employee has filed any formal inquiry or complaint or instituted, or caused to be instituted, any legal or equitable proceeding or has testified, or is about to testify, in any such proceeding under or relating to the wage and labor standards applicable under this contract.

15. EMPLOYEE INTERVIEWS TO ASSURE WAGE AND LABOR STANDARD COMPLIANCE

Contractor/subcontractors shall allow expeditious jobsite entry of City of San Antonio Labor Compliance representatives displaying and presenting proper identification credentials to the jobsite superintendent or his representative. While on the jobsite, the Labor Compliance representatives shall observe all jobsite rules and regulations concerning safety, internal security and fire prevention. Contractor/subcontractors shall allow project employees to be separately and confidentially interviewed at random for a reasonable duration by the Labor Compliance representatives to facilitate compliance determinations regarding adherence by the contractor/subcontractor to these Wage and Labor Standard Provisions.

16. "ANTI-KICKBACK" PROVISION

No person employed in the construction or repair of any City of San Antonio public work shall be induced, by any means, to give up to any contractor/subcontractor or public official or employee any part of the hourly and/or fringe benefit compensation to which he is otherwise entitled.

17. "FALSE OR DECEPTIVE INFORMATION PROVISION"

Any person employed by the contractor/subcontractor in the construction or repair of any City of San Antonio public work, who is proven to have knowingly and willfully falsified, concealed or covered up by any deceptive trick, scheme, or device a material fact, or made any false, fictitious or fraudulent statement or representation, or made or used any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be permanently removed from the jobsite by contractor/subcontractor. The City of San Antonio reserves the right to terminate its contract for cause as a result of serious and uncured violations of this provision.

18. EMPLOYMENT OF APPRENTICES/TRAINEES

a. Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship & Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship & Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen in any craft classification shall not be greater than the ratio permitted to the contractor/subcontractor as to his entire work force under the registered program. Any employee listed on a payroll at an apprentice wage rate, who is not a trainee as defined in (b) below or is not registered or otherwise employed as stated above, shall be paid the wage rate for the classification of work he actually performs. The contractor/subcontractor is required to furnish to the Labor Compliance Office of the City of San Antonio, a copy of the certification, along with the payroll record that the employee is first listed on. The wage rate paid apprentices shall be not less than the specified rate in the registered program for the apprentice's level of progress expressed as the appropriate percentage of the journeyman's rate contained in the applicable wage determination decision.

b. Trainees will be permitted to work at less than the predetermined rate for the work performed when they are employed pursuant to an individually registered program which has received prior approval, evidenced by formal certification by the U. S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen shall not be greater than that permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for his/her level of progress. Any employee listed on the payroll at a trainee wage rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the wage rate determined by the classification of work he actually performs. The contractor/subcontractor is required to furnish a copy of the trainee program certification, registration of employee-trainees, ratios and wage rates prescribed in the program, along with the payroll record that the employee is first listed on, to the Labor Compliance Office of the City of San Antonio. In the event the Employment and Training Administration withdraws approval of a training program, the contractor/subcontractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved by the Employment and Training Administration.

c. Paragraphs above shall not operate to exclude training programs approved by the OFCCP, United States Department of Labor and as adopted by the Associated General Contractors (AGC) of Texas, Highway, Heavy, Utilities and Industrial Branch. Guidelines for these training programs shall be the same as those established for federally funded projects. This subparagraph shall not apply to those portions of a project deemed to be building construction.

d. The Ratio to Apprentice to Journeyman for this project shall be the same as the ratio permitted under the plan approved by the Employment and Training, Administration, Bureau of Apprenticeship and Training, U.S. Department of Labor, by Craft. A copy of the allowable Ratios is included with the applicable Wage Determination Decision in the specifications for this project.

When a "full investigation" (as called for in, and as construed under, Texas Government Code Section 2258) evidences a violation of the Apprentice or Trainee to Journeyman ratios effective for contractor/subcontractor employees working on this contract, the City of San Antonio, in addition to such other rights as may be afforded it under state and/or federal law and/or other sections of its contract, shall withhold from the contractor, out of any payments (interim progress and/or final) due the contractor, the liquidated damages sum of seventy-five dollars (\$75.00) for each calendar day, or portion thereof, for each certified Apprentice or Trainee employee assigned to a Journeyman that exceeds the maximum allowable Apprentice/ Trainee to Journeyman ratio stipulated for any work done under this contract, whether by the contractor himself or by any subcontractor working under him.

19. JOBSITE CONDITIONS

Contractors/subcontractors shall not allow any person employed for the project to work in surroundings or under construction conditions which are unsanitary, unhealthy, hazardous, or dangerous as governed by industry standards and appropriate local, state and federal statutes, ordinances, and regulatory guidelines.

20. EMPLOYMENT OF CERTAIN PERSONS PROHIBITED

a. The contractor/subcontractor shall knowingly only employ persons of appropriate ages commensurate with the degree of required skill, strength, maturity and judgment associated with the activity to be engaged in, but not less than the age of fourteen (14) years, as governed by the Texas Child Labor Law, Chapter 51 of the Texas Labor Code "Child Labor" and Texas Department of Labor and Standards rulings and interpretations associated with that statute. It is hereby noted that in some circumstances generally governed by this section, a federal statute (see: Fair Labor Standards Act, 29 USCS Section 212; Volume 6A of the Bureau of National Affairs Wage Hour Manual at Paragraph 96:1; "Child Labor Requirements in Nonagricultural Occupations" WH Publication 1330, July 1978 as may be amended), could pre-empt the Texas Statute and therefore be the controlling law on this subject. The contractor/subcontractor should seek clarification

from state and federal agencies and legal counsel when hiring adolescent employees for particular job classifications.

- b. Prohibited persons not to be employed are also those persons who, at the time of employment for this contract, are serving sentence in a penal or correctional institution except that prior approval by the Director of Capital Improvements Management Services is required to employ any person participating in a supervised work release or furlough program that is sanctioned by appropriate state or federal correctional agencies.
- c. The Contractor/subcontractors shall be responsible for compliance with the provisions of the "Immigration Reform and Control Act of 1986" Public Law 99-603, and any related State enabling or implementing statutes, especially as they in combination apply to the unlawful employment of aliens and unfair immigration-related employment practices affecting this contract.

21. PROVISIONS TO BE INCLUDED IN SUBCONTRACTS

The contractor shall cause these Wage and Labor Standard Provisions, or reasonably similar contextual adaptations hereof, and any other appropriate state and federal labor provisions, to be inserted in all subcontracts relative to the work to bind subcontractors to the same Wage and Labor Standards as contained in these terms of the General Conditions and other contract documents insofar as applicable to the work of subcontractors or sub-subcontractors and to give the contractor similar, if not greater, general contractual authority over the subcontractor or subcontractors as the City of San Antonio may exercise over the contractor.

22. CONTRACTOR'S RESPONSIBILITY

The prime contractor shall be responsible for ensuring that its subcontractors comply with the Wage and Labor Standards Provisions.

GENERAL DECISION: TX20080041 02/08/2008 TX41

Date: February 8, 2008

General Decision Number: TX20080041 02/08/2008

Superseded General Decision Number: TX20070043

State: Texas

Construction Types: Heavy and Highway

Counties: Bell, Bexar, Brazos, Comal, Coryell, Guadalupe, Hays, McLennan, Travis and Williamson Counties in Texas.

Heavy (excluding tunnels and dams) and Highway Construction Projects (does not include building structures in rest area projects). *NOT TO BE USED FOR WORK ON SEWAGE OR WATER TREATMENT PLANTS OR LIFT/PUMP STATIONS IN BELL, CORYELL, McLENNAN AND WILLIAMSON COUNTIES.

Modification Number Publication Date
0 02/08/2008

SUTX2005-001 01/03/2005

	Rates	Fringes
Air Tool Operator.....	\$ 16.00	0.00
Asphalt Distributor Operator...	\$ 12.09	0.00
Asphalt paving machine operator	\$ 11.82	0.00
Asphalt Raker.....	\$ 9.96	0.00
Asphalt Shoveler.....	\$ 10.56	0.00
Broom or Sweeper Operator.....	\$ 9.74	0.00
Bulldozer operator	\$ 11.04	0.00
Carpenter.....	\$ 12.25	0.00
Concrete Finisher, Paving.....	\$ 10.53	0.00
Concrete Finisher, Structures..	\$ 10.95	0.00
Concrete Paving Curbing		
Machine Operator.....	\$ 14.00	0.00
Concrete Paving Finishing		
Machine Operator.....	\$ 12.00	0.00
Concrete Rubber.....	\$ 10.88	0.00
Crane, Clamshell, Backhoe, Derrick, Dragline, Shovel Operator.....	\$ 13.66	0.00
Electrician.....	\$ 24.11	0.00
Flagger.....	\$ 9.49	0.00
Form Builder/Setter, Structures	\$ 10.88	0.00
Form Setter, Paving & Curb.....	\$ 9.89	0.00
Foundation Drill Operator, Truck Mounted.....	\$ 15.00	0.00
Front End Loader Operator.....	\$ 11.36	0.00
Laborer, common.....	\$ 9.34	0.00
Laborer, Utility.....	\$ 10.12	0.00
Mechanic.....	\$ 14.74	0.00
Mixer operator, Concrete Paving	\$ 15.25	0.00
Mixer operator.....	\$ 10.83	0.00
Motor Grader Operator, Fine Grade.....	\$ 15.26	0.00

Motor Grader Operator, Rough...	\$ 12.96	0.00
Oiler.....	\$ 14.71	0.00
Painter, Structures.....	\$ 11.00	0.00
Pavement Marking Machine Operator.....	\$ 11.52	0.00
Pipelayer.....	\$ 10.49	0.00
Planer Operator.....	\$ 17.45	0.00
Reinforcing Steel Setter, Paving.....	\$ 15.50	0.00
Reinforcing Steel Setter, Structure.....	\$ 14.00	0.00
Roller Operator, Pneumatic, Self-Propelled.....	\$ 9.34	0.00
Roller Operator, Steel Wheel, Flat Wheel/Tamping.....	\$ 9.60	0.00
Roller Operator, Steel Wheel, Plant Mix Pavement.....	\$ 10.24	0.00
Scraper Operator.....	\$ 9.93	0.00
Servicer.....	\$ 11.41	0.00
Sign Installer (PGM).....	\$ 14.85	0.00
Slip Form Machine Operator.....	\$ 15.17	0.00
Spreader Box operator.....	\$ 10.39	0.00
Structural Steel Worker.....	\$ 13.41	0.00
Tractor operator, Crawler Type.	\$ 11.10	0.00
Traveling Mixer Operator.....	\$ 10.04	0.00
Trenching machine operator, Heavy.....	\$ 14.22	0.00
Truck Driver Tandem Axle Semi- Trailer.....	\$ 10.95	0.00
Truck driver, lowboy-Float.....	\$ 15.30	0.00
Truck driver, Single Axle, Heavy.....	\$ 11.88	0.00
Truck driver, Single Axle, Light.....	\$ 9.98	0.00
Wagon Drill, Boring Machine, Post Hole Driller Operator.....	\$ 14.65	0.00
Welder.....	\$ 14.26	0.00
Work Zone Barricade Servicer...	\$ 11.15	0.00

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can

be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

END OF GENERAL DECISION

EXHIBIT D

Form and Requirements of Contract Progress Payment Request



CITY OF SAN ANTONIO CPPR Form and Instructions

Prior to submitting an invoice to request reimbursement, the developer must submit to the TIF Unit:

- All approved Master Development Plans (MDPs), recorded plats, City approved construction plans and inspections
- Copies of the payment and performance bond in accordance with executed Development Agreement
- Proof of compliance of the Bidding Policies must accompany the invoices submitted to include, but is not limited to: Publication of request for proposals, list of bidders, rating of bidders, and reason for choosing bidder (*Please refer to City's policy on Bidding Requirements.*)
- Letters of acceptance from City departments or other agencies certifying the public infrastructure was constructed and accepted in accordance with all applicable rules, regulations and codes.

When submitting an invoice for reimbursement, a summary page (refer to Sample Packet, page 2) must accompany all invoices to include related project name, invoice number, period covered by invoices and phase covered by invoices. Invoices must be submitted in the categories listed in the approved Final Finance Plan Sources and Uses page. The Sources and Uses page is broken down into phases and categories on a forecasted maximum allowable cost.

Each category should have their own separate summary page (refer to Sample Packet, page 2) itemizing invoices submitted in each appropriate category. The summary page will need to include maximum allowable cost, actual invoice amount, Plat or MDP number (if applicable) and method of payment. This maximum allowable cost is the forecasted amount that was projected for each category in the phase.

A receipt and/or a cancelled check must accompany each invoice to qualify for reimbursement. The invoice must refer to the related project. The dates and amount on invoices must coincide with receipt or cancelled checks. The invoice total must calculate correctly and tie to the summary page.

Each column is defined below: (refer to Sample Packet, page 2)

- Column A is the category from the Sources and Uses page for projected expenses
- Column B is the forecasted maximum allowable cost per the Final Finance Plan
- Column C is the actual developer's expense
- Column D is the amount of prior requests
- Column E is the balance column. The balance is the difference between the projected expenses and the actual developer's expenses. (The balance column will be used for internal tracking purposes only.)

*** All invoice Payments:**

- Must Be Accompanied by Receipt or Cancelled Check
- Must Reference the Project

*** Only those categories outlined in the approved Final Finance Plan are eligible expenses for reimbursement.**

(SAMPLE) Reimbursement for TIRZ Expenses

Project Name: NAD Residential TIRZ		Period covered by this invoice: 12/02--8/03			
Invoice#: One (1)		Phase(s) covered by this invoice: Phases 1, 2, & 3			
Section	A Activity	B Maximum Allowable from Final Finance Plan	C Invoices Amount	D Prior Requests	E **Balance
1	Construction Management	44,200	40,624	0	3,576
2	Contingency	192,500	199,215	0	-6,715
3	Driveway Approach	20,000	22,972	0	-2,972
4	Engineering Survey	50,050	50,000	0	50
5	Formation Fees	150,150	200,000	0	-49,850
6	Gas	144,375	100,000	0	44,375
7	Green Belt/Green Space	26,950	21,000	0	5,950
8	Infrastructure Cost	61,600	60,000	0	1,600
9	Legal Fees	10,000	11,500	0	-1,500
10	Organizational Cost	20,800	35,000	0	-14,200
11	Official Traffic Control Device	15,000	10,000	0	5,000
12	Parking Facilities	30,000	28,250	0	1,750
13	Project Cost	86,163	86,100	0	63
14	Public Schools	10,000	11,000	0	-1,000
15	Recreational Park Area	105,942	105,940	0	2
16	Regional Storm Water Improvements	73,344	73,444	0	-100
17	Relocation Cost	40,747	55,474	0	-14,727
18	Sanitary Sewer	35,000	65,000	0	-30,000
19	Sidewalks	47,500	67,587	0	-20,087
20	Streetscape Planting	20,000	20,000	0	0
21	Street Lights	25,000	25,105	0	-105
22	Water	19,500	19,500	0	0
TOTAL		1,286,321	1,365,211	0	-78,890

Financing Cost does not accrue interest

**The Balance Column is used for Tracking purposes only

All Invoice Payments:

- Must Be Accompanied by Receipt or Cancelled Check
- Must Reference the Project

The City of San Antonio recommends having a CPA and the Project Engineer certify invoices submitted by developers.

CERTIFICATION: I certify that to the best of my knowledge and belief the data above and supporting documentation attached are correct and that all outlays were made in accordance with the terms of the Development Agreement, plats, & construction plans; and that payment is due and has not been previously reimbursed.	Signature of Certifying Financial Official	Signature of Certifying Engineer
	_____ Typed or printed Name and Title	_____ Typed or printed Name & Title
	John Doe, CPA	John Smith, Engineer
	DATE: _____	DATE: _____

Reimbursement for TIRZ Expenses

Project Name:		Period covered by this invoice:			
Invoice#:		Phase(s) covered by this invoice:			
Section	A Activity	B Maximum Allowable from Final Finance Plan	C Invoices Amount	D Prior Requests	E **Balance
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
TOTAL					

Financing Cost does not accrue interest
 **The Balance Column is used for Tracking purposes only
 All Invoice Payments:
 Must Be Accompanied by Receipt or Cancelled Check
 Must Reference the Project

The City of San Antonio recommends having a CPA and the Project Engineer certify invoices submitted by developers.

CERTIFICATION:	Signature of Certifying Financial Official	Signature of Certifying Engineer
I certify, that to the best of my knowledge and belief, the data above and supporting documentation attached are correct and that all outlays were made in accordance with the terms of the Development Agreement, plats, & construction plans; and that payment is due and has not been previously reimbursed.	_____ Typed or printed Name and Title:	_____ Typed or printed Name & Title:
	_____ Signature:	_____ Signature:
	_____ DATE:	_____ DATE:

(SAMPLE) Reimbursement for TIRZ Expenses

Project Name: NAD Residential TIRZ	Period covered by this invoice: 12/02--8/03
Invoice #: One (1)	Phase covered by this invoice: Phases 1,2, & 3

Section 1	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Site Work						
Dirt Movers Inc.	00451364		1520	10,000		Ck# 2140
Dirt Movers Inc.	145246		1555	22,000		Ck# 2141
Dirt Movers Inc.	783581		1600	2,500		Ck# 2142
Dirt Movers Inc.	891771		1680	1,124		Ck# 2142
Dirt Movers Inc.	157863146		1685	5,000		Ck# 2144
Total		44,200		40,624	3,576	

Reimbursement for TIRZ Expenses

Project Name:	Period covered by this invoice:
Invoice #:	Phase covered by this invoice:

Section 1	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Site Work						
Total						

(SAMPLE) Reimbursement for TIRZ Expenses

Project Name: NAD Residential TIRZ	Period covered by this invoice: 12/02--8/03
Invoice #: One (1)	Phase covered by this invoice: Phases 1,2, & 3

Section 2 Streets & Approaches	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
NAD Contractors	00451364		2020	\$165,000		Ck# 2523
Total		\$192,500		\$165,000	\$27,500	

Reimbursement for TIRZ Expenses

Project Name:	Period covered by this invoice:
Invoice #:	Phase covered by this invoice:

Section 2 Streets & Approaches	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Total						

(SAMPLE) Reimbursement for TIRZ Expenses

Project Name: NAD Residential TIRZ	Period covered by this invoice: 12/02—8/03
Invoice #: One (1)	Phase covered by this invoice: Phases 1,2, & 3

Section 3 Parkway	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Fast City Contractors	3574216		123	\$10,000		Ck# 8989
			456	\$4,500		Ck# 8989
			789	\$5,500		Ck# 8989
Total		\$20,000		\$20,000	\$0.00	

Reimbursement for TIRZ Expenses

Project Name: NAD Residential TIRZ	Period covered by this invoice: 12/02—8/03
Invoice #: One (1)	Phase covered by this invoice: Phases 1,2, & 3

Section 3 Parkway	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Total						

EXHIBIT E

City of San Antonio's Discretionary Contracts Disclosure Form

**City of San Antonio
Discretionary Contracts Disclosure**

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity that is a party to the discretionary contract.

(2) Identify any individual or business entity which is a partner, parent or subsidiary business entity of any individual or business entity identified above in Box (1).

No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

(3) Identify any individual or business entity that would be a subcontractor on the discretionary contract.

No subcontractor(s); or

List subcontractors:

(4) Identify any lobbyist or public relations firm employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.

No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

¹ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions
 List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made to any *current or former member of City Council*, any *candidate for City Council*, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under Box (1), (2), (3), or (4) above, or by the officers/owners of any business entity listed in Box (1), (2), or (3).

No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:

(6) Disclosures in Proposals
 Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code) (conflicts of interest) by participating in official action relating to the discretionary contract.

Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed, whichever occurs first.

Signature:	Title: Company or D/B/A:	Date:
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² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

EXHIBIT F

Example of Public notice to Satisfy Competitive Bidding Requirement

To be published in a periodical of common circulation within Bexar County at least twice with a minimum interval between notices of one week.

MORTGAGE NOTE BUYERS 492

WE BUY NOTES
Top Dollar - Fast Service
828-3573

CASH
For Your Real Estate Notes
Earl Sampson... 349-0723

MONEY WANTED 494

INVESTOR WANTED!
BEAT THE STOCK MARKET!
Earn 12-15% on your money
in 45 days or less Guaranteed!
SECURED BY PRIME S.A. Real Estate, 14yrs exp.
Call Richard 854-4289
AmericanHomeBuyer.net

NEED \$2,800 FOR SURGERY.
Need ASAP. Please call
210-666-0888, ask for Cheryl

OIL AND GAS PROPOSITIONS 496

I want to purchase producing oil & gas, minerals & royalty. 210-414-4210

500 ANNOUNCEMENTS



- Funeral Notices 500
- In Memoriam 502
- Special Prayers 504
- Card of Thanks 506
- Floral/Flowers 508
- Food For Family 510
- Cemetery Lots 512
- Monument/Statuary 514
- Funeral/Cremation Services 516
- SEE METRO SECTION FOR ABOVE SERVICES
- Special Notices 522
- Adoptions 524
- Personals 526
- Dating Services/Clubs 527
- Resorts/Club Memberships 529
- Travel Opportunities 532
- Political Notices 534
- Lodge Notices 536
- Business Personals 538
- Professional Directory 542
- Miscellaneous 546
- Legal Services 549

SPECIAL NOTICES 522

HAVE AN ANNOUNCEMENT?
Want to let everyone know? Run it in the San Antonio Express-News. Just call 250-2345.

OUTH SAN/West Campus
5th class of '83 looking for Classmates. Adrian 479-8372

DATING SERVICES/CLUBS 527

DATEMAKER
Find hundreds of ads from local singles in the Express-News every Wednesday in Live, Friday's Weekend, and the Sunday Star.
Listen to the ads now, by

BUSINESS PERSONALS 538

LOOK
Aahhhh MASSAGE/JACUZZI
Relaxation Stress Reduction,
Lt Touch 10am-Midnight
Ginger MT4617 930-6260

LOOK
DAY SPA OF TEXAS
NEW LOCATION 530-5000
Body Rubs/Adult Enter
341-1681 CC'S OK

LOOK
DAY SPA OF TEXAS
NOW OPEN 344-1900
Body Rubs/Adult Enter
979-8889 CC'S OK

LOOK
ESSENTIAL TOUCH
FREE SESSION
Lt Touch 561-0994

LOOK
EXOTICA
ADULT ENTERTAINMENT
MIA * ALYSSA 821-7010

LOOK
GRAND OPENING
NEW OWNERS/NEW MODELS
\$25 LT. TOUCH or 2 for 1
SESSION SPECIAL 699-8781

LOOK

LOOK
ALLURING Lt Touch
by Jennifer
10am-8pm 514-3424

LOOK
Pure-Relaxation
LT TOUCH+LINGERIE
Major CCs 340-0137

VISIONS
Lingerie Bikini Models
NEW Models \$10 off w/lt
10a-9p Sat 11a-9p
*** 654-8108 ***
In 10 days New Location

LOOK
ABSOLUTELY ALLURING
ADULT ENTERTAINMENT
Bitters/281 496-2999

LOOK
***DESTINY* SADIE**
Lingerie Rubs. \$60 1/2 hr
882-6510 Alexis

LOOK
DREAMTIME TINA
Jacuzzi * Lt Touch
11a-9p * 541-9943

LOOK
EXQUISITE LT TOUCH
We Support Our Troops
366-9058 Adrianna*Ann

LOOK
FLAT RATE
BODY RUBS+Lt Touch
979-6224

LOOK
LATE HOURS
Lt Touch+Adult Enter
541-9501

LOOK
NEW MANAGEMENT
BODY RUBS+LITE TOUCH
541-8204

BUSINESS PERSONALS 538

VERONICA
Adult Entertainment
747-0928

LT Touch Specials
830 646-6084 JCYNDA

600 LEGALS



Bids & Proposals 600
Legals 650

BIDS & PROPOSALS 600
INVITATION FOR BIDS
Sealed bids will be received by Lucas & Associates, L.P. to provide and install storm windows with full solar screens and miscellaneous repair work on approximately 1600 existing windows at Oak Manor Apartments, 2330 Austin Highway and Oak Village Apartments, 2334 Austin Highway, San Antonio, TX 78218. Bonding and Davis-Bacon Wages will be required of the Contractor. Bid documents and specifications may be obtained at the office of Lucas & Associates, L.P., 301 S. Frio, Suite 460, San Antonio, TX 78207. (Phone: 270-4665).
Deadline for submitting written bids is 3:00 p.m.

REQUEST FOR BIDS
HLH Development, L.P. is requesting bids for the clearing and disposal of brush, debris, trees, etc. on an approximate 133 acres "Mission Creek" subdivision. Also the scope of work will include the disposing of any existing debris/trees etc. that have been cut and are still on site. Site plans are available at the office of SEDA CONSULTING ENGINEERS, INC., 2939 Mossrock, Suite 225, San Antonio, Texas 78230. Bids will be received in the office of SEDA CONSULTING ENGINEERS, INC., 2939 Mossrock, Suite 225, San Antonio, Texas 78230, and will be publicly opened and read aloud at 1:00 P.M. on Thursday, May 15, 2003.

REQUEST FOR BIDS
HLH Development, L.P. is requesting bids for the clearing and disposal of brush, debris, trees, etc. on an approximate 17 acre "Mission Creek/Cove" subdivision. Also the scope of work will include the disposing of any existing debris/trees, etc. that have been cut and are still on site. Site plans are available at the office of SEDA CONSULTING ENGINEERS, INC., 2939 Mossrock, Suite 225, San Antonio, Texas 78230. Bids will be received in the office of SEDA CONSULTING ENGINEERS, INC., 2939 Mossrock, Suite 225, San Antonio, Texas 78230, and will be publicly opened and read aloud at 1:00 P.M. on Thursday, May 15, 2003.

800 REAL ESTATE & RENTALS



- Real Estate Notices 800
- Condos/Duplexes/Townhomes/Apts 803
- Historical Homes 806
- Homes Downtown 809
- Homes North Central 812
- Homes Northeast 815
- Homes Northwest 818
- Homes South Central 820
- Homes Southeast 821
- Homes Southwest 824
- Lots 830
- Surrounding Areas 833
- Hill Country 836
- Hunting Property for Sale 837
- Waterfront Property 838
- Resort Property 839
- Acreage 842
- Farms/Ranches 845
- Property Out of Area/State 848
- Real Estate Wanted 850
- Lease/Option To Buy 851
- Real Estate Exchange 854
- Office Space 857
- Lease/Sale 857
- Retail Space 860
- Lease/Sale 860
- Warehouse/Storage Space 862
- Commercial Property For Lease 863
- Commercial Property For Sale 864
- Industrial Property For Lease 865
- Industrial Property For Sale 866
- Investment Property 869
- Manufactured Homes 871
- Manufactured Home Sites 872
- Miscellaneous 873

- RENTALS**
- Condos 875
 - Downtown 875
 - Apts/Condos 876
 - North Central 876
 - Apts/Condos 877
 - Northeast 877
 - Apts/Condos 878
 - Northwest 878
 - Southeast 879
 - Apts/Condos 880
 - Southwest 880
 - Duplexes/Townhomes 881
 - Furnished Rentals 882
 - Corporate Rentals 883
 - Homes Downtown 884
 - Homes North Central 885
 - Homes Northeast 886
 - Homes Northwest 887
 - Homes Southeast 888
 - Homes Southwest 889
 - Rooms 890
 - Part of Town Property 891
 - Resort Property 892
 - Rental Wanted 893
 - Roommates Wanted 894
 - Manufactured Home & Sites 895

REAL ESTATE NOTICES 800

ATTENTION AVOID FORECLOSURE
We buy homes due to divorce, moving, financial problems, etc. Call
698-5050

INVESTOR WANTED!
BEAT THE STOCK MARKET!
Earn 12-15% on your money in 45 days or less Guaranteed!
SECURED BY PRIME S.A. Real Estate, 14yrs exp.
Call Richard 854-4289
AmericanHomeBuyer.net

LOOK
ATTENTION!
RICK Buys Houses Fast!
I buy when others say "No."
5 INSTANT CASH
Avail. 210-491-2728

New Company Looking to Lease or Buy Houses in SA Area. Any Price, Any Condition! We have a program to take over existing and/or make back payments. 210-258-4087

WE BUY UGLY HOUSES.
WE ARE LOCAL!
1-800-44-BUYER

CASH For Homes, any price, cond, or sz. Pre-foreclosure, no equity, rentals, job loss, probate, or just to sell-fast, no fees. Tom: 496-9550

I BUY HOMES Any Cond/ Area. For quick E-Z cash. Usually in 1 day. Harold 342-5481

NON-Qualifying Assum.
Move-in within 10 days! Quick Closing. VA/HUD Homes. Call Mr. Banks, 509-7199. Agent

CASH FOR YOUR HOUSE ANY CONDITION
CALL CENTURY 21 DAVALOS 573-3560

I BUY HOUSES
Late Pmts Or No Equity OK
Stop Foreclosure
Jack (210)494-9981

FAST CASH
Sell Your House in 48 hrs.
Any Situation OK!
210-491-6776

LOOKING for an investor, own several houses, need a loan, lots of equity, great return. Larry 325-2272.

SPECIAL PROGRAM
Needed 20 families w/ bad credit wanting to buy homes. Call 210-479-0063

NEED TO SELL YOUR HOME LIGHTNING FAST?
CALL ALEX AT... 823-7496

BEFORE YOU SELL YOUR HOME FOR LESS,
CALL ALEX AT... 823-7496

ABSOLUTE TOP \$\$ Paid for Houses in any cond., any neighborhood. 863-4235

NEED TO sell your home fast?
We can buy your home in 9 days or less. call 365-9406.

WE BUY HOUSES
No Equity OK
698-3203

Save your credit!
I buy fixer uppers.
Call John 521-1434.

WE BUY HOUSES
ANY CONDITION TOP \$!
210-771-3935

I Buy homes-60K-150K, paying up to 80% of appraisal, Jeff 573-4641

IN FORECLOSURE? WANT OUT? START OVER!
Jeff 573-4641

CONDOS/DUPLEXES & TOWNHOMES/APTS. 803

Exhibit G

Project Costs Eligible for Reimbursement

Reimbursable Expense	Eligible Cost
Water/Impact Fees/Meter	\$ 111,000
Sewer/Impact Fees	\$ 25,000
Fire Line	\$ 11,000
Electrical	\$ 59,000
Drives	\$ 30,513
Sidewalks	\$ 25,723
Lighting	\$ 35,000
Landscape/Irrigation	\$ 36,000
TOTAL	\$ 333,236
Architectural/Engineering Fee @ 6%	\$ 19,994
TOTAL	\$ 353,230
Use of funds @ 3.5%	\$ 26,193
TOTAL INFRASTRUCTURE COST	\$ 379,423
TIRZ Application Fee	\$ 31,000
TOTAL REIMBURSIBLE EXPENSE	\$ 410,423