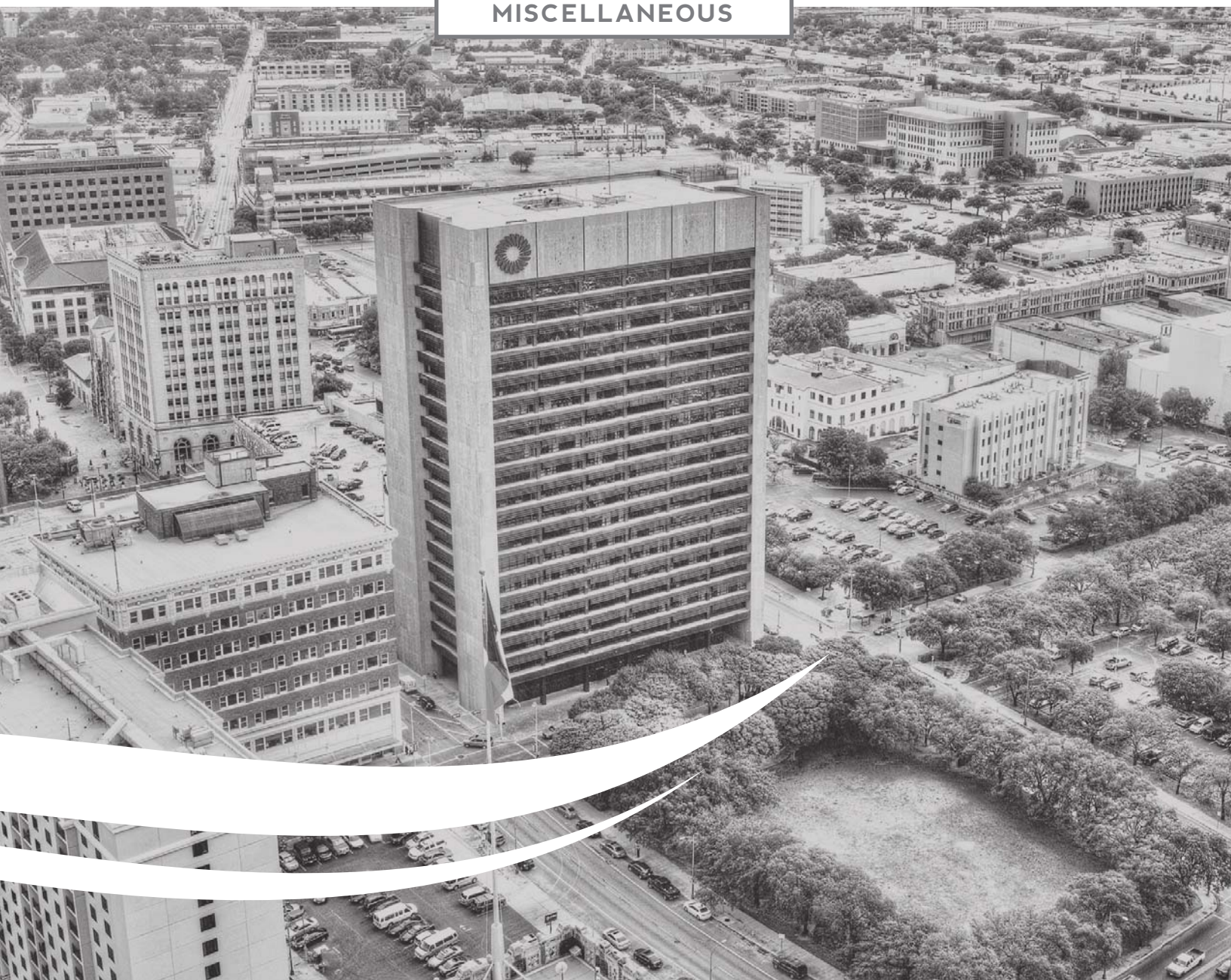
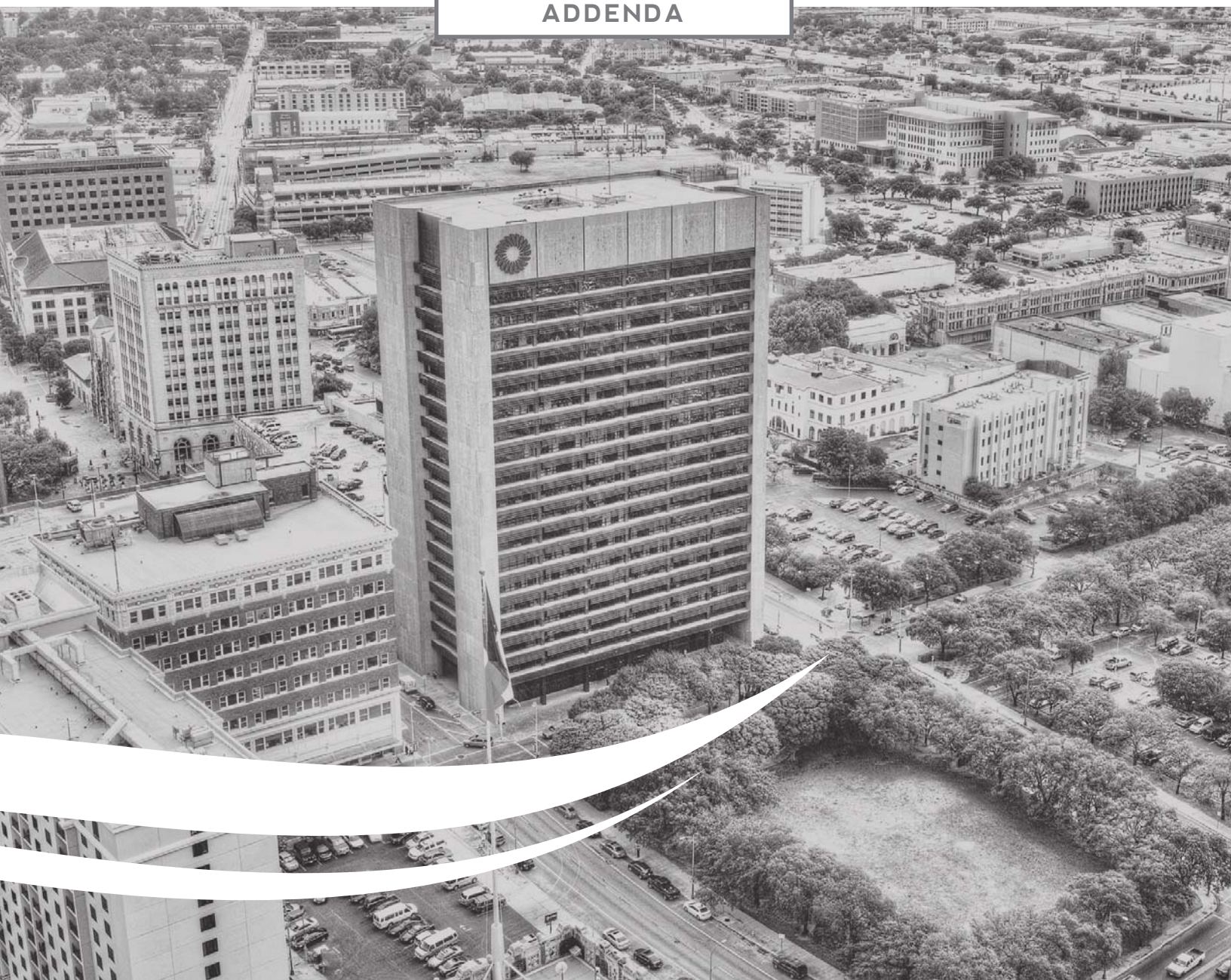
MISCELLANEOUS



Miscellaneous

[This Tab Section does not contain any additional information.]

ADDENDA



June 25, 2014

CONFIDENTIAL

Ms. Debbie Racca-Sittre
Assistant Director – Support Services
Transportation and Capital Improvements Department
City of San Antonio
PO Box 839966
San Antonio, TX 78283-3966

Subject: Pre-Proposal Letter – Unsolicited Public-Private Partnership Project

Dear Ms. Racca-Sittre:

The following is a Pre-Proposal Letter for a public-private partnership project being submitted in accordance with the City of San Antonio's Public Private Partnership Guidelines (the "**P3 Guidelines**").

This is a non-binding, joint proposal from Weston Urban ("**Weston Urban**") and Frost Bank ("**Frost**") to the City of San Antonio ("**City**").

I. Summary and Benefits of Proposed Project

Weston Urban proposes to collaborate with Frost and the City to (i) make available to the City a downtown high-rise building across the street from City Hall, thereby enabling the City to consolidate City offices and employees downtown in tandem with its ownership and operation of an additional city-owned parking facility; (ii) further the City's SA2020 goals of increasing downtown housing and employment through the redevelopment and improvement of real property currently owned by the City and Frost; (iii) construct a new, iconic Class A office tower (the "***New Tower***") in the urban core - the first built in over 25 years; and (iv) provide a new customer-facing and headquarters facility for Frost, one of downtown San Antonio's largest and longest standing corporate citizens ((i) – (iv) above constituting the "***Project***" for purposes hereof).

Consolidation and Public Parking. As contemplated, Frost will sell the existing Frost Bank Tower and parking facilities located at 100 West Houston Street (the "***Existing Frost Facilities***") to the City to allow the City to centralize City employees, which is expected to reduce expenses and improve operational efficiencies. The Project proposes to consolidate the overwhelming majority of the City's downtown footprint into a single building owned by the City and located across the street from City Hall and the Council Chambers. The City currently has short-term leases in at least five separate downtown buildings. The proposed consolidation would serve to greatly mitigate the City's lease renewal risk, rental rate exposure, and

#192431v2

uncertainty with respect to future space needs, while reducing operational expenses. In addition, the parking facilities included in the Existing Frost Facilities would add much needed City-owned public parking along Houston Street in the northwest quadrant of downtown.

Supporting SA2020 Goals. Weston Urban's commitment to redevelop under-utilized properties in the urban core will further the City's SA2020 goals and will materially amplify the impact of the community's public investments in downtown, including the Museum Reach of the San Antonio River, the San Pedro Creek improvements, West Houston Street and the Main Street/Soledad Street corridor. Altogether, the Project would facilitate the addition of approximately 300 new housing units in the urban core.

In furtherance of these objectives and as part of the Project, Weston Urban will acquire the following City-owned properties, as shown on **Exhibit A** (the "***City Real Estate***"), for future redevelopment:

A. The Municipal Plaza Building (114 West Commerce Street)

   i. The City would retain control of the existing City Council Chambers and supporting first floor areas via a leasehold interest or, in the alternative, City ownership could be preserved through the creation of a condominium regime for the building. In addition to a portion of the lobby and elevator spaces to service the upper floors of the building, Weston Urban and City may agree that Weston Urban would also acquire a portion of the first floor to be converted into a retail use.

   ii. The remainder of the building would be redeveloped taking into account the constraints of the existing building, the City's occupancy and other factors.

B. The former Continental Hotel building (322 West Commerce) and rear parking lot (presently occupied by Metro Health Department).

C. The City property located along the east side of Main Street, between Travis Street and Houston Street.

D. The City-owned parking lot located along Pecan Street, at the southwest corner of its intersection with Flores Street.

E. The City property located at 319 West Travis.

In connection with the Project, Frost will also sell its other downtown properties to Weston Urban, including the property upon which the New Tower will be constructed, as shown on **Exhibit B**.

The New Tower. As part of the Project, Weston Urban will develop an approximately 400,000 square foot Class A high-rise office tower, including approximately 250,000 square feet for a new Frost corporate headquarters as anchor tenant. The New Tower is anticipated to be located on the block bounded by Houston, North Flores, Travis and Cameron Streets. The iconic New Tower will not only symbolize Frost's long-standing heritage in San Antonio, but will also deliver the modern, Class A space that is essential to recruit additional corporate employers to the City's urban core. Not since the late 1980's has there been a new high-rise

downtown office tower. As the Decade of Downtown nears its mid-point, a new addition to the City's skyline will play a pivotal role in keeping San Antonio competitive with Texas' other vibrant municipalities.

Frost. Frost has been an integral part of and instrumental to the downtown community since 1868. With the execution of a long-term lease in the New Tower, Frost will solidify and reinforce its long-standing commitment to downtown San Antonio.

II. General Summary of Financial Terms

A. The Existing Frost Facilities will be sold to the City for its appraised value established pursuant to an independent third-party appraisal.

B. Weston Urban will acquire the City Real Estate from City for its appraised value established pursuant to an independent third-party appraisal.

C. Weston Urban will be responsible for the acquisition of property and development of the New Tower. Weston Urban anticipates receiving project development incentives for the New Tower. Likewise, development of the other Frost real estate and redevelopment of the City Real Estate may also require assistance on a case-by-case basis as they occur. These incentives will be outlined in a detailed proposal if the City invites such a proposal in response to this letter.

III. Phasing of Project

This project proposal is subject to the P3 Guidelines, and Weston Urban and Frost seek to submit a detailed proposal that will include further information regarding project phasing and timing. Should the City invite a detailed proposal and ultimately decide to move forward, Weston Urban and Frost seek to expeditiously negotiate and finalize project agreements with the City that provide for the following:

A. Upon Weston Urban closing on construction financing for the New Tower, the City will acquire the Existing Frost Facilities. If desired by the City, Weston Urban would also simultaneously acquire the City Real Estate, allowing the City to fund a portion of the purchase price for the Existing Frost Facilities using its proceeds from the sale of the City Real Estate. Alternatively, if the City does not elect for Weston Urban to acquire the City Real Estate contemporaneously with the City's acquisition of the Existing Frost Facilities, the City would convey to Weston Urban the City Real Estate upon substantial completion of the New Tower and termination of the Master Lease referenced below.

B. Commencing upon City's acquisition of the Existing Frost Facilities, City and Frost will enter into a master lease of the Existing Frost Facilities (the "***Master Lease***"). The Master Lease will run until the New Tower has been completed and is available for occupancy. Frost will pay rent to the City equal to the amount that the City would incur in debt service costs if it were to finance the purchase of the Existing

Frost Facilities. This will permit Frost and existing office tenants to maintain operations in the Existing Frost Facilities without interruption in the existing location prior to the opening of the New Tower while eliminating any out-of-pocket financing costs for the City associated with the period prior to its right to occupy the Existing Frost Facilities.

C. If, pursuant to Paragraph A above, Weston Urban acquires the City Real Estate upon closing on the construction financing for the New Tower, then upon such acquisition Weston Urban would lease the Municipal Plaza Building, 319 West Travis, and the former Continental Hotel Building back to City at a rental amount calculated to compensate Weston Urban for its carrying and operational costs during the period of the City's occupancy. This lease would run until such time as the City is able to relocate out of these buildings and into the Existing Frost Facilities.

D. Preliminary Project Schedule - See **Exhibit C**

IV. Project Team and Financial Capabilities

Weston Urban was founded in 2012 by Rackspace's CEO and Chairman Graham Weston, and Randy Smith, Rackspace's former Vice President of Real Estate, with the purpose of revitalizing San Antonio's urban core. The team currently owns or controls in excess of 600,000 square feet of downtown high-rise office space along with over six acres of vacant or underutilized parcels in the northwest quadrant of downtown and has collectively developed over one million square feet of corporate headquarters across the globe. Weston Urban anticipates that the development of the New Tower will likely cost in excess of $100 million. Weston Urban has the financial capabilities necessary to develop this project.

Frost Bank, a wholly-owned subsidiary of Cullen/Frost Bankers, Inc., was established in 1868 in San Antonio. It is the largest Texas-based banking company that operates only in Texas, with approximately 4,000 employees statewide. Cullen/Frost today is a $25 billion financial services company, with 122 locations in all the key markets of Texas, offering banking, investments and insurance to Texans in the San Antonio, Austin, Corpus Christi, Dallas, Fort Worth, Houston, Midland/Odessa and Rio Grande Valley regions. Frost's headquarters has been located in downtown San Antonio since its founding, and it remains committed to maintaining an active and vibrant presence in this area of the City and to continuing to serve this community.

V. P-3 Process and Joint Information Needs

Should the City invite a detailed proposal in response to this Pre-Proposal Letter, additional information may be helpful for preparing the formal proposal, including but not limited to: (1) information on existing City leases/uses in current buildings; (2) the City's assumptions regarding City office relocations and space planning needs; and (3) estimates of potential City parking revenue at Frost Bank parking facility (after expiration of the Master Lease), if purchased.

We appreciate the interest of the City of San Antonio with respect to this unique opportunity for the City and its citizens, and in particular downtown San Antonio. Please do not hesitate to contact Randy Smith at randy@westonurban.com if you have any questions or concerns.

Randy Smith, President
Weston Urban, LLC

Richard Evans, Chairman/CEO
Frost Bank

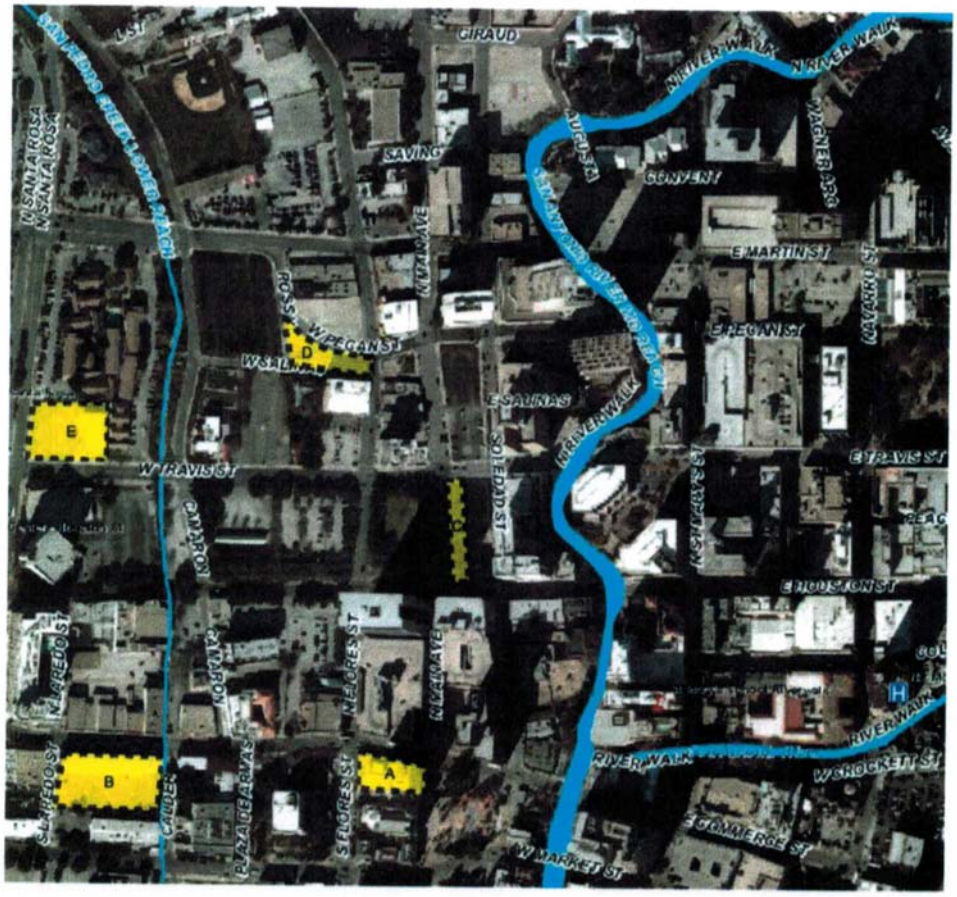
Copies to:
Sheryl Sculley, City Manager
Lori Houston, Director, Central City Development and Operations Department

Schedule of Exhibits:

Exhibit A – City Real Estate
Exhibit B – Frost Real Estate
Exhibit C – Preliminary Project Schedule

EXHIBIT A

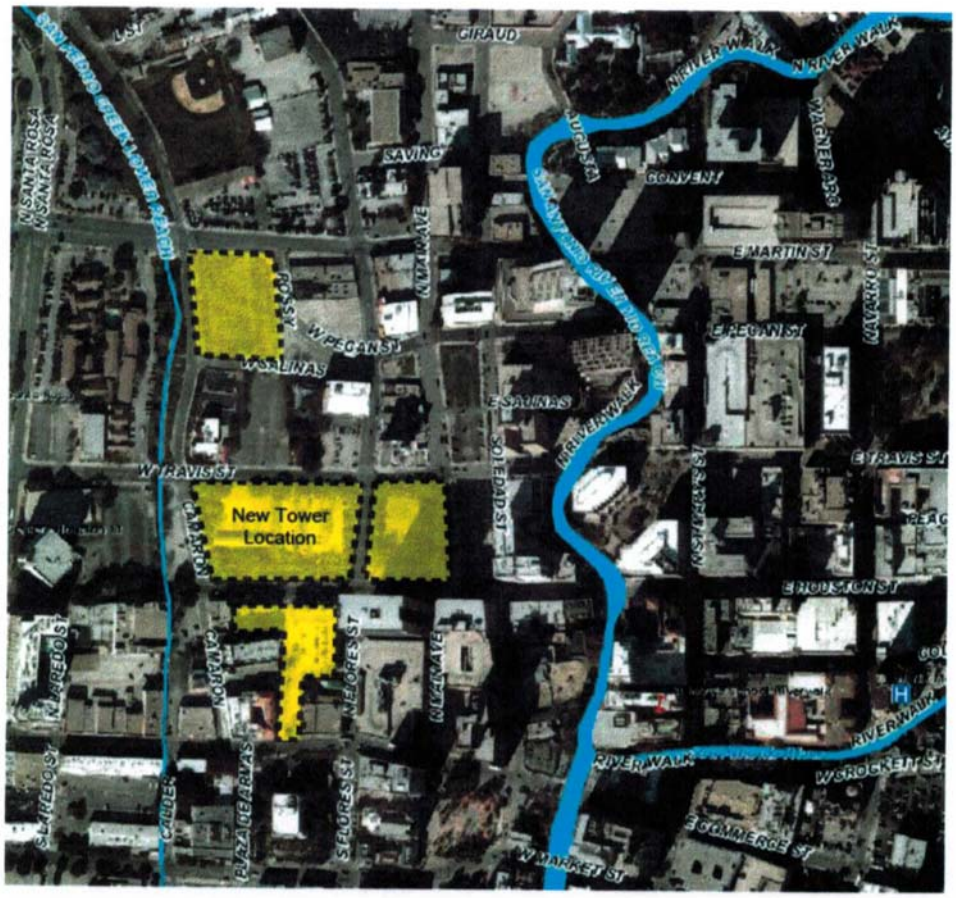
City Real Estate



#195192v3F

EXHIBIT B

Frost Real Estate



#195192v3F

EXHIBIT C

Preliminary Project Schedule

Step	Project Activity	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18
1	Finalize Transaction Terms [1]																
2	New Tower Design																
3	New Tower Construction Loan Closing																
4	Property Closings [2]																
5	Leasebacks Commence [3]																
6	New Tower Construction																
7	Relocations and Leaseback Terminations [4]																

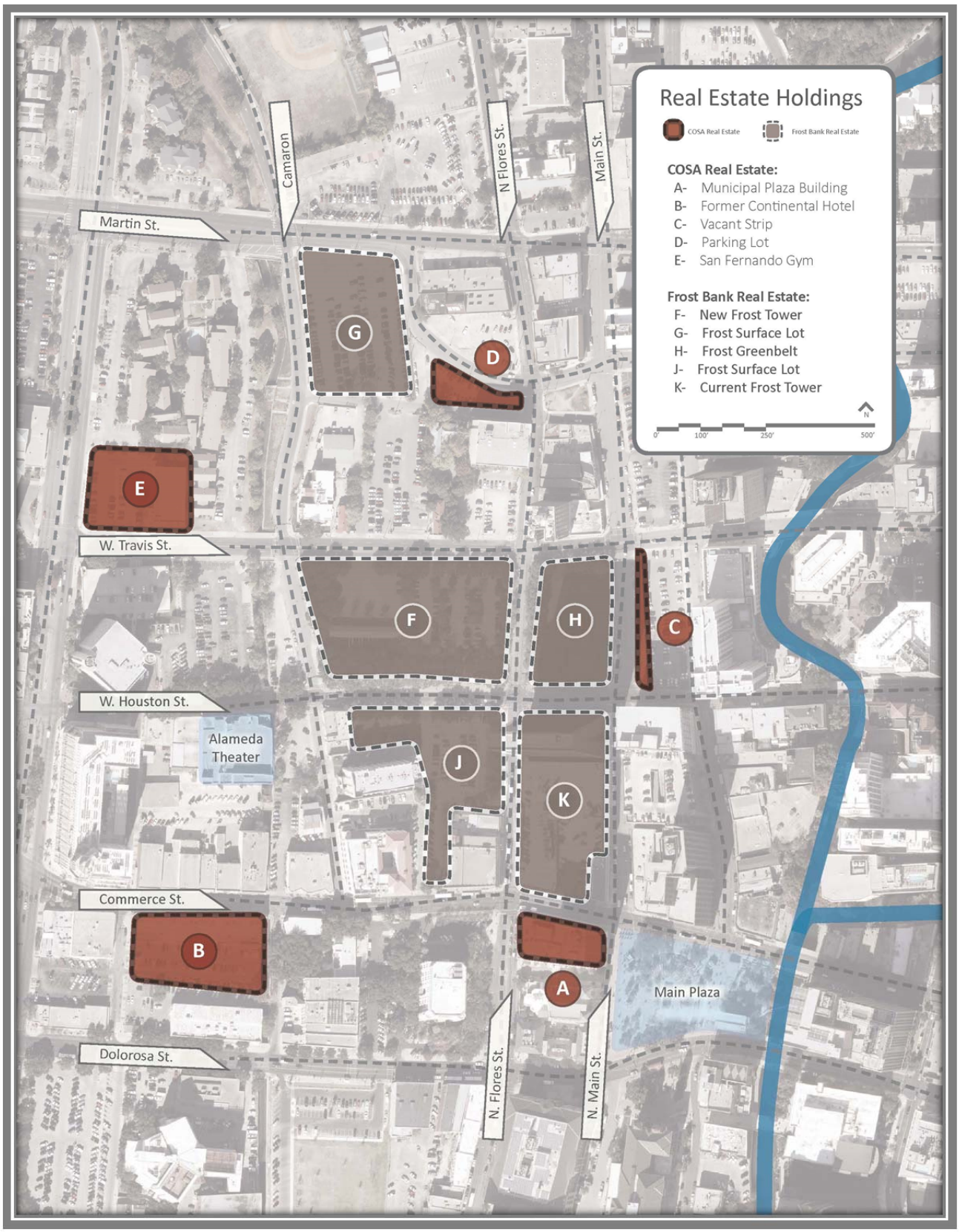
Footnotes

(1) Includes proposal submissions to Council, drafting of the various purchase and sale, development and lease agreements, and final Council approval.

(2) Weston Urban purchases New Tower property. At City's option, Weston Urban purchases City Real Estate. City purchases Existing Frost Facilities.

(3) If City elects to sell City Real Estate to Weston Urban in Step 4, City's leaseback of Municipal Plaza, former Continental Hotel and 319 W Travis commence. In addition, Frost's leaseback of Existing Frost Facilities commences.

(4) Frost relocates into New Tower and leaseback with City of Existing Frost Facilities terminates. City relocates to Existing Frost Facilities and, if applicable, City's leasebacks of Municipal Plaza, former Continental Hotel and 319 W Travis terminate. If City did not elect to sell City Real Estate in Step 4, Weston Urban purchases City Real Estate.


Real Estate Holdings
COSA Real Estate
Frost Bank Real Estate
COSA Real Estate:
A- Municipal Plaza Building
B- Former Continental Hotel
C- Vacant Strip
D- Parking Lot
E- San Fernando Gym
Frost Bank Real Estate:
F- New Frost Tower
G- Frost Surface Lot
H- Frost Greenbelt
J- Frost Surface Lot
K- Current Frost Tower
N
0'
100'
250'
500'
Camaron
N Flores St.
Main St.
Martin St.
W. Travis St.
W. Houston St.
Alameda Theater
Commerce St.
Dolorosa St.
N. Flores St.
N. Main St.
Main Plaza
A
B
C
D
E
F
G
H
J
K

#195192v4

City of San Antonio Occupancy Cost Analysis

Current Occupancy

[redacted]

City of San Antonio Occupancy Cost Analysis

Current Occupancy

[redacted]

City of San Antonio Occupancy Cost Analysis

Current Occupancy

[redacted]

City of San Antonio Occupancy Cost Analysis

Current Occupancy

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

City of San Antonio Occupancy Cost Analysis

Summary

[redacted]

PAPE-DAWSON ENGINEERS

LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING

August 6, 2014

Mr. Heath Cover
Weston Urban
112 E. Pecan, Suite 100
San Antonio, TX 78205

Via Email: [redacted]

Re: Weston Urban
Downtown Utility Infrastructure
San Antonio, Texas

Dear Mr. Cover:

Per your request, we have reviewed the properties indicated below and shown on the attachments hereto with respect to public utility facilities.

A. Municipal Plaza Building
B. Former Continental Hotel
C. Vacant strip of land at the northeast corner of Houston and Main
D. Existing parking lot at the northwest corner of Flores and Salinas
E. San Fernando Gym
F. New Frost Tower location at northwest corner of Houston and Flores
G. Existing Frost parking lot at the southwest corner of Martin and W. Pecan
H. Frost greenbelt at the northeast corner of Houston and Flores
J. Existing Frost parking lot at the southwest corner of Houston and Flores
K. Existing Frost tower at the northeast corner of Commerce and Flores

Given the proposed uses you provided Pape-Dawson for the redevelopment of the individual parcels, we reviewed the water demands for each parcel. The following is a list of estimated domestic water demand per parcel based on the proposed/intended use:

Parcel		Estimated Water Demand (EDU's)	Notes
A	Municipal Plaza	50 EDU's	Likely similar flow to current use.
B	Former Continental Hotel	60 EDU's	Assumed retail & residential use. Currently water service to bldg.
C	Vacant Strip of Land	5 EDU's	Irrigation of greenbelt.
D	Parking Lot	N/A	Assumed parking to support high density residential use on G.

SAN ANTONIO / AUSTIN
HOUSTON / FORT WORTH / DALLAS

2000 NW Loop 410 San Antonio, Texas 78213
P 210.375.9000 F 210.375.9010 www.pape-dawson.com

#195192v4

Parcel		Estimated Water Demand (EDU's)	Notes
E	San Fernando Gym	50 EDU's	Assumed high density residential use. Currently water service to bldg.
F	New Frost Tower	105 EDU's	New 400k office tower – building will likely have fire pump
G	Existing Frost Parking Lot	100 EDU's	Assumed high density residential use
H	Frost Greenbelt	5 EDU's	Small retail use, restrooms, and irrigation of greenspace.
J	Existing Frost Parking Lot	50 EDU's	Assumed high density residential use
K	Current Frost Tower	N/A	No change of use

The above suggests typical water demands for downtown uses. The existing water and sewer infrastructure should be capable of providing the above flows however, flow tests must be conducted to confirm.

The following is a description of each public utility we reviewed:

Potable Water and Fire Protection

1. Most of the buildings have service on existing 8" mains (see attached "Downtown Due Diligence Aerial Exhibits" and SAWS blockmaps). There is a grid pattern surrounding most of the parcels that should be adequate for the intended uses including fire flows, assuming the City Fire Marshal allows for combining capacities from interconnecting mains.
2. The fire flow rate the City Fire Marshal will require for the new Frost Tower site (Parcel 'F') is unknown at this time. We believe a fire flow rate of 2,000-2,500 gpm should be adequate since the building will have an automated fire sprinkler system installed. A fire pump for the tower will likely be required.
3. A brief summary of existing water mains for the parcels is provided below. It is recommended that a field verification of main locations be completed prior to preliminary designs and development of the Engineering Report for securing a Utility Services Agreement.
    a. A – Existing connections to 8" mains. There is an existing 12" main along Main Ave that should provide adequate fire flows.
    b. B – Existing 24" main along Dolorosa. SAWS will likely require connection of a 12" main and manifold from this 24" main to serve the proposed development.
    c. C – The existing mains will be adequate for irrigation services.
    d. D – The existing mains will be adequate for irrigation services
    e. E – There is an existing 12" main across Santa Rosa. SAWS may require a fire line connection to this main for this parcel.

f. F – There is an existing 12" main along Houston Street. This should have adequate domestic and fire flow capacity.
g. G – There is an existing 16" main across Martin Street. SAWS will likely require connection of a 12" main and manifold from this 16" main to serve the proposed development.
h. H – The existing mains will be adequate for irrigation services.
i. J – There is an existing 12" main along Houston Street. This should have adequate domestic and fire flow capacity.

4. We suggest that fire flow tests be scheduled and completed for each of the parcels and a hydraulic model of the water distribution system be conducted. SAWS will require a detailed hydraulic modeling of the downtown water system to evaluate if the existing water infrastructure can provide the required domestic supply and fire flows within SAWS standards. The hydraulic model will model existing flows, projected flows, and fire protection and will determine if sufficient capacity exists for the intended uses. This modeling will also define what main replacements and main extensions may be necessary to provide pressures and flows to meet SAWS standards.
5. Most of the SAWS water infrastructure providing service to the various parcels is aged. Of particular concern is many of the water mains are asbestos cement pipe which, before tapping for new services, typically require removal and replacement of one entire joint of pipe. This is many times very costly and the main must be shut down to allow the main replacement to occur. Understandably, SAWS will mandate that other SAWS rate payers be inconvenienced as little as possible with shutdowns, street closures, etc. Water main extensions across existing streets will require traffic control and coordination with SAWS to minimize disruption of service to existing customers. It is anticipated that SAWS will require the connections be done after hours to minimize impacts to existing customers. Excavations within existing pavements will require significant coordination with the City of San Antonio and other utility providers.
6. New and larger services will require street cuts to be completed to service the new buildings/uses proposed (See 5. above). This can be a costly proposition given the existence of multiple utilities within the downtown right-of-ways and significant pavement repair. We anticipate being allowed to tap existing water mains and repair the affected street(s) in typical fashion, however, at the time of permitting, the City of San Antonio will ultimately determine how much of a given street must be repaved. We suggest a budget allowance of [redacted] to [redacted] for the killing of existing services and the installation of new services on the subject properties (not including impact fees).
7. A Utility Service Agreement (USA) is required if the proposed development requires more than 50 EDUs. For the downtown projects, SAWS typically requests the developer provide an hydraulic model of the existing SAWS system indicating there is sufficient capacity to serve the intended use. The USA approval process can take up to 120 days to complete.

8. SAWS requires impact fees to be paid prior to the connection of services to their water system. Fees are based on Equivalent Dwelling Units (EDUs) and the impact fee rate at the time of subdivision plat recordation. The current water impact fee for the downtown area is $3,391 per EDU but will rise to $4,597 per EDU in June 2015.
9. SAWS will "credit" a developer for service connections that will be discontinued by a developer. An analysis of the existing services currently serving each parcel (sizes, types) would be developed with information provided by SAWS. This will provide a guide on the existing service demand (EDU's) that can be re-utilized in the development of the parcels. SAWS will require payment for all disconnected services, and has a policy for the removal of existing services and replacement or relocation of similar sized services. This is a procedure that will be coordinated with SAWS during the Utility Services Agreement process and will aid in the calculation of the impact fees for the proposed development parcels. An initial review of the existing water block maps suggests that each of the parcels (except 'C' and 'K') would be candidates for this procedure. As part of the procedure, SAWS will confirm if impact fees were paid at the time of the initial connection.

Sanitary Sewer

1. All of the parcels have existing sewer mains adjacent to the properties.
2. The existing sanitary sewer siphon at Travis Street and San Pedro Creek will likely have capacity issues if the new Frost Tower is connected to the 10" main feeding the siphon. We will continue to work with SAWS to confirm the capacity of the siphon. However, we suggest that the proposed Frost Tower be served through a new connection to the 8" main at the intersection of Houston Street and Camaron. This line has more slope and crosses San Pedro Creek further to the south, nearer to the existing 30" main. Additionally, we will continue to monitor the San Pedro Creek project to determine if the San Pedro Creek improvements will necessitate SAWS reconstructing the existing siphon on Travis at the San Pedro Creek crossing.
3. We suggest avoiding connections to the 20" main along Flores Street. This main is relatively flat (slope <0.03%) in many areas.
4. All of the developed sites have connections to existing mains. The proposed land uses do not suggest that the reuse of the existing connection points would create any capacity issues.
5. Many of the existing sanitary sewer mains serving the various parcels are aged and constructed of varying materials. Of particular concern are the parcels that are served by clay pipe as clay pipe is known by SAWS to crack and break under the vibration of construction. Field verification of existing main locations adjacent to each parcel will help verify if potential for construction impacts exist. Should there be concerns on potential impacts, alternate construction methods to protect the mains, or for the replacement of the mains with minimal street excavation will be reviewed with SAWS. It is recommended to review service to each parcel at the time of construction document

preparation and, where feasible, tie the proposed sanitary sewer services to sanitary sewer mains that were constructed with materials other than clay pipe.

6. Current SAWS sanitary sewer impact fees are $1,505/EDU. Unlike the water impact fee rates, the sanitary sewer impact fees are not scheduled to increase in June 2015.
7. SAWS has a procedure to evaluate the disconnection and/or relocation of existing sewer services. An analysis of the existing services currently serving each parcel (sizes, types) would be developed with information provided by SAWS. This will provide a guide to the existing service demand (EDU's) that can be re-utilized in the development of the parcels. This is a procedure that will be coordinated with SAWS during the Utility Services Agreement process and will aid in the calculation of the impact fees for the proposed development parcels. An initial review of the existing block maps suggests that each of the parcels (except 'C' and 'K') would be candidates for this procedure. As part of the procedure, SAWS will confirm if impact fees were paid at the time of the initial connection.

Gas and Electric (CPS Energy)

1. CPS Energy has gas mains that exist in most streets within the downtown area. Depending on the gas demand for the various parcels, CPS will typically provide gas service at no charge to the developer.
2. CPS Energy has a secondary underground electric grid that services much of downtown. The grid is a reliable source of power that is redundant in nature. Customers with demand loads less than or equal to 300 kVA and with a three-phase, four-wire service voltage of 208Y/120 volts will be served from the secondary grid of the Downtown Network System. Customers with demand loads greater than 300 kVA or with service voltage of three-phase four-wire 480Y/277 volts will be required to install a transformer vault or room on or adjacent to customer's premises. The proposed Frost Tower will likely require a large service and vault construction.
3. Costs for tapping into the downtown electric systems can vary greatly depending on location and proposed use/loads. For large loads the customer must construct an underground vault for CPS Energy to place transformers in. The customer is responsible for the vault construction costs and CPS costs to provide service. It has been our experience that a large load vault service could cost up to [redacted] plus up to [redacted] of CPS charges.

We appreciate the opportunity to work with you on this important project and trust the above serves your current need. If you have any questions or additional needs, please do not hesitate to contact our office.

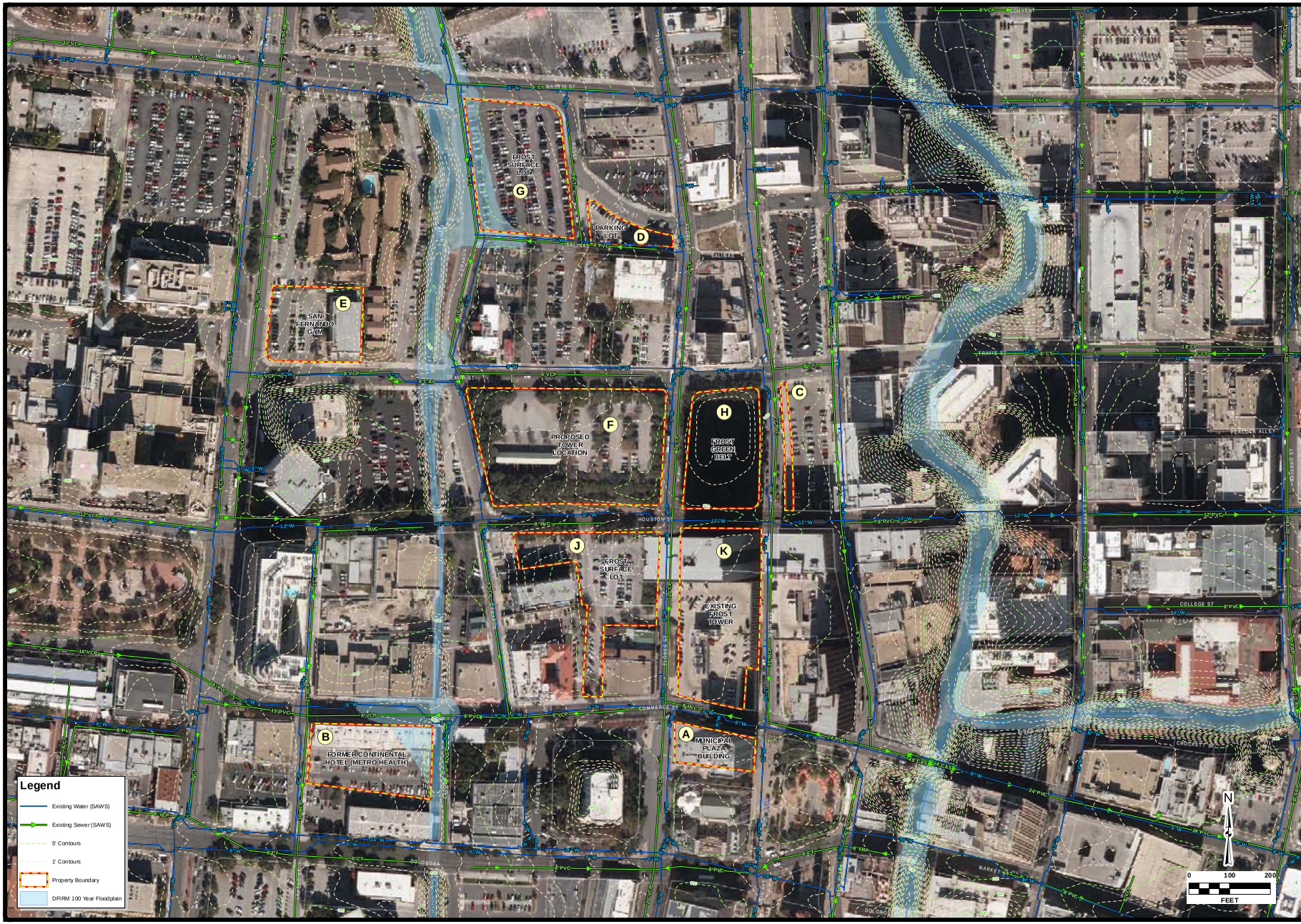
Sincerely,
Pape-Dawson Engineers, Inc.
Texas Board of Professional Engineers, Firm Registration # 470

Dennis R. Rion, P.E.
Executive Vice President

Attachments

O:\USERS\DRION\WORD\140731A1-R1-WESTON URBAN.DOCX

PAPE-DAWSON ENGINEERS



NO.	REVISION	DATE

PAPE-DAWSON ENGINEERS
555 EAST RAMSEY | SAN ANTONIO, TEXAS 78216 | PHONE: 210.375.9000 FAX: 210.375.9010
TEXAS BOARD OF PROFESSIONAL ENGINEERS, FIRM REGISTRATION # 470

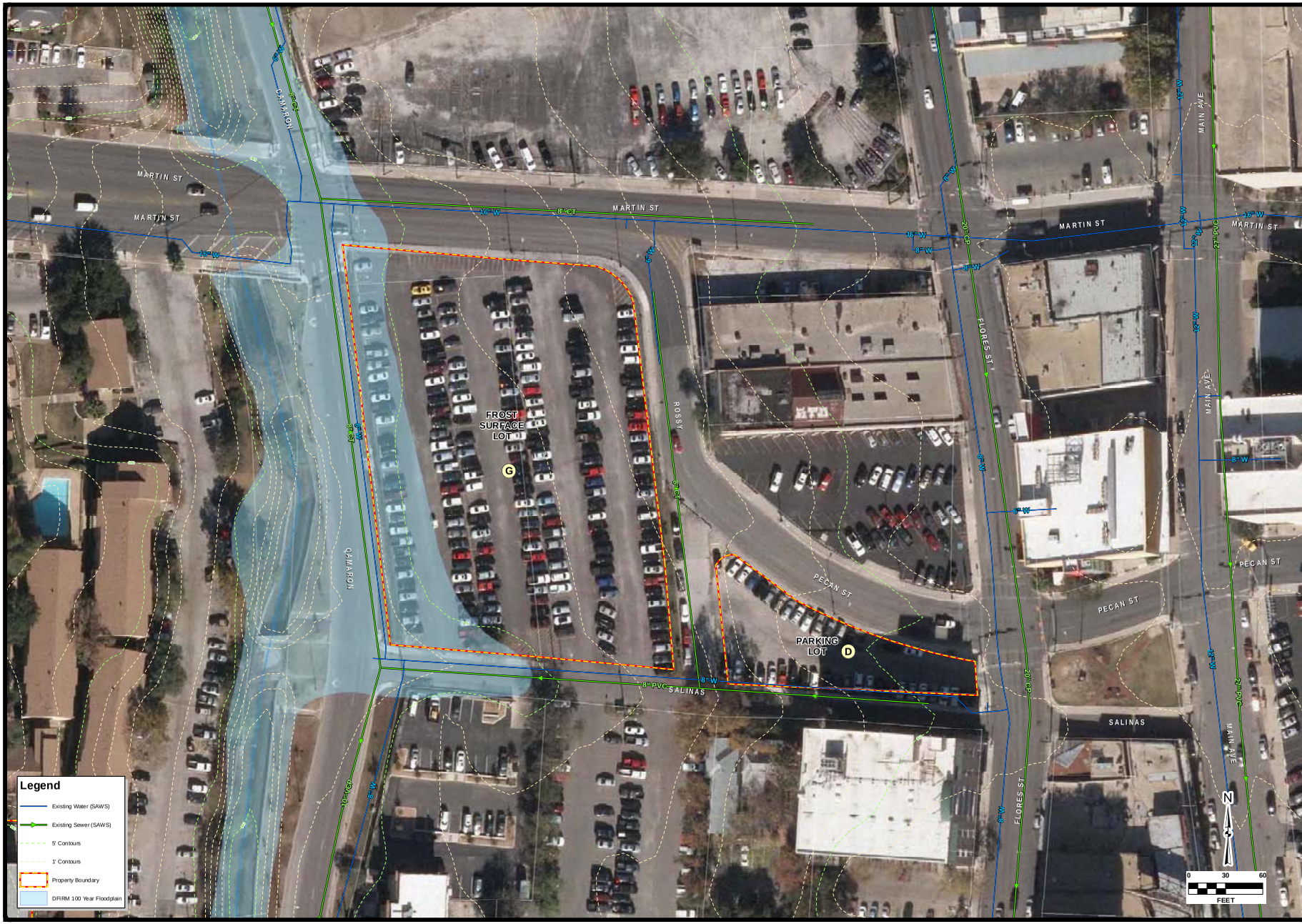
DOWNTOWN DUE DILIGENCE

AERIAL EXHIBIT
SAN ANTONIO, TEXAS

PLAT NO.	–
JOB NO.	GO
DATE	Aug 2014
DESIGNER	DR
CHECKED	DR DRAWN FG
SHEET	EX1.0

Date: Aug 05, 2014 3:39:29 PM User: fgulaine2
File: SPC2018_GIS_Users\fGulaine2_Projects\DRon\Downtown Diligence\Downtown_Diligence.mxd

THIS DOCUMENT HAS BEEN PRODUCED FROM MATERIAL THAT MAY BE STORED AND/OR TRANSMITTED ELECTRONICALLY AND MAY HAVE BEEN INADVERTENTLY ALTERED. RELY ONLY ON FINAL HARDCOPY MATERIALS BEARING THE CONSULTANT'S ORIGINAL SIGNATURE AND SEAL.



NO.	REVISION	DATE

PAPE-DAWSON ENGINEERS

555 EAST RAMSEY | SAN ANTONIO, TEXAS 78216 | PHONE: 210.375.9000 FAX: 210.375.9010

TEXAS BOARD OF PROFESSIONAL ENGINEERS, FIRM REGISTRATION # 470

DOWNTOWN DUE DILIGENCE

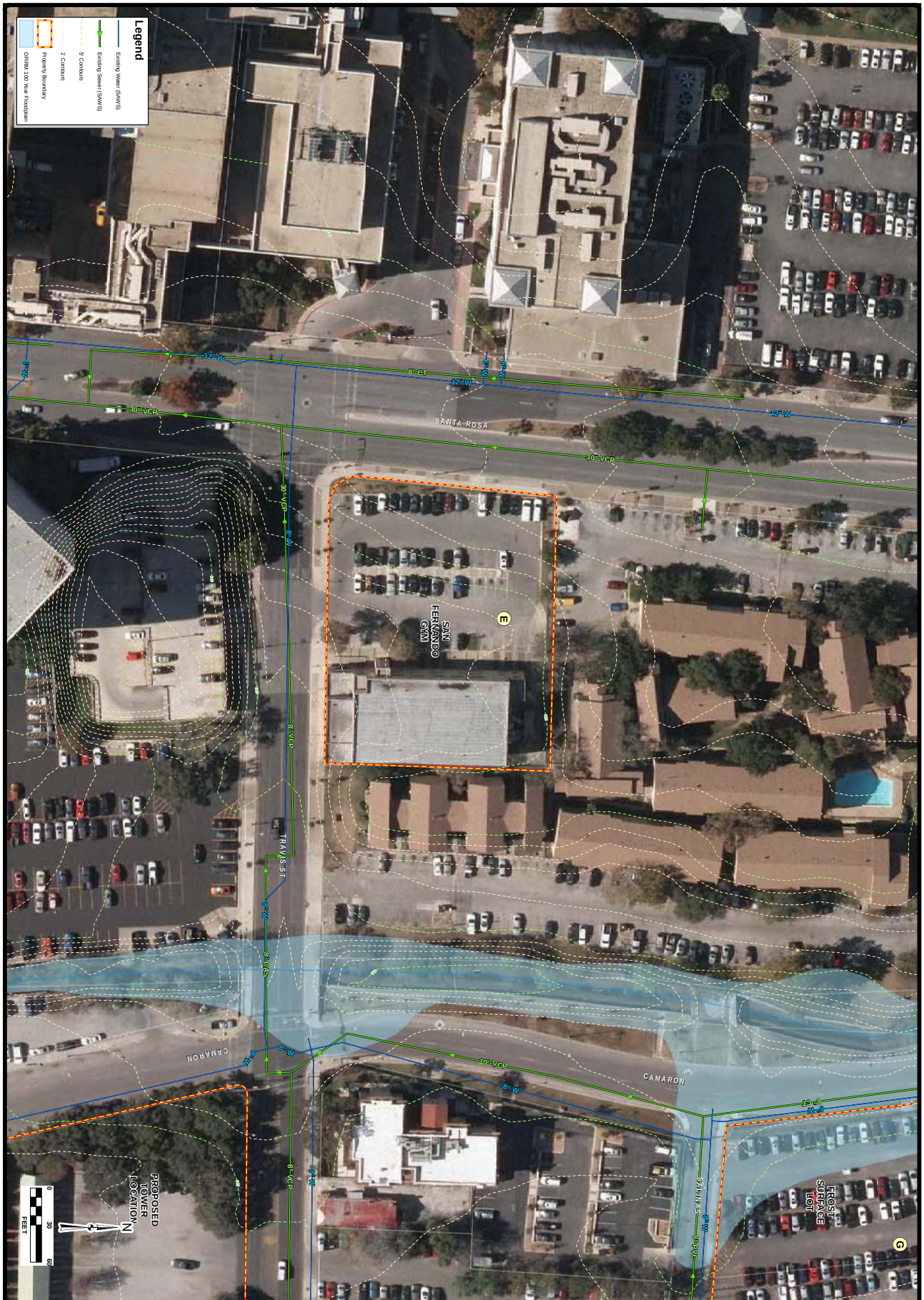
AERIAL EXHIBIT, SITES D & G
SAN ANTONIO, TEXAS

PLAT NO.	–
JOB NO.	GO
DATE	Aug 2014
DESIGNER	DR
CHECKED	DR DRAWN FG
SHEET	EX1.4

Date: Aug 05, 2014 3:38:00 PM User: fgutierrez
File: \\PC2\GIS_Users\FGutierrez_Projects\DRoss\Downtown Diligence\Downtown_Diligence_Sites.mxd

THIS DOCUMENT HAS BEEN PRODUCED FROM MATERIAL THAT MAY BE STORED AND/OR TRANSMITTED ELECTRONICALLY AND MAY HAVE BEEN INADVERTENTLY ALTERED. RELY ONLY ON FINAL HARDCOPY MATERIALS BEARING THE CONSULTANT'S ORIGINAL SIGNATURE AND SEAL.

Date: Aug 05, 2014 2:23:35 PM User: fgutierrez
File: \\PD2B_GIS_Users\FGutierrez_Projects\DRion\Downtown Diligence\Downtown_Diligence_Sites.mxd



DOWNTOWN DUE DILIGENCE

AERIAL EXHIBIT, SITE E
SAN ANTONIO, TEXAS

PAPE-DAWSON ENGINEERS

555 EAST RAMSEY | SAN ANTONIO, TEXAS 78216 | PHONE: 210.375.9000 FAX: 210.375.9010

TEXAS BOARD OF PROFESSIONAL ENGINEERS, FIRM REGISTRATION # 470

NO.	REVISION	DATE

PLAT NO. -
JOB NO. GO
DATE Aug 2014
DESIGNER DR
CHECKED DR DRAWN FG
SHEET EX1.5

Date: Aug 05, 2014 2:26:44 PM User: fgutierrez
File: \\PD2B_GIS_Users\FGutierrez_Projects\DRion\Downtown Diligence\Downtown_Diligence_Sites.mxd

DOWNTOWN DUE DILIGENCE

AERIAL EXHIBIT, SITES F,H, & C
SAN ANTONIO, TEXAS

PAPE-DAWSON ENGINEERS
555 EAST RAMSEY | SAN ANTONIO, TEXAS 78216 | PHONE: 210.375.9000 FAX: 210.375.9010
TEXAS BOARD OF PROFESSIONAL ENGINEERS, FIRM REGISTRATION # 470

NO.	REVISION	DATE

PLAT NO. -
JOB NO. GO
DATE Aug 2014
DESIGNER DR
CHECKED DR DRAWN FG
SHEET EX1.3

NO.	REVISION	DATE

PAPE-DAWSON ENGINEERS
555 EAST RAMSEY | SAN ANTONIO, TEXAS 78216 | PHONE: 210.375.9000 FAX: 210.375.9010
TEXAS BOARD OF PROFESSIONAL ENGINEERS, FIRM REGISTRATION # 470

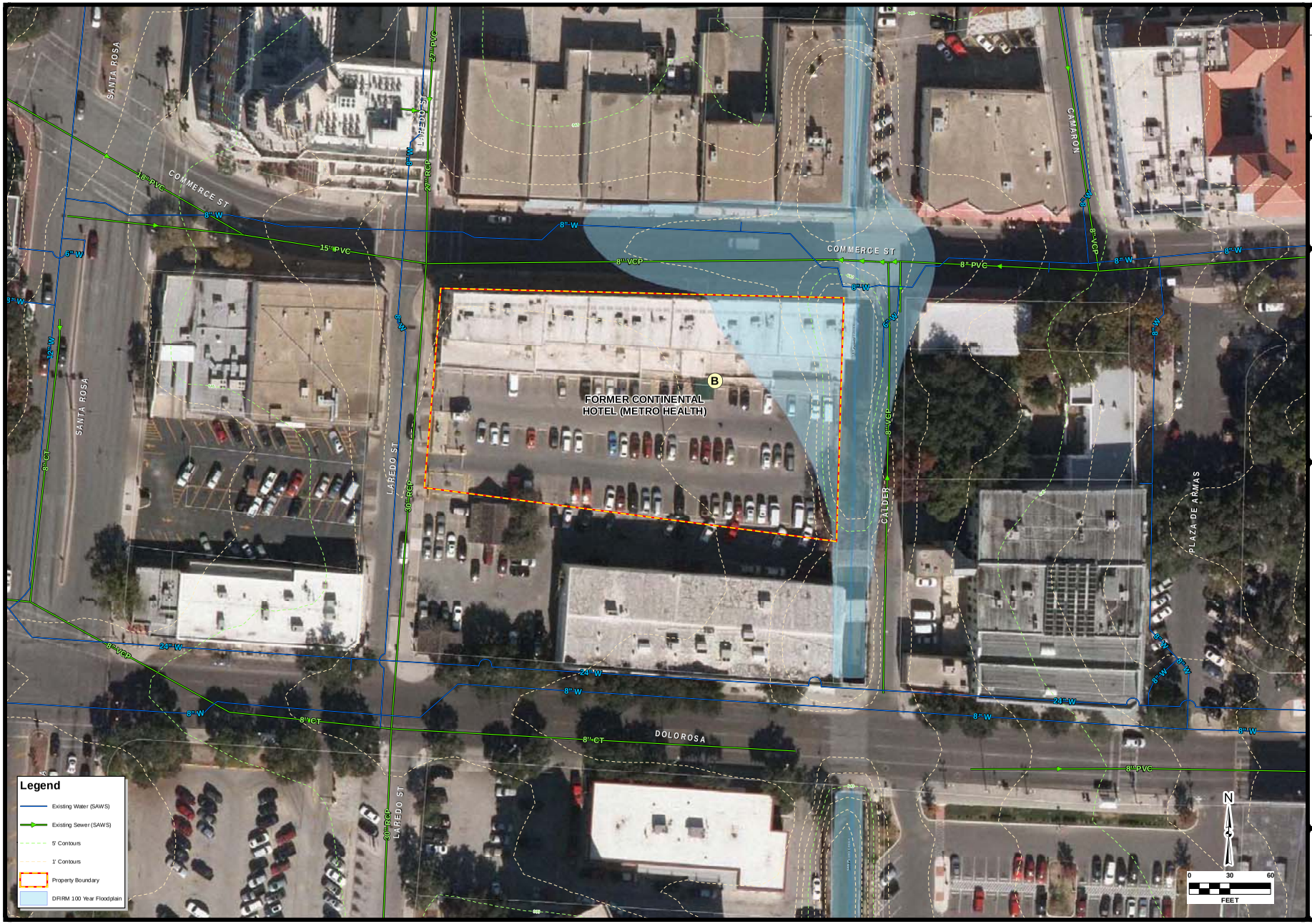
DOWNTOWN DUE DILIGENCE

AERIAL EXHIBIT, SITES A,K, & J
SAN ANTONIO, TEXAS

PLAT NO.	–
JOB NO.	GO
DATE	Aug 2014
DESIGNER	DR
CHECKED	DR DRAWN FG
SHEET	EX1.1

Date: Aug 05, 2014 2:29:46 PM User: fguleine2
File: \\PD28_GIS_Users\FGuileine2_Projects\DRon\Downtown Diligence\Downtown_Diligence_Sites.mxd

THIS DOCUMENT HAS BEEN PRODUCED FROM MATERIAL THAT MAY BE STORED AND/OR TRANSMITTED ELECTRONICALLY AND MAY HAVE BEEN INADVERTENTLY ALTERED. RELY ONLY ON FINAL HARDCOPY MATERIALS BEARING THE CONSULTANT'S ORIGINAL SIGNATURE AND SEAL.



NO.	REVISION	DATE

PAPE-DAWSON ENGINEERS

555 EAST RAMSEY | SAN ANTONIO, TEXAS 78216 | PHONE: 210.375.9000 FAX: 210.375.9010

TEXAS BOARD OF PROFESSIONAL ENGINEERS, FIRM REGISTRATION # 470

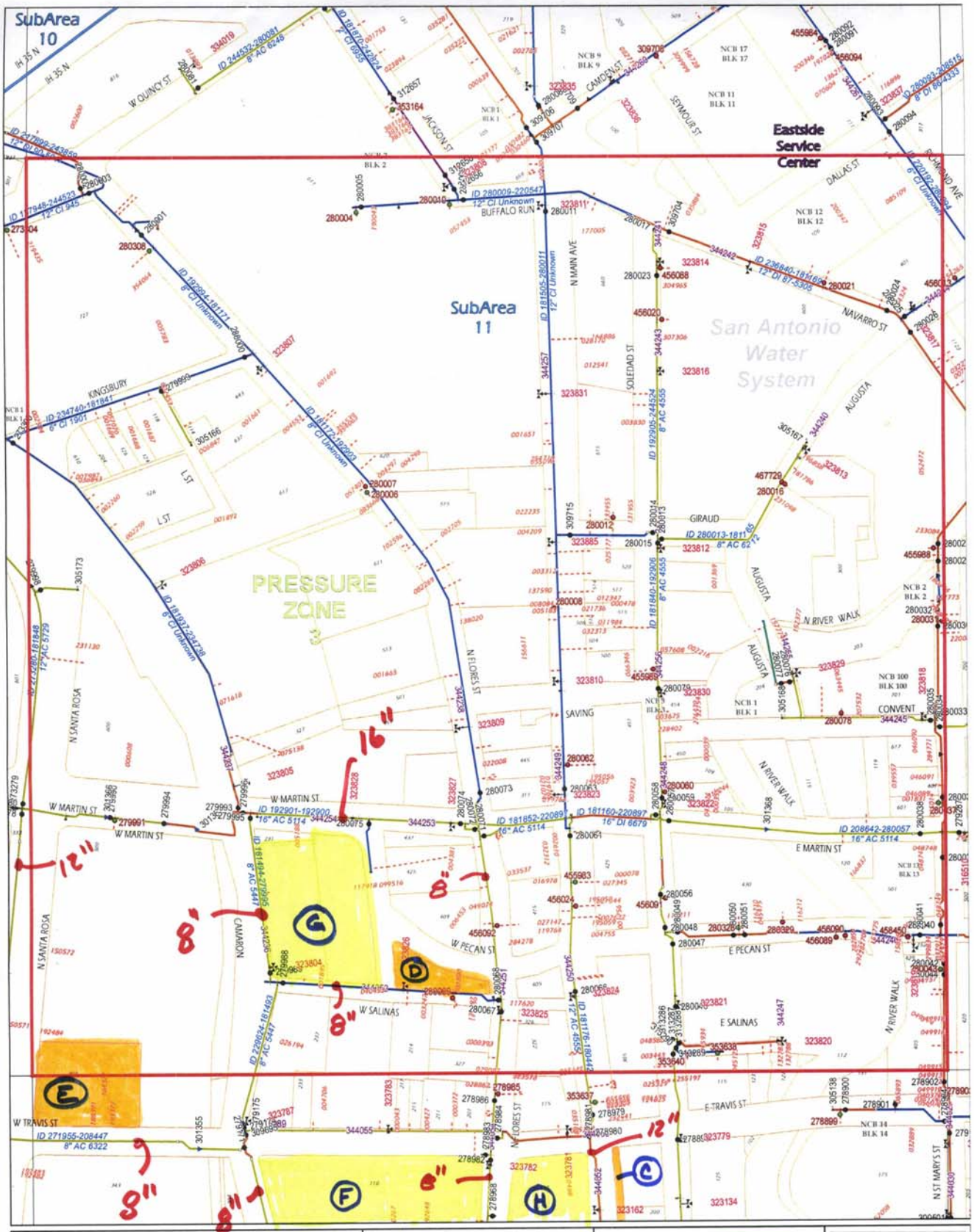
DOWNTOWN DUE DILIGENCE

AERIAL EXHIBIT, SITE B
SAN ANTONIO, TEXAS

PLAT NO.	–
JOB NO.	GO
DATE	Aug 2014
DESIGNER	DR
CHECKED	DR DRAWN FG
SHEET	EX1.2

Date: Aug 05, 2014 2:28:01 PM User: fgudeme2
File: \\PC128_GIS_Users\FGudeme2_Projects\Drive\Downtown Diligence\Downtown_Diligence_Sites.mxd

THIS DOCUMENT HAS BEEN PRODUCED FROM MATERIAL THAT MAY BE STORED AND/OR TRANSMITTED ELECTRONICALLY AND MAY HAVE BEEN INADVERTENTLY ALTERED. RELY ONLY ON FINAL HARDCOPY MATERIALS BEARING THE CONSULTANT'S ORIGINAL SIGNATURE AND SEAL.



CHECK
BYPASS
SWING
DIVISION
MAINLINE
BLOW-OFF
AIR RELEASE
INTERCONNECT
PRESSURE REDUCING
Other
Air Control
TEE
CROSS
OUTLET
CAP/PLUG
COUPLING
REDUCER
FIRE LINE
SERVICE LINE
FH VALVES
FIRE HYDRANTS
Flush Point
PURVEYORS
PRESSURE ZONE
Bend
Pumps
Wells
Active
Inactive
Offline
Plugged
Backflow Control
AC
CI
DI
GI
CP
PVC
STL
CSC
HDPE
PROP MAINS
FH LATERALS
WTR LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N
W
E
S

0 100 200
Feet

WATER BLOCK MAP

160580

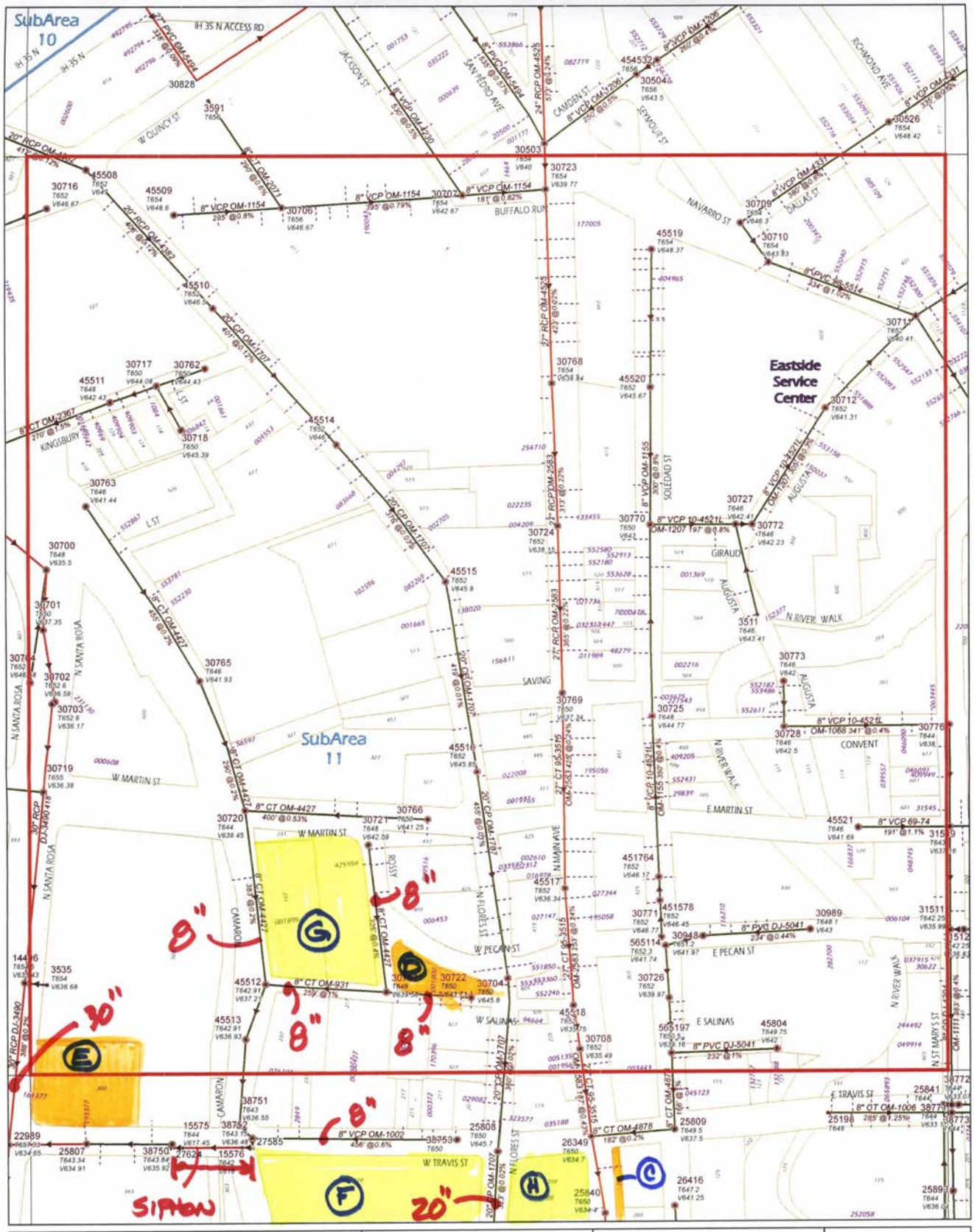
SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

Revised Date: Jun. 19, 2014

Disclaimer:

This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

158 582	160 582	162 582
158 580	160 580	162 580
158 578	160 578	162 578



BLOWOFF
CLEANOUT
AIRRELEASE
BREAKNODE
LIFTSTATION
MONOLITHIC
JUNCTIONBOX
PLUG VALVE
FLOW METER
OTHER
STUBOUT
STANDARD
AIRRELEASE
SIPHONINLET
SIPHONOUTLET
DROPMANHOLE
SMART COVER
AIRBYPASS
OUTFALL MAIN
SLUDGE
SIPHON MAIN
PROP MAINS
FORCE MAIN
GRAVITY MAIN
SEWER LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N
W E
S

0 100 200
Feet

SEWER BLOCK MAP

160580

SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

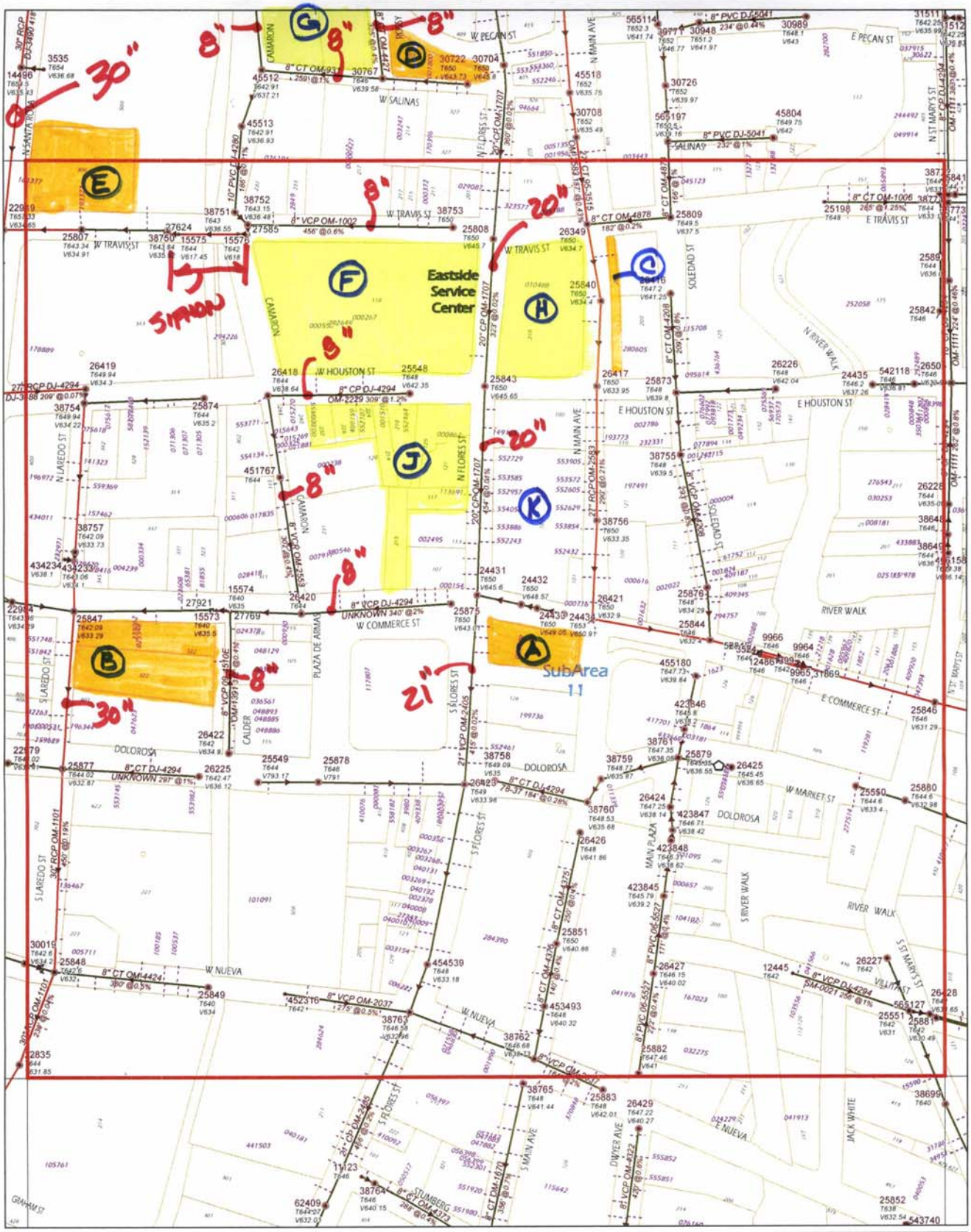
Revised Date Jun. 06, 2014

Disclaimer

This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

158 582	160 582	162 582
158 580	160 580	162 580
158 578	160 578	162 578

SANITARY SEWER



BLOWOFF
CLEANOUT
AIRRELEASE
BREAKNODE
LIFTSTATION
MONOLITHIC
JUNCTIONBOX
PLUG VALVE
FLOW METER
OTHER
STUBOUT
STANDARD
AIRRELEASE
SIPHON INLET
SIPHON OUTLET
DROP MANHOLE
SMART COVER
AIR BYPASS
OUTFALL MAIN
SLUDGE
SIPHON MAIN
DROP MAINS
FORCE MAIN
GRAVITY MAIN
SEWER LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N
W E
S

0 100 200
Feet

SEWER BLOCK MAP

160578

SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

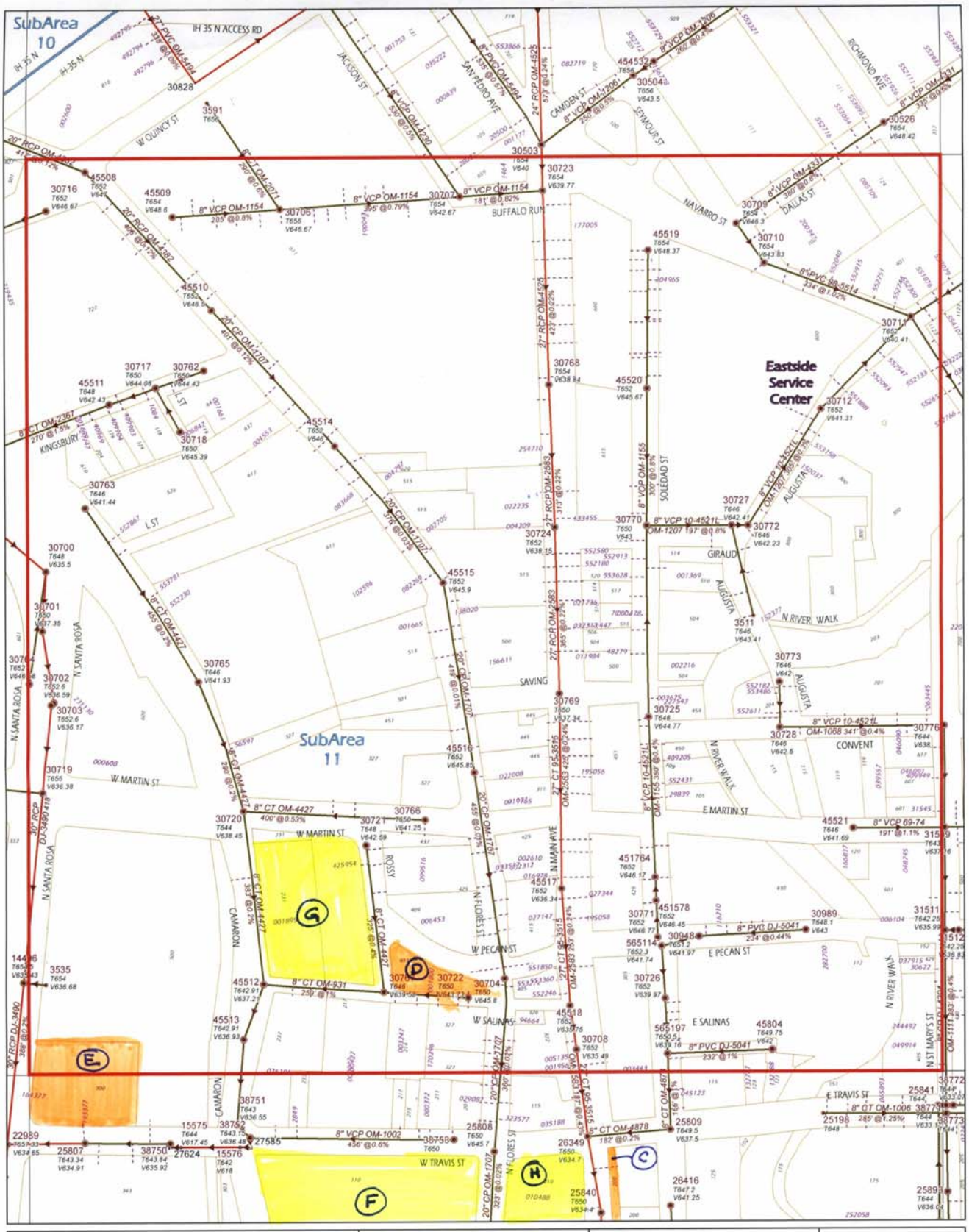
Revised Date: Jun. 06, 2014

Disclaimer:

This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

158 580	160 580	162 580
158 578	160 578	162 578
158 576	160 576	162 576

SANITARY SEWER



BLOW OFF	OTHER
CLEAN OUT	STUB OUT
AIR RELEASE	STANDARD
BREAK NODE	AIR RELEASE
LIFT STATION	SIPHON INLET
MONOLITHIC	SIPHON OUTLET
JUNCTION BOX	DROP MANHOLE
PLUG VALVE	SMART COVER
FLOW METER	
AIR BYPASS	OUTFALL MAIN
SLUDGE	SIPHON MAIN
FORCE MAIN	GRAVITY MAIN
PROP. MAINS	SEWER LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N W E S

0 100 200
Feet

SEWER BLOCK MAP

160580

SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

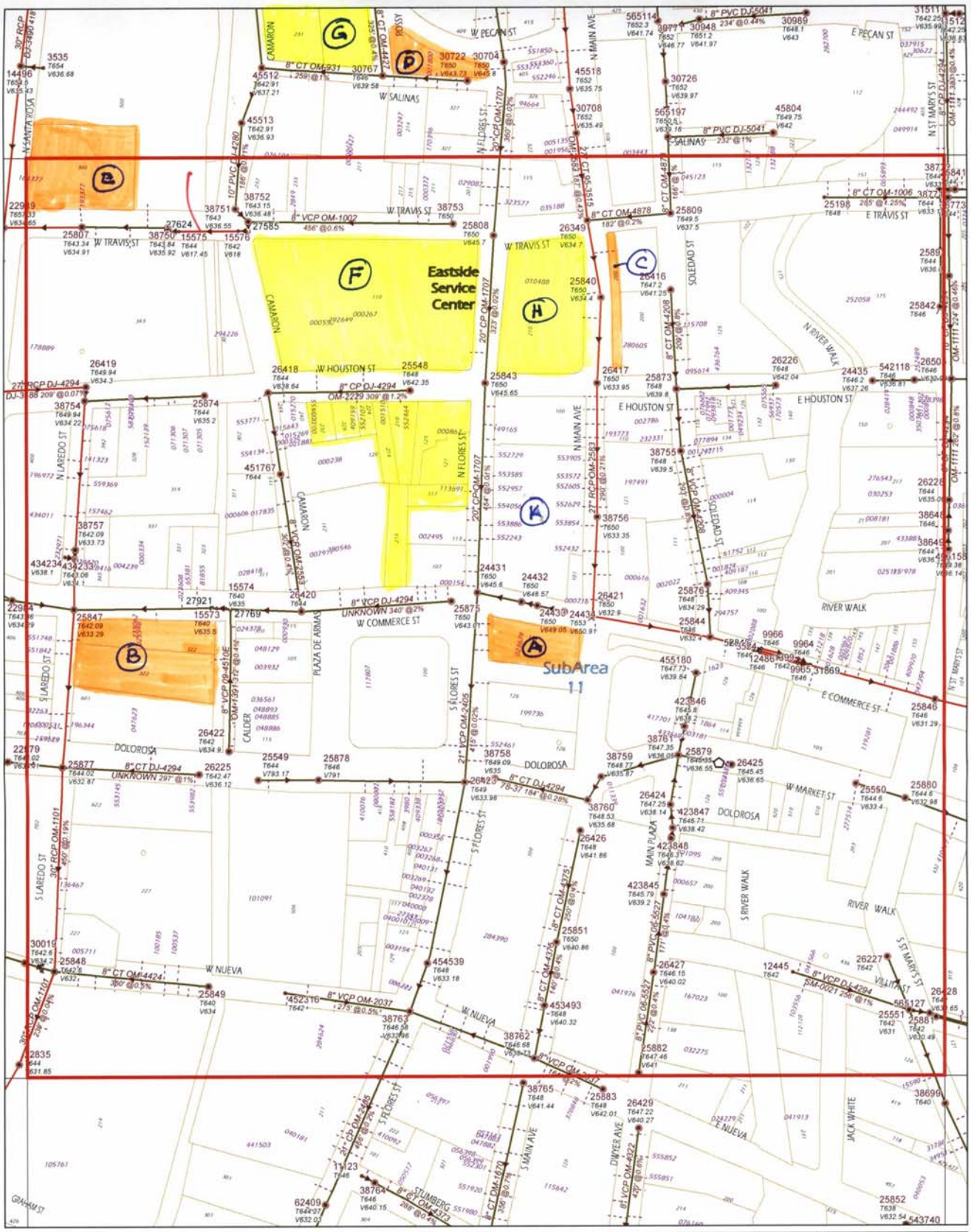
Revised Date: Jun. 06, 2014

Disclaimer:

This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

158 582	160 582	162 582
158 580	160 580	162 580
158 578	160 578	162 578

SANITARY SEWER



BLOWOFF
CLEANOUT
AIR RELEASE
BREAK NODE
LIFT STATION
MONOLITHIC
JUNCTION BOX
PLUG VALVE
FLOW METER
OTHER
STUB OUT
STANDARD
AIR RELEASE
SIPHON INLET
SIPHON OUTLET
DROP MANHOLE
SMART COVER
AIR BYPASS
OUTFALL MAIN
SLUDGE
SIPHON MAIN
PROP. MAINS
FORCE MAIN
GRAVITY MAIN
SEWER LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N
W E
S

0 100 200
Feet

SEWER BLOCK MAP

160578

SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

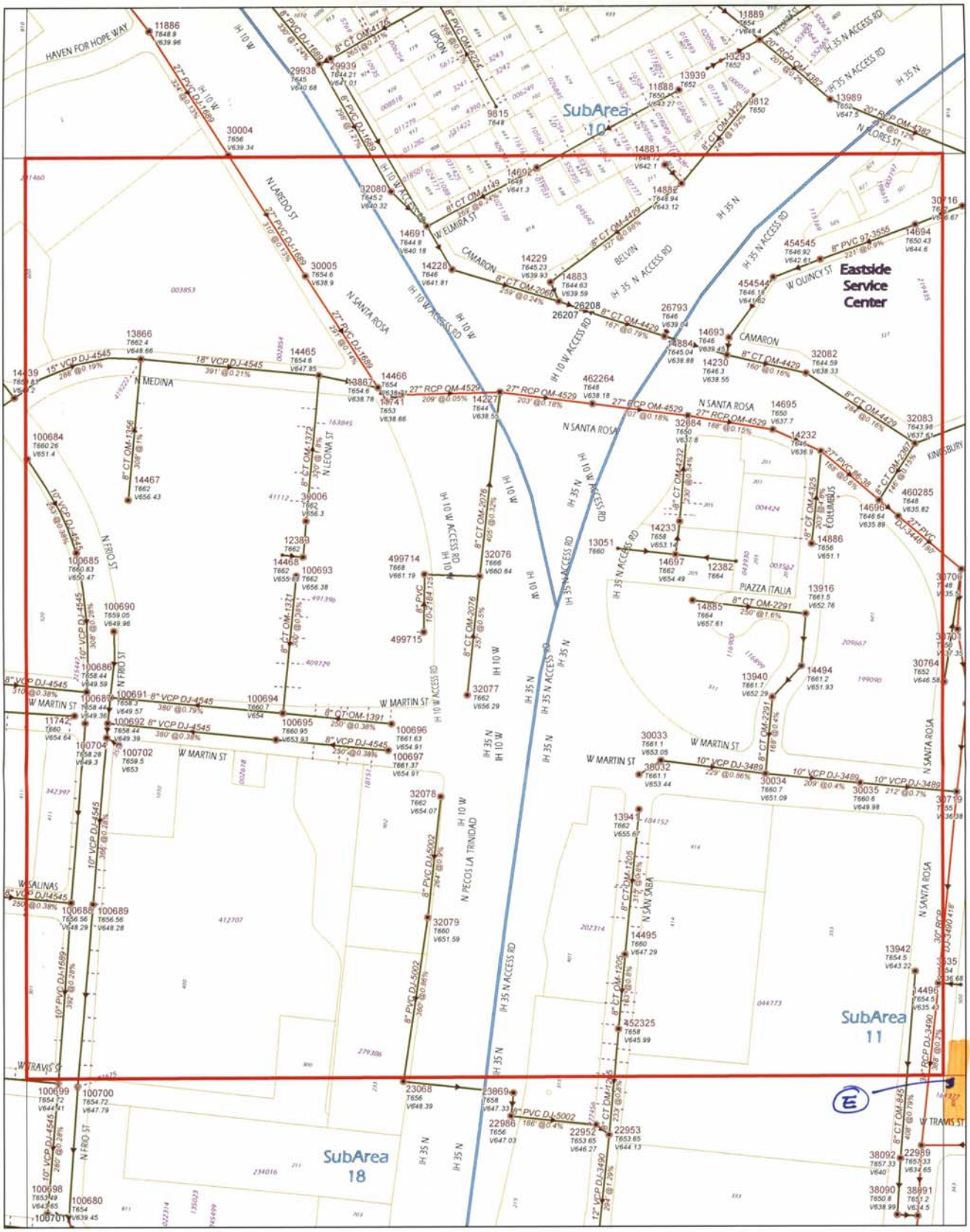
Revised Date: Jun. 06, 2014

Disclaimer:

This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

158 580	160 580	162 580
158 578	160 578	162 578
158 576	160 576	162 576

SANITARY SEWER



BLOW OFF
CLEAN OUT
AIR RELEASE
BREAK NODE
LIFT STATION
MONOLITHIC
JUNCTION BOX
PLUG VALVE
FLOW METER
OTHER
STUB OUT
STANDARD
AIR RELEASE
SIPHON INLET
SIPHON OUTLET
DROP MANHOLE
SMART COVER
AIR BYPASS
OUTFALL MAIN
SLUDGE
SIPHON MAIN
PROP. MAINS
FORCE MAIN
GRAVITY MAIN
SEWER LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N
W E
S

0 100 200
Feet

SEWER BLOCK MAP

158580

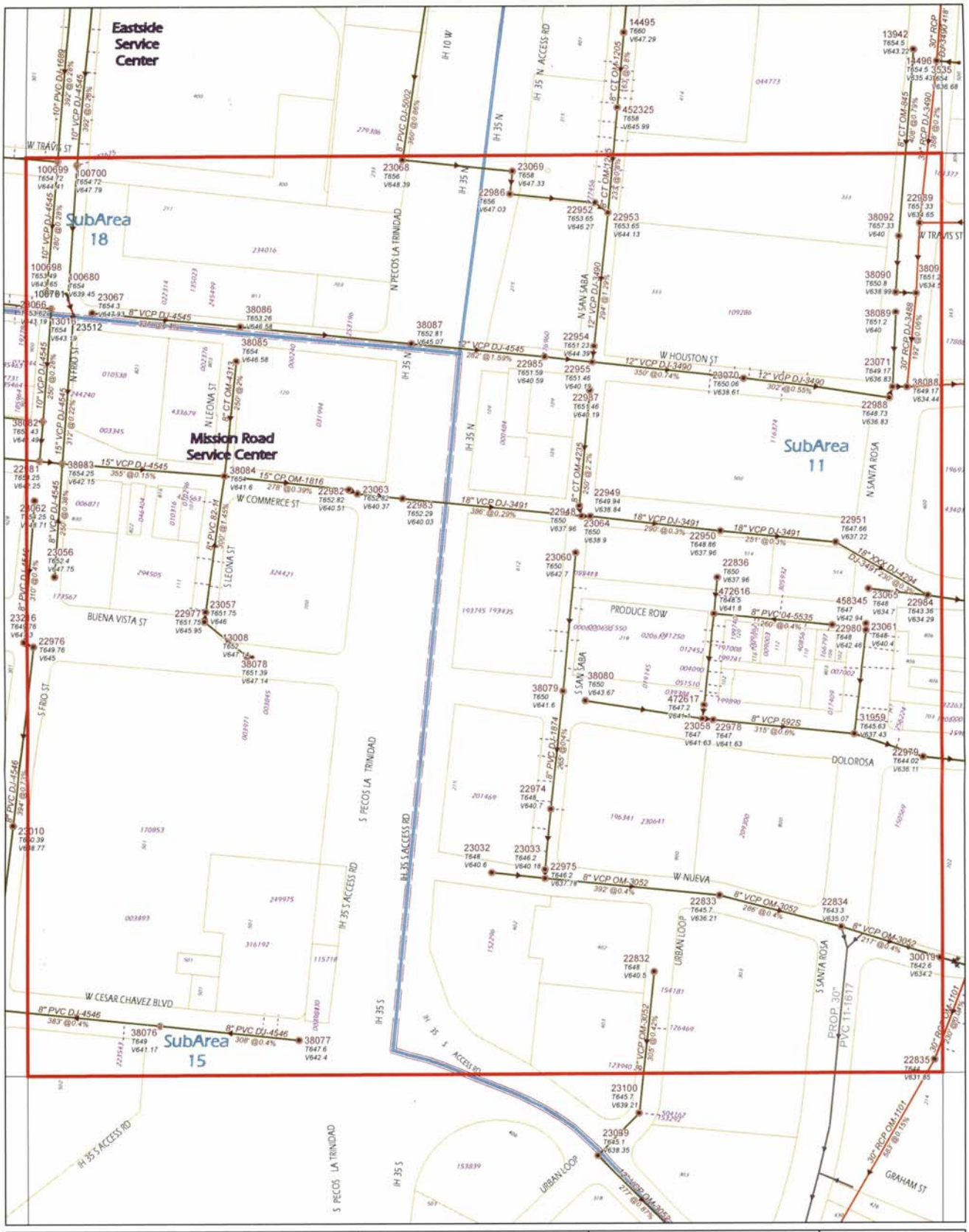
SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

Revised Date: Jun. 06, 2014

Disclaimer:
This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

156 582	158 582	160 582
156 580	158 580	160 580
156 578	158 578	160 578

SANITARY SEWER



BLOW OFF
CLEAN OUT
AIR RELEASE
BREAK NODE
LIFT STATION
MONOLITHIC
JUNCTION BOX
PLUG VALVE
FLOW METER
OTHER
STUB OUT
STANDARD
AIR RELEASE
SIPHON INLET
SIPHON OUTLET
DROP MANHOLE
SMART COVER
AIR BYPASS
OUTFALL MAIN
SLUDGE
SIPHON MAIN
PROP. MAINS
FORCE MAIN
GRAVITY MAIN
SEWER LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N
W E
S

0 100 200
Feet

SEWER BLOCK MAP

158578

SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

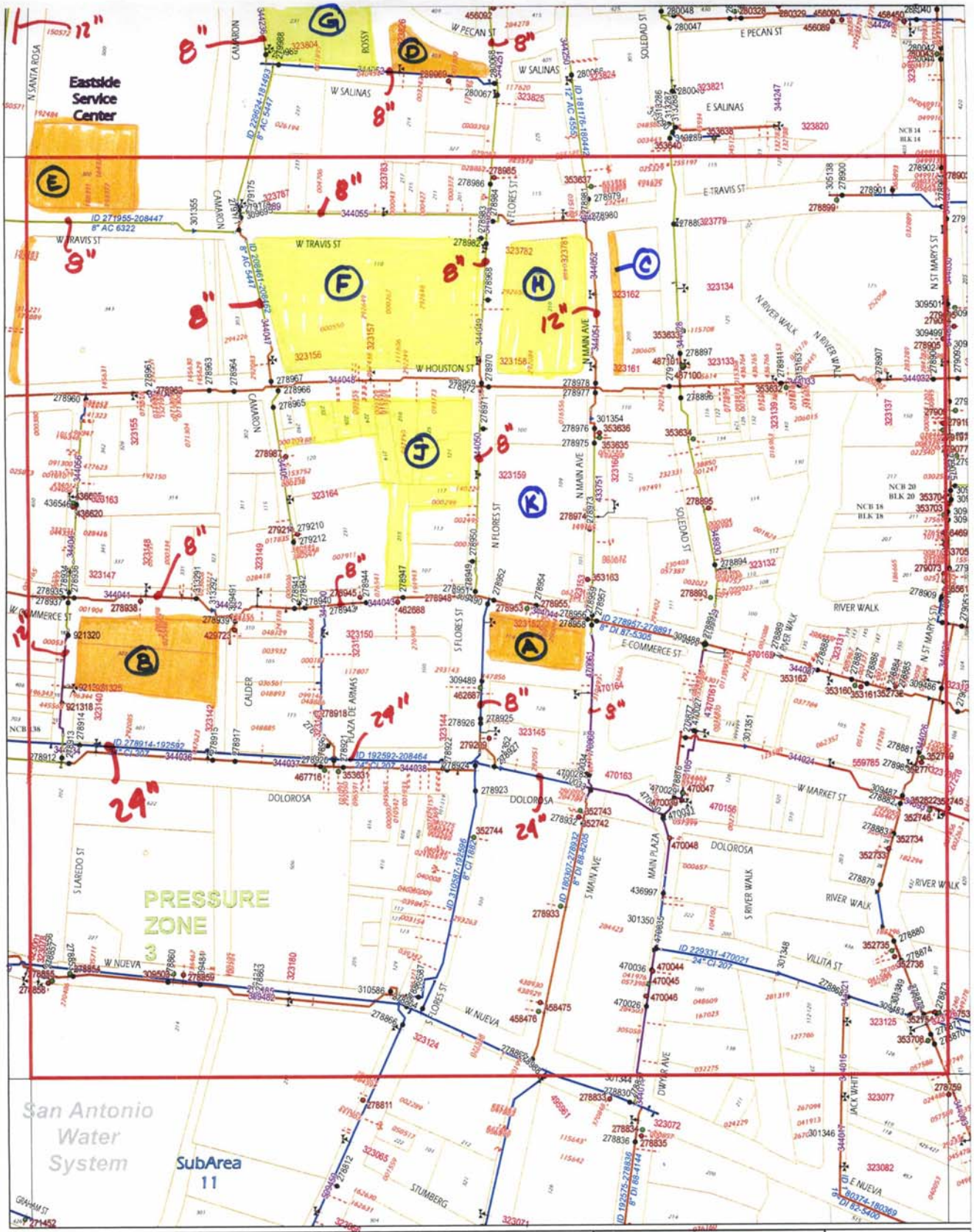
Revised Date: Jun. 06, 2014

Disclaimer:

This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

156 580	158 580	160 580
156 578	158 578	160 578
156 576	158 576	160 576

SANITARY SEWER



CHECK	TEE	PURVEYORS
BYPASS	CROSS	PRESSURE ZONE
SWING	OUTLET	Bend
DIVISION	CAP/PLUG	Pumps
MAINLINE	COUPLING	Wells
BLOW-OFF	REDUCER	Active
AIR RELEASE	FIRE LINE	Inactive
INTERCONNECT	SERVICE LINE	Offline
PRESSURE REDUCING	FH VALVES	Plugged
Other	FIRE HYDRANTS	
Air Control	Flush Point	Backflow Control
AC	GI	STL	PROP MAINS
CI	CP	CSC	FH LATERALS
DI	PVC	HDPE	WTR LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N
W E
S

0 100 200
Feet

WATER BLOCK MAP

160578

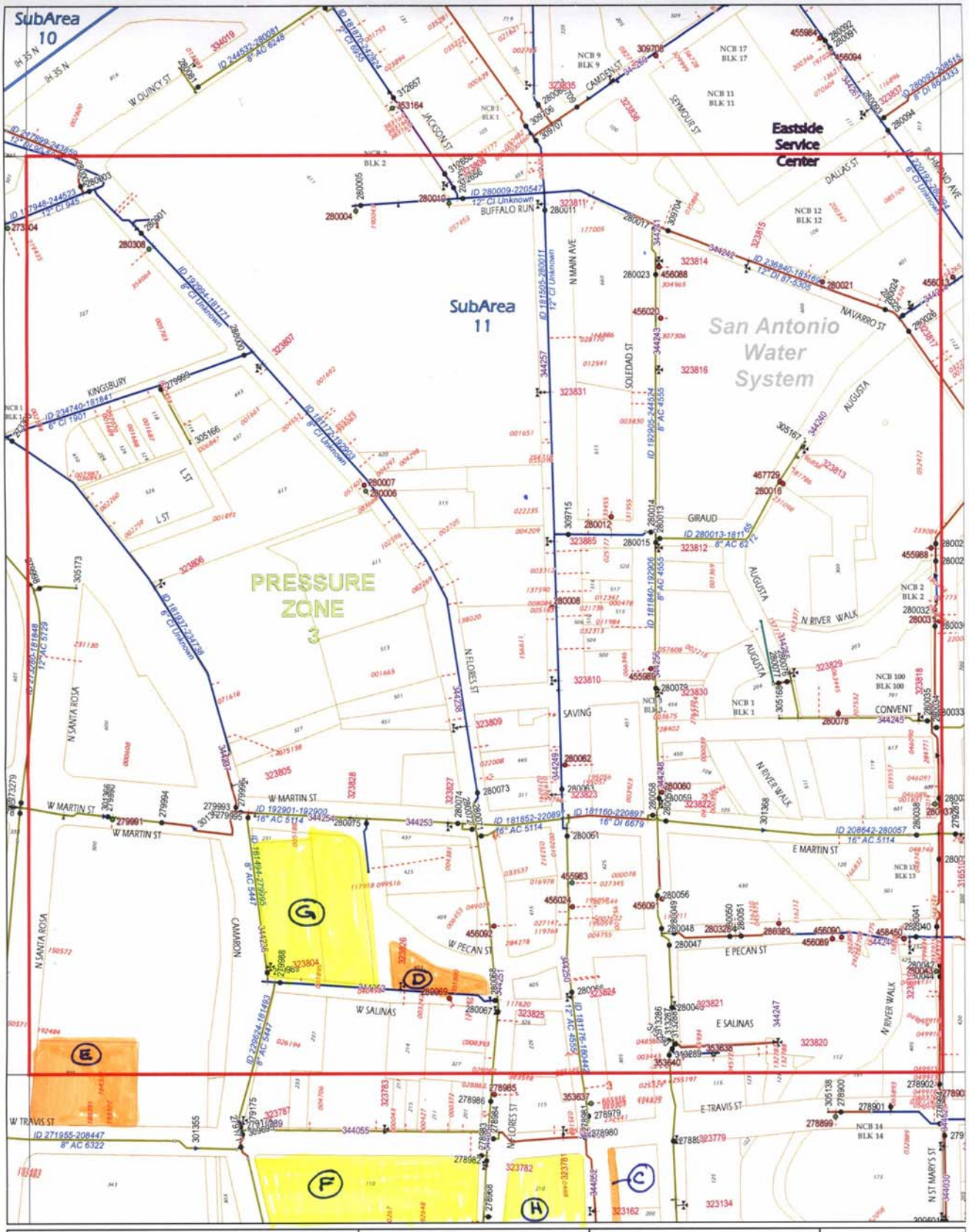
SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

Revised Date: Jul. 02, 2014

Disclaimer:

This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

158 580	160 580	162 580
158 578	160 578	162 578
158 576	160 576	162 576



CHECK
BYPASS
SWING
DIVISION
MAINLINE
BLOW-OFF
AIR RELEASE
INTERCONNECT
PRESSURE REDUCING
Other
Air Control
TEE
CROSS
OUTLET
CAP/PLUG
COUPLING
REDUCER
FIRE LINE
SERVICE LINE
FH VALVES
FIRE HYDRANTS
Flush Point
PURVEYORS
PRESSURE ZONE
Bend
Pumps
Wells
Active
Inactive
Offline
Plugged
Backflow Control
AC
CI
DI
GI
CP
PVC
STL
CSC
HDPE
PROP MAINS
FH LATERALS
WTR LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N
W E
S

0 100 200
Feet

WATER BLOCK MAP

160580

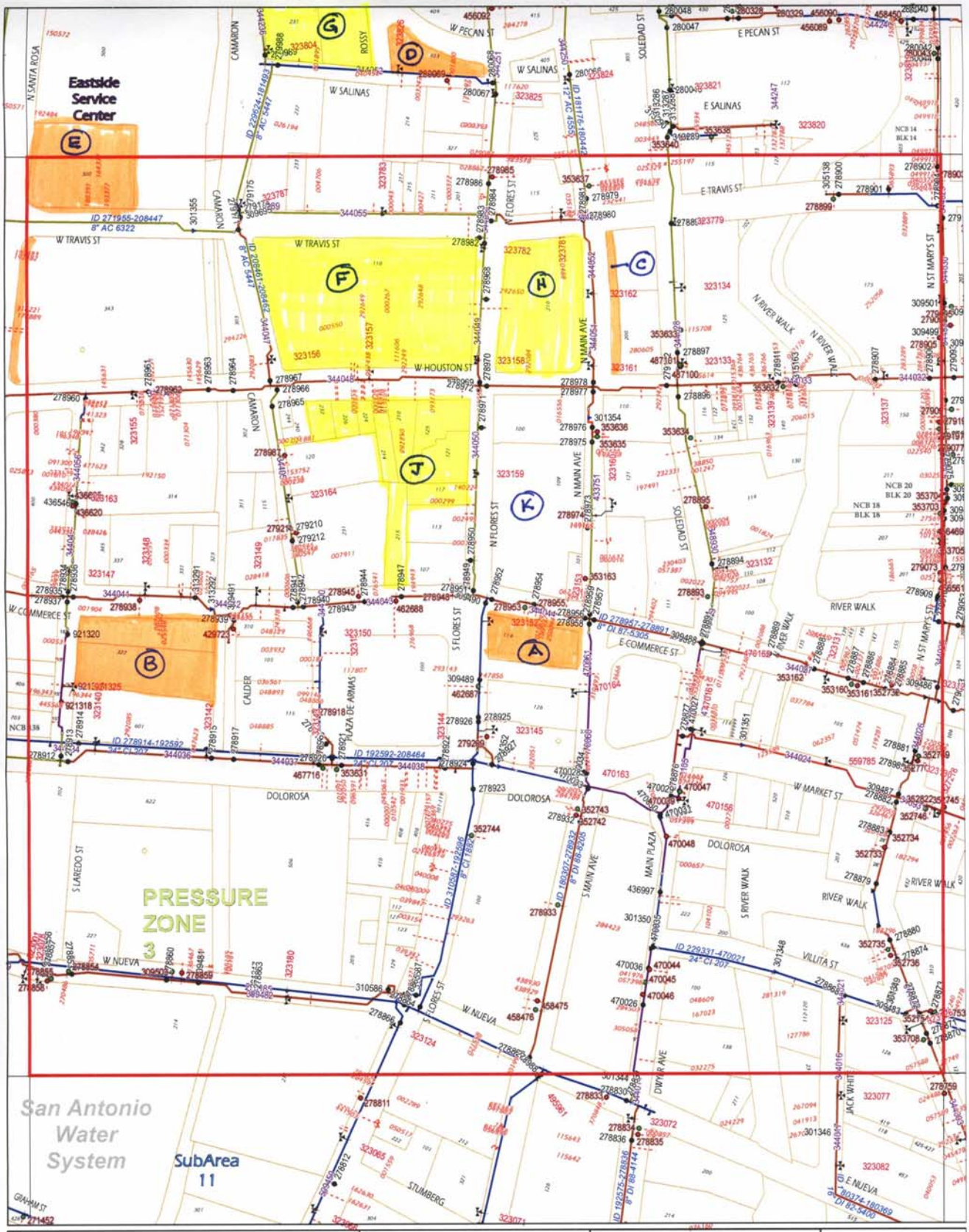
SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

Revised Date: Jun. 19, 2014

Disclaimer:

This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

158 582	160 582	162 582
158 580	160 580	162 580
158 578	160 578	162 578



CHECK
BYPASS
SWING
DIVISION
MAINLINE
BLOW-OFF
AIR RELEASE
INTERCONNECT
PRESSURE REDUCING
Other
Air Control
TEE
CROSS
OUTLET
CAP/PLUG
COUPLING
REDUCER
FIRE LINE
SERVICE LINE
FH VALVES
FIRE HYDRANTS
Flush Point
PURVEYORS
PRESSURE ZONE
Bend
Pumps
Wells
Active
Inactive
Offline
Plugged
Backflow Control
AC
CI
DI
GI
CP
PVC
STL
CSC
HDPE
PROP MAINS
FH LATERALS
WTR LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N
W E
S

0 100 200
Feet

WATER BLOCK MAP

160578

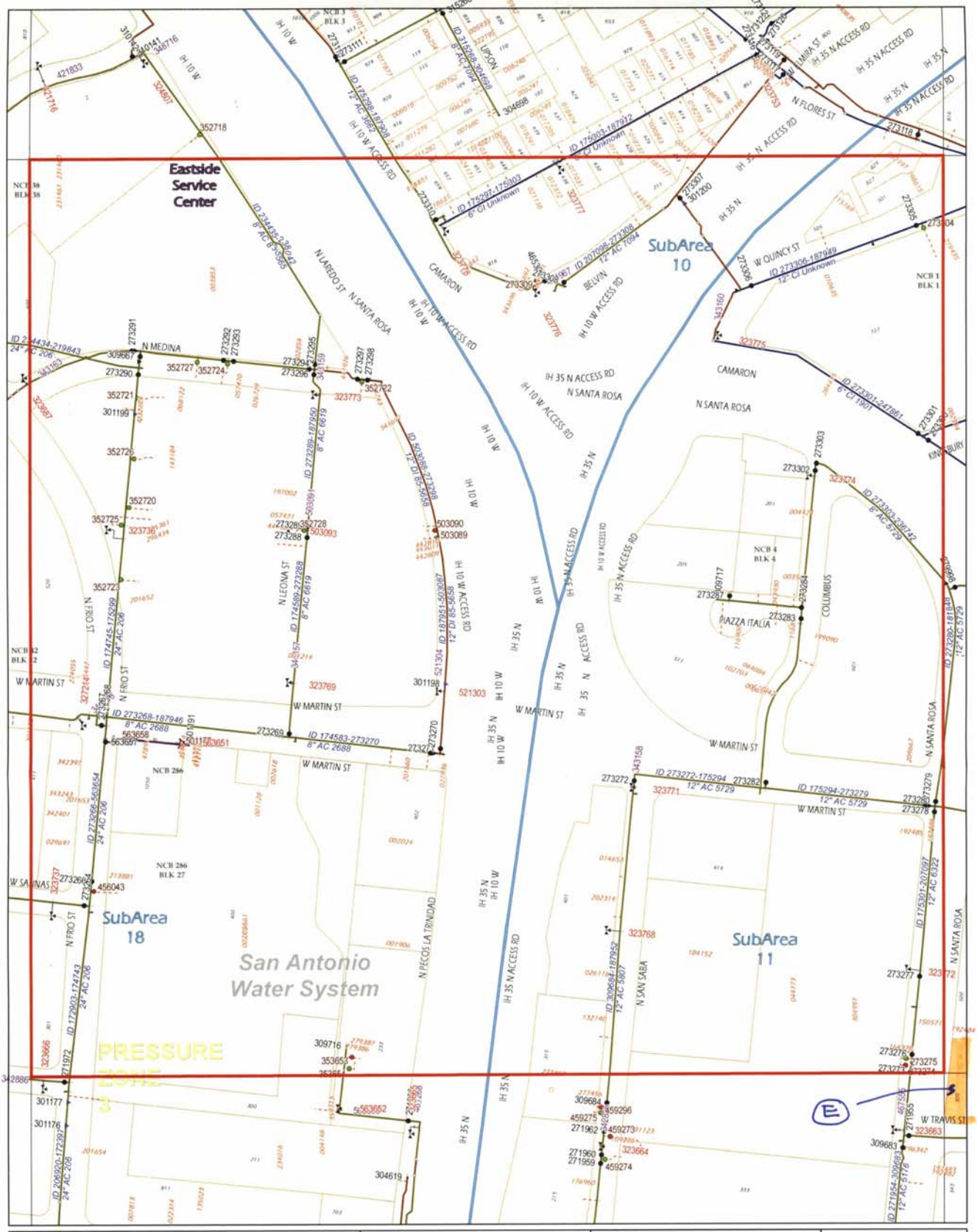
SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

Revised Date: Jul. 02, 2014

Disclaimer:

This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

158 580	160 580	162 580
158 578	160 578	162 578
158 576	160 576	162 576



CHECK
BYPASS
SWING
DIVISION
MAINLINE
BLOW-OFF
AIR RELEASE
INTERCONNECT
PRESSURE REDUCING
Other
Air Control
TEE
CROSS
OUTLET
CAP/PLUG
COUPLING
REDUCER
FIRE LINE
SERVICE LINE
FH VALVES
FIRE HYDRANTS
Flush Point
PURVEYORS
PRESSURE ZONE
Bend
Pumps
Wells
Active
Inactive
Offline
Plugged
Backflow Control
AC
CI
DI
GI
CP
PVC
STL
CSC
HDPE
PROP MAINS
FH LATERALS
WTR LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N
W
E
S

0 100 200
Feet

WATER BLOCK MAP

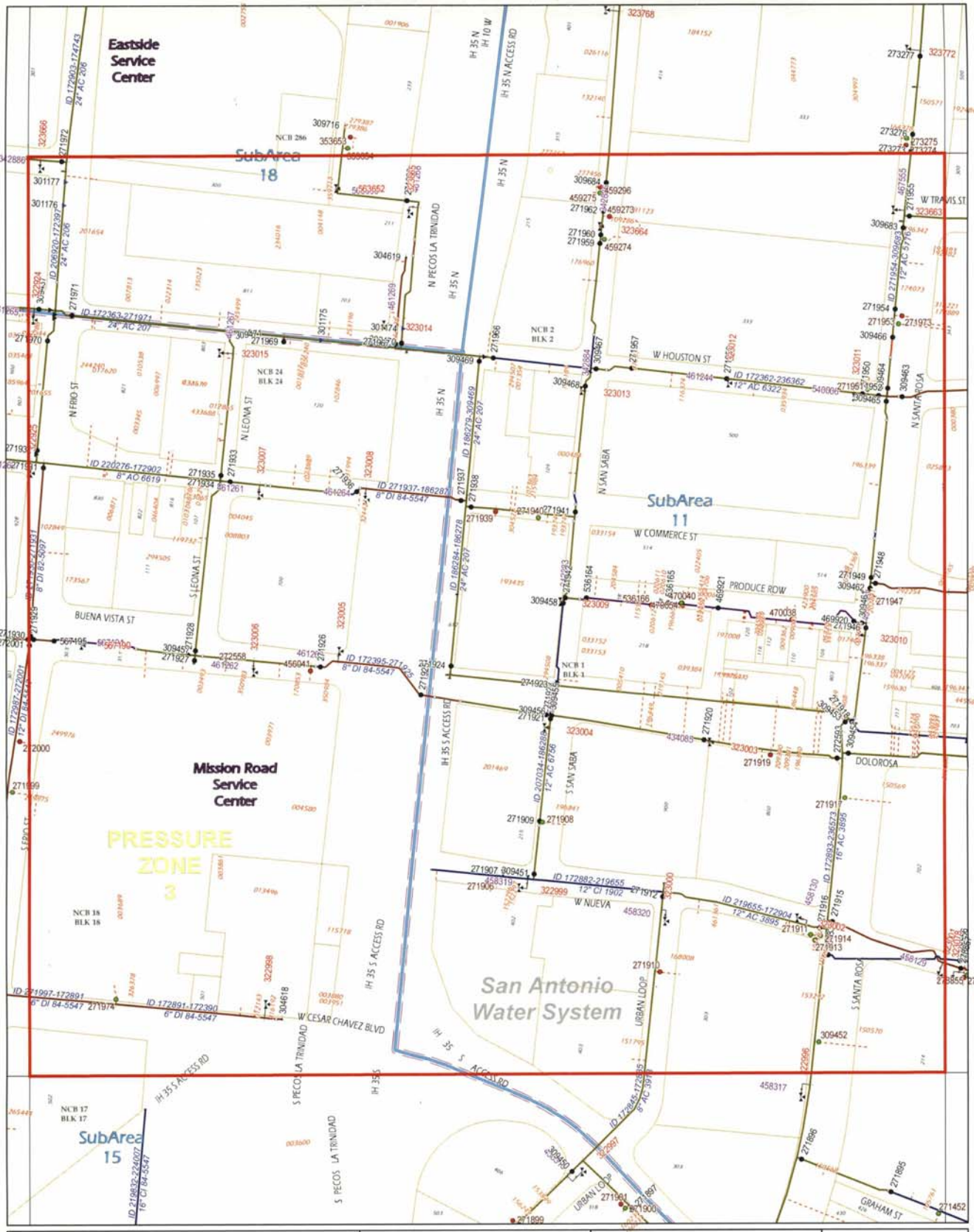
158580

SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

Revised Date: Jun. 19, 2014

Disclaimer:
This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

156 582	158 582	160 582
156 580	158 580	160 580
156 578	158 578	160 578



CHECK
BYPASS
SWING
DIVISION
MAINLINE
BLOW OFF
AIR RELEASE
INTERCONNECT
PRESSURE REDUCING
Other
Air Control
TEE
CROSS
OUTLET
CAP/PLUG
COUPLING
REDUCER
FIRE LINE
SERVICE LINE
FH VALVES
FIRE HYDRANTS
Flush Point
PURVEYORS
PRESSURE ZONE
Bend
Pumps
Wells
Active
Inactive
Offline
Plugged
Backflow Control
AC
CI
DI
GI
CP
PVC
STL
CSC
HDPE
PROP MAINS
FH LATERALS
WTR LATERALS

"SAWS GIS Mapping: A wealth of information at your fingertips"

San Antonio Water System

N
W
E
S

0 100 200
Feet

WATER BLOCK MAP

158578

SAN ANTONIO WATER SYSTEM
INFRASTRUCTURE PLANNING
GIS MAPPING DIVISION

Revised Date: Jun. 19, 2014

Disclaimer:
This utility map is for reference only. The information may not represent what actually has been constructed. S.A.W.S explicitly disclaims any representation of the accuracy of the information and assumes no liability for any errors, omissions, or inaccuracies in the map regardless of how caused. Field verification should be done as necessary. S.A.W.S. prohibits the reproduction or sale of this document. This utility map may not under any circumstances, be copied, reproduced or published in any form or media, or transferred to another without written permission of the San Antonio Water System.

156 580	158 580	160 580
156 578	158 578	160 578
156 576	158 576	160 576

Preliminary Project Schedule for New Tower

Step	Project Activity	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16	1Q'17	2Q'17	3Q'17	4Q'17	1Q'18	2Q'18	3Q'18	4Q'18
1	Finalize Project Agreements[1]	■	■																
2	Schematic Design and Land Plan		■	■															
3	Obtain Preliminary Financing Commitments			■	■	■	■												
4	New Tower Design			■	■	■	■												
5	Construction Bids/Negotiations						■												
6	New Tower Construction Loan Closing							■											
7	Property Closings[2]							■											
8	Leasebacks Commence[3]							■											
9	New Tower Construction								■	■	■	■	■	■	■	■	■	■	
10	Relocations and Leaseback Terminations[4]																		■

Footnotes

(1) Includes proposal submissions to Council, drafting of the various purchase and sale, development and lease agreements, and final Council approval.

(2) Weston Urban purchases New Tower property. At City's option, Weston Urban purchases City Real Estate. City purchases Existing Frost Facilities.

(3) If City elects to sell City Real Estate to Weston Urban in Step 7, City's leaseback of Municipal Plaza, former Continental Hotel and 319 W Travis commence. In addition, Frost's leaseback of Existing Frost Facilities commences.

(4) Frost relocates into New Tower and leaseback with City of Existing Frost Facilities terminates. City relocates to Existing Frost Facilities and, if applicable, City's leasebacks of Municipal Plaza, former Continental Hotel and 319 W Travis terminate. If City did not elect to sell City Real Estate in Step 7, Weston Urban purchases City Real Estate

Economic and Fiscal Impacts of Weston Urban Frost Tower and Residential Construction

Analysis Conducted By:
Steve Nivin, Ph.D.

August 6, 2014

Executive Summary

The purpose of this analysis is to project the economic and fiscal impacts of proposed development by Weston Urban to construct a new 400,000 square foot high-rise office building for Frost Bank and 300 residential units in downtown San Antonio. The analysis focuses on the impacts derived from the construction activity only. The total cost of the new tower project is projected to be [redacted] including construction costs, professional fees, and land acquisition. However, for purposes of calculating the economic impact, the cost of land acquisition is not included. The total cost of the residential units is projected to be [redacted] It is assumed that the design and construction will begin in 2015 and be completed by the end of 2018 for the Frost Tower, and construction of the residential units will be complete by the end of 2020 with some of the design of the residential units beginning in 2016.

The impacts are mostly calculated using the IMPLAN input-output model for the San Antonio metropolitan statistical area, so the results do include the indirect and induced multiplier effects. The direct economic impacts are derived from the activity of the construction and professional service firms directly involved in the construction. These firms will need to purchase various goods and services from their suppliers, and the indirect multiplier effects measure the economic impacts resulting from the production and spending by these suppliers. When the employees of these construction and professional service firms receive their paychecks from working on the project, they will then spend a portion of that income on various activities like buying groceries, going to the movies, and engaging in other activities of daily life, and this spending activity is captured by the induced multiplier effects. However, the projections of the annual property tax revenues do not include revenues derived from any multiplier effects; they are based on the projected assessed values of the new buildings using current tax rates as shown in Table 3. The sales tax revenues are calculated from the results of the economic impact model, so they do include the spending derived from the multiplier effects. The 2.0% local sales tax rate

is used to calculate the sales tax revenues. A more detailed description of the methodologies used in this analysis follows this summary.

The summaries of the economic and fiscal impacts are shown in Tables 1-4. Since these are only the impacts of the construction activity, they will only occur while the construction is taking place. The exception is the annual property tax revenues derived from the new buildings. The construction of the new Frost Tower will support employment of 1,959 full-time equivalent positions. Those employed in these positions will earn wages and benefits of about $96 million, and the total economic (output) impact will amount to over $236 million. The construction of the new residential units will support 670 jobs earnings wages and benefits of just over $35 million and registering an economic impact of $93 million.

The construction activity will also generate over [redacted] in sales tax revenues with the Frost Tower construction generating the bulk of that revenue. Once the buildings are constructed, the Frost Tower will generate property tax revenues to the various taxing entities of [redacted] annually, and the residential development will generate [redacted] in property tax revenues. As noted in Table 4, it is assumed that the residential development will receive tax incentives through the CCHIP program, so the property tax revenues to the City of San Antonio are assumed to be zero during this time period.

Table 1. Economic Impacts of Frost Tower Construction

Impact Type	*Employment*	*Income (2014 $)*	*Output (2014 $)*
Direct Effect	1,168	$61,520,052	$132,015,105
Indirect Effect	291	$13,937,906	$40,448,159
Induced Effect	500	$20,429,569	$63,656,824
Total Effect	1,959	$95,887,527	$236,120,088

Table 2. Economic Impacts of Weston Urban Residential Construction

Impact Type	*Employment*	*Income (2014 $)*	*Output (2014 $)*
Direct Effect	339	$21,286,034	$51,148,422
Indirect Effect	148	$6,347,408	$18,332,668
Induced Effect	183	$7,476,835	$23,293,015
Total Effect	670	$35,110,277	$92,774,105

Table 3. Sales Tax Revenues from Construction Activity (2014 $)

Frost Tower	[redacted]
Residential Development	
Total	

Table 4. Property Tax Rates and Annual Revenues of New Development (2014 $)

	Tax Rates Per $100 Valuation (2013)	*Frost Tower*	*Residential Development*
SAISD	1.3576	[redacted]	
Road & flood	0.030679		
SA River Authority	0.017798		
Community College	0.14915		
University Health System	0.276235		
Bexar County	0.296187		
City of San Antonio	0.56569		
Total	2.693339		

Source: Bexar Appraisal District (Tax Rates)

Economic Impact Concepts

Economic impact is based on the concept that a new dollar flowing into the area causes an expansion of the economy. The economic activity of many businesses generates exports outside of the region[2], which brings this money flowing back into the local economy. These businesses use this revenue to pay their workers' salaries and benefits, purchase inputs from local suppliers, and pay government taxes and fees. The direct economic impact is derived from the production activity of the businesses and the salaries and benefits they are then able to pay their workers. As already alluded to, this also generates additional economic activity often times referred to as the multiplier effects.

[1] Weston Urban anticipates the residential development will receive tax incentives through the current CCHIP program.

[2] These exports include retail and hotel spending, for example, by visitors from outside the city. In this manner, many services are also exported.

The multiplier effects can be separated into two effects: the indirect effect and the induced effect. The indirect effect results from the company purchasing inputs (physical goods or services) from its local suppliers. Of course, this then sets off additional spending by the supplier in its purchases of inputs and payment of salaries and benefits to its employees. The induced effect is derived from the spending of the employees of the company resulting from the incomes they receive. This is where the economic impact really begins to spread throughout the economy as workers spend their incomes to buy the various goods and services that they need and desire.

All of this economic activity also benefits the government at various levels as the spending by businesses, their employees, and others generate tax revenues and fees. For instance, these activities will generate excise, income, and property tax revenues, social security contributions, and various license fees.

Of course, not all of this economic activity is captured within the local economy. There are leakages as businesses and individual consumers purchase goods and services outside of the local economy causing some money to leak or flow out of the local economy. This is also the case as federal and state taxes and fees are paid resulting from these activities. These leakages are accounted for in the model and are not counted as part of the economic impact. In fact, they reduce the impact of these activities.

The Model

In order to estimate these impacts, the IMPLAN v3 input-output model for the San Antonio metropolitan area was used. This model is based off "the 'Input-Output Study of the U.S. economy' by the [U.S.] Bureau of Economic Analysis,"[3] and is adapted for the San Antonio MSA using data specific to the region from the Bureau of Economic Analysis. The IMPLAN model measures the interactions across 440 industries.

Input-output analysis was introduced by Wassily Leontief for which he later received the Nobel Prize in economics in 1973.[4] An input-output model describes the economic interactions or trade flows among businesses, households, and governments and shows how changes in one

[3] *IMPLAN Professional® Version 2.0 User's Guide*, p. 98.
[4] For an example of his seminal work, see: Leontief, Wassily et al., *Studies in the Structure of the American Economy: Theoretical and Empirical Explorations in Input-Output Analysis,* New York: Oxford University Press, 1953.

area of the economy impact other areas. The multipliers that result from these models are the expressions of these interactions.

There are generally three basic multipliers used to measure the overall impacts. The output multiplier measures the direct, indirect, and induced changes in output across the economy resulting from a change in economic activity within the local economy. The employment multiplier measures the direct, indirect, and induced changes in full-time equivalent employment across the economy resulting from this change in economic activity. Finally, the earnings multiplier measures the direct, indirect, and induced changes in earnings (including benefits) across the economy resulting from the change in economic activity. Like the proverbial ripples resulting from a rock being thrown in a pond, the multiplier effects will register successive rounds of effects until eventually the leakage from each round halts the process.

Data and Methodology

While this study focuses on the economic and fiscal impacts derived from the construction of these new buildings in downtown San Antonio, the actual geographic unit of analysis is the San Antonio metropolitan area. In other words, while the economic activities under consideration occur in downtown San Antonio, their impacts are measured across the entire metropolitan area.

This study focuses on the impacts of the construction of a new Frost Tower and new residential units in downtown San Antonio. The data on the construction costs and timing were provided by Weston Urban, while the sales tax and property tax rates were pulled from the websites of the Texas Comptroller's Office and the Bexar Appraisal District, respectively.

The fiscal impact is also estimated in terms of sales and property tax revenues generated to local government agencies. The property tax revenues are calculated by applying the appropriate property tax rates, as shown in Table 3, to the property values derived from the new developments. The assessed values are assumed to be [redacted]% of the costs. Property tax revenues do not include revenues derived from multiplier effects, and they are projections of the annual revenues.

To get a projection of the sales tax revenues that will be generated, adjustments were made to the sales tax revenues estimated by the IMPLAN model to get an estimate of the total sales to which it is appropriate to apply the sales tax rate of 2.0%, including MTA and ATD

rates. The adjustment to the sales tax revenue projection produced by the IMPLAN model is necessary because that figure includes the combined revenues to the State of Texas and all local taxing entities within the San Antonio metropolitan area. In order to get an estimate of how much of these revenues will flow to local entities, the projected sales tax revenues from IMPLAN were divided by 8.25%, which is the maximum amount of sales tax that can be applied. Not all communities will be charging this rate, but it is assumed that this is the case, as it will give the most conservative estimate of sales to which the sales tax rate can be applied. Using employment data from the U.S. Census in 2010 (the most recent year data are available), employment in the city of San Antonio accounts for 69.7% of all employment in the metropolitan area. Assuming this provides an accurate measure of the relative amount of economic activity occurring in the city of San Antonio, this percentage was multiplied by the total amount of applicable spending to get an estimate of the amount of spending in the city of San Antonio to which it would be appropriate to apply the sales tax rate. The sales tax revenues are derived solely from the construction activity, including multiplier effects, so once the construction activity is complete, this revenue flow will cease.

Proposed Frost Tower

Sources & Uses

Sources

[redacted]

Proposed Frost Tower

Income Statement

[redacted]

CREDIT SUISSE

Date August 7th, 2014

Transportation and Capital Improvements Department
Attn: Ms. Debbie Racca-Sittre
Title: Assistant Director – Support Services
City of San Antonio
P.O. Box 839966
San Antonio, TX 78283-3966
Address

To Whom It May Concern,

[redacted]

This is provided at your request and is an accommodation, it is not intended, and should not be deemed to be, an amendment to or modification of any terms or conditions in the existing loan agreements.

CREDIT SUISSE AG, NEW YORK BRANCH

By: _____

Name: Sal Internicola
Title: A.V.P.

Address: Eleven Madison Avenue
New York, NY 10010

#195192v3F