



San Antonio Eastside Economic Development Strategy Final Report

February 24, 2016

Prepared for:
San Antonio for Growth on the Eastside (SAGE)

Prepared by:
HR&A Advisors, Inc.

TABLE OF CONTENTS

Executive Summary(Tab 1).....	3
Methodology (Tab 2).....	8
Economic Development Context (Tab 3).....	13
Key Development Sites and Concepts (Tab 4).....	61
Zone #1: Thompson Transit Center	62
Zone #2: Near Eastside.....	65
Zone #3: Far Eastside.....	69
Key Findings (Tab 5).....	74
Development Feasibility Analysis (Tab 6).....	81
Detailed Feasibility Analysis by Site (Tab 7).....	87
Next Steps and Implementation (Tab 8).....	106
Appendices (Tab 9)	114
Appendix A: Eastside Study Zones Map	115
Appendix B: Resident Employment by Industry.....	116
Appendix C: Downtown Workers Place of Residence.....	117
Appendix D: Northern Suburban Office Clusters' Workers' Place of Residence .	118
Appendix E: Fort Sam Houston Non-Military Workers' Place of Residence.....	119
Appendix F: Breakdown of Military Dependents' School District	120
Appendix G: Internet Availability	121
Appendix H: Inner City Reinvestment Infill Policy (ICRIP) Map.....	125
Appendix I: Detailed Incentives Description	126
Appendix J: Alamo Architects Site Diagrams	139
Appendix K: Model Assumptions.....	148
Appendix L: Code Violations Descriptions for Land Database Tool	150
Appendix M: Parcel Data Field Descriptions for Land Database Tool	151
Appendix N: List of Data Sources Used for Land Database Tool.....	153
Appendix O: Project Kickoff.....	154
Appendix P: Land Database Methodology.....	161
Appendix Q: Map of Eastside Promise Zone and Categorized Land Parcels.....	164

EXECUTIVE SUMMARY

This Report describes key strategies for SAGE and its Partners to facilitate economic development, particularly new real estate investment, on the Eastside for the benefit of the community. It is primarily drawn from the findings of site analysis across the Eastside and detailed architectural and financial analysis of nine prototypical sites. Where applicable, we also identify opportunities to advance broader economic development opportunities identified in the section titled “Economic Development Context,” beginning on page 13. These recommendations stem from multiple analyses completed by the HR&A Team and correspond to Task 5: Development Scenarios and Task 6: Development Scenario Model in the project scope described in Appendix O: Project Kickoff.

- We began by **solidifying goals, project timelines, and the scope of services** with SAGE and relevant stakeholders described in Appendix J: Project Kickoff.
- We analyzed **opportunities and challenges to economic development** throughout the Study Area, as described in the third section of this report, Economic Development Context, beginning on page 13.
- We **created an online GIS database** and conducted a **Study Area-wide parcel assessment**, using the GIS database, to identify sites that were vacant, underutilized, and/or neglected, as described in Appendix P: Land Database Methodology.
- In consultation with SAGE, we identified **nine prototypical development sites** within three Zones across the Eastside.
- We conducted rigorous **site and financial analysis** of market-supportable, catalytic development programs on each of the prototypical sites.
- We evaluated the **efficacy of existing and contemplated incentives** in attracting development to these sites.
- We also solicited **qualitative input** from community members, major employers, local developers, and potential public and private partner organizations.
- Finally, we analyzed SAGE’s **implementation capacity** and the capacity of partner organizations to support these recommendations, and proposed an approach to build, fund, and manage key initiatives.

The findings of this Report are drawn primarily from detailed physical and financial analyses of nine prototypical sites in the Study Area; we aggregated and compared the outputs of each site’s analysis to identify overarching opportunities for the Eastside.

HR&A conducted a Project Kickoff in early April, which included meetings with SAGE staff, relevant stakeholders, and the general public. For the full explanation, see Appendix O: Project Kickoff. Based on the EPZ’s existing economic and physical conditions, the HR&A Team identified five priority economic development goals for the study area and strategies for attaining them, including:

- Attract private investment in commerce, real estate, and the community.
- Increase economic diversity of EPZ resident base.
- Improve standard of living of EPZ residents.
- Increase economic activity in the EPZ.
- Create jobs for EPZ residents.

In prioritizing these five goals, HR&A has taken into consideration other factors, such as the concerns and desires of EPZ residents that were noted during public meetings, available or potential funding sources, and the six economic development goals for the EPZ previously developed by the City of San Antonio and SAGE.

HR&A then developed a land use strategy that responded to existing conditions, reflected the five economic development goals, and addressed a specific potential need or opportunity in the EPZ. Each of the proposed land uses fell into one of the five primary categories: residential, retail, office, industrial, and public/institutional. Each proposed land use also included a brief description of physical and site conditions necessary for successful development. Using the GIS mapping tool that was developed by the HR&A team, we then identified all vacant, underutilized, and neglected sites that might be considered for redevelopment, as well as nine prototypical sites that reflect the opportunities and challenges described in the land use strategy.

The findings of this Report are drawn primarily from this detailed physical and financial analyses of nine prototypical sites in the Study Area. We aggregated and compared the outputs of each site's analysis to identify overarching opportunities for the Eastside. For a detailed land use strategy, see the section "Economic Development Context," beginning on page 13, and Appendix P: Land Database Methodology for an explanation of our process for identifying vacant, neglected, and underutilized land parcels on the Eastside. Together, these analyses highlight several overarching development opportunities and required interventions on the Eastside:

- Development feasibility varies by Zone, depending on program choice and market conditions.
 - The **Thompson Transit Center is the most promising** from a market perspective.
 - The Near Eastside is a challenging market but should be prioritized for development.
 - Despite having the largest assemblages of all three Zones, the Far Eastside is also challenging due to lack of demand and low density of the surrounding context.
- Existing market and policy conditions **favor affordable residential and retail uses.**
 - **Affordable multifamily housing is supportable due to federal incentives and existing household incomes** in study area.
 - Market-rate housing remains infeasible on the Eastside without intervention over and above existing incentives. The Center City Housing Incentive Policy (CCHIP) has been successful in the Center City, but most of the Study area is not eligible for these benefits.
 - While conditions favor retail uses, low household incomes and low population density on the Eastside may limit the interest of some national and regional retailers. However; retailers and restaurateurs that have locations in communities with demographics similar to that of the Eastside may be potential tenants. It should be noted, however, that developers of large scale retail projects will require signed leases for a significant portion of a project before beginning construction.
 - **Outreach to independent retailers**, in the San Antonio area as well as in communities with similar demographics, could provide a source of potential tenants for the Eastside. Small scale retail would represent potential to support local entrepreneurs, including restaurants and start-up companies, which would keep profits in the local community.
 - Office development is not currently viable on the Eastside without significant subsidy.
- **Federal incentives will play a significant role** in new development projects.
 - Federal tax credits are the most powerful development incentives, but they are not directly controlled by SAGE or the City.

- **State incentives are primarily targeted toward job creation** and may facilitate office and retail development. County incentives are tied to property taxes and do not substantially impact feasibility.
- **City programs offer moderate support**, particularly for projects located within the ICRIP and/or within priority areas for downtown residential development. At the local level, SAGE can advocate for a series of changes to improve the efficacy of incentives in the Eastside.
 - **It is critical that SAGE and the City work with State Partners to advocate for Low Income Housing Tax Credit allocation**, both competitive 9% and 4% with bonds. The annual Qualified Allocation Plan (QAP) gives states the flexibility to create preferences within the tax credit allocations, so there may be an opportunity to adapt to the needs of the Eastside.
 - **SAGE can also provide additional supports to facilitate development**, including land banking, land assemblage, marketing, developer coordination, and direct development (e.g. its own office).

Drawing upon the findings of its analyses, HR&A has identified the following key interventions that can yield significant and/or near-term benefits for the Eastside:

1. SAGE can increase access to public incentives on the Eastside by pursuing competitively-allocated incentives and advocating for policy changes that can benefit development on the East Side. Specifically, we recommend that SAGE:

- Reach out to relevant Federal agencies, including HUD, EDA, FTA and others, to advocate for greater access to competitively-allocated grants and tax credit programs.
- Collaborate with the Center City Development Office (CCDO) and other relevant City Partners to advocate for additional incentives for Eastside development.
- Serve as a resource for available incentives to the development community for local projects.
- Advocate for City capital improvements that support investment on the Eastside.
- Coordinate opportunities to leverage the City's land bank.

2. SAGE can build support for its initiatives by enhancing partnerships on the Eastside, both through informal outreach and by formalizing its collaborative efforts through a new "Friends" group.

- In the near-term, reach out to multiple Eastside stakeholders to share the report and advance community aspirations for Eastside development planning.
- Over the mid-term, establish a "Friends of SAGE" program to formalize stakeholder engagement into a support organization for SAGE's diverse activities.
- Encourage companies to provide employee incentives for those employees who live in/relocate to the Eastside.
- Engage potential partners in both the public and private sectors with its new tools: the GIS Database and Website and the Incentive Table, to educate and encourage potential investors.
- Partner with San Antonio Economic Development Foundation (SAEDF) and the Greater San Antonio Chamber to support business attraction and retention efforts on the Eastside.

3. Cultivate a local retailer base to enhance jobs, local amenities, and community pride on the Eastside.

- Identify local entrepreneurs and artists currently managing small businesses by partnering with community groups and arts organizations with the goal of encouraging those retailers to open a store or share a storefront on the Eastside.
- Provide collective marketing support for existing businesses and neighborhoods to draw additional consumers.

- Expand SAGE's existing façade improvement program.
- Actively acquire and curate retail space as a landlord.

4. Support office and residential investment to support a stable, diverse population on the Eastside.

- Support home ownership and investment with new homeownership and home investment incentives administered by the City or SAGE.
- Support new office development.
- Support arts and culture on the Eastside, which can attract creative tenants to office, retail, and housing uses and support community pride.

5. Develop long-term capacity through near-term focus.

- Prioritize Near Eastside development in the near term.
- Develop a neighborhood/corridor master plan for near-term capital improvements in tandem with the City's comprehensive plan.
- Develop an independent funding stream(s).
- Leverage the Friends of SAGE (2.2) to streamline organizational focus on core activities: Developer outreach and engagement, public sector engagement, business district activation and marketing, and related activities.

METHODOLOGY

In consultation with SAGE, we began by selecting nine focus sites – three in each of three Zones across the Eastside – that are suitable for redevelopment.

- In preparation for this assessment, SAGE segmented the Study Area into three Zones: the area within walking distance of the Thompson Transit Center (“Thompson Transit Center”), the Near Eastside (“Near Eastside”), and the Far Eastside (“Far Eastside”) as described in Appendix A, Eastside Study Zones Map.
- As described in Appendix P: Land Database Methodology, we catalogued vacant, underutilized, and neglected sites to create a database of potential development sites as part of a Study Area-wide GIS analysis; we considered all sites in this database for potential additional focus. This database will be available online for public use, and will enable users to identify development sites by characteristics-and find land use and zoning data for specific parcels in the Eastside. Appendix P: Land Database Methodology details the methodology underpinning its development.
- We then conducted a physical site assessment to identify three specific sites within each Zone from the database of vacant, underutilized, and neglected sites. The selected sites fulfilled two primary goals:
 - ***Offer prototypical examples for future development:*** Development options at these sites could be replicated across the Eastside, producing lessons and strategies that will continue past the development within the selected areas.
 - ***Produce catalytic new development:*** We highlight large unique sites with potential for substantial economic impact, including job creation and the ability to impact surrounding property values.
- For reference, Appendix L: Alamo Architects Site Diagrams, describes the chosen sites for development and specific criteria for their selection.

The map displays the city of San Antonio, Texas, divided into three council districts. District 1 is highlighted in orange and includes the city center, Brackenridge Park, and the area around the Alamo. District 2 is highlighted in yellow and includes the area around Fort Sam Houston and Kirby. District 3 is highlighted in green and includes the area around Southside Lions and Kirby. The map also shows major roads like I-10 and I-35, and surrounding areas like Alamo Heights and Kirby.

We then developed a conceptual redevelopment program of uses for each site that reflects neighborhood conditions, physical site conditions, and community economic development aspirations. Architects led the architectural design development by producing mixed-use building massing scenarios, creating physical building typologies that fit the sites and conformed to the surrounding neighborhood context. The massing scenarios take into account the unique character of each site including: proximity to transit, schools, institutions, transit and amenities; zoning; visibility; and market implementation considerations. The program for each site includes a mix of uses that produces new housing options, creates job opportunities, and provides new retail options for Eastside residents. Program uses included in our assessment include:

- **Office:** Two of the development programs in the Near Eastside include new office space, including new offices for SAGE. The office development analyzed in this Report closely resembles the co-work and incubator office space described in the section “Economic Development Context,” beginning on page 13. These offices are not traditional corporate Class A facilities, but instead seek to create jobs and attract creative class residents to the burgeoning neighborhood with tech-driven amenities and co-working space.
- **Large-format retail:** National retail chains are sparse in the Eastside. The addition of large-format retail would create new jobs and give residents the opportunity to access critical goods, such as groceries, in their own neighborhood.

- **Neighborhood retail:** Neighborhood retail is characterized by smaller spaces, local owners, and lower rents than large-format retail. Several development programs include ground-floor retail as part of residential development or ancillary retail on pad sites surrounding large-format retail.
- **Residential rental:** Multifamily rental is the primary residential option explored in this assessment, which encompasses the recommendation for multifamily units in the section “Economic Development Context,” beginning on page 13. Under present conditions, rental housing would qualify for various affordable housing subsidies, though this use might also include a mix of market-rate residential and affordable residential development. There may be the potential for market-rate development in the future, particularly near Center City, if rents increase over time with San Antonio’s maturing multifamily market. Based on the program, affordable rental development may also include a preference for a certain population of residents, such as senior housing. The development programs include two rental typologies – denser, transit-oriented development (“TOD Residential Rental”) and low-scale, stick-built units (“Low-Scale Residential Rental”). Our financial analysis distinguishes between these typologies to reflect costs and revenue assumptions for each.¹
- **Residential condominium:** We also explore opportunities for owner-occupied housing development including townhouse-style condominium units. The condominium units offer another multifamily option that could create new opportunities for home ownership and long-term investment in the EPZ. Unlike single family housing, which is not included in this analysis but may be a viable option on larger infill sites in the Eastside, the residential condominiums leverage density to support mixed-use investment.

For each selected site, we evaluated the financial feasibility of the proposed development program. The purpose of this exercise was to identify key obstacles to development and the most promising strategies for SAGE to overcome these obstacles. This analysis offers both specific insights at the prototype level and broader strategic lessons for SAGE and its Partners across the study area.

HR&A created a multi-year real estate financial model (“Model”) for each of the prototypes, calibrated to reflect current market conditions. The Model is designed to be a “living” tool that can be updated for additional analysis based on development program, physical form, market values, construction costs, and overall project phasing, and can also be updated to reflect changes in market and/or regulatory conditions. It utilizes a discounted cash flow methodology, an approach that assesses the attractiveness of a development program and site, given development costs, net revenues from sale and/or operations, and financing options. The Model outputs net present value for the overall development program by combining cash flows of individual uses.

The detailed mechanics of the Model and assumptions that served as inputs are described in the “Development Feasibility Analysis” Section on page 81. This Model will be provided separately to SAGE as a final deliverable.

¹ For reference, we use “typology” when describing a type of building (such as a single-story power center) and apply “use” when describing what happens in the building (such as retail, residential, or other uses).

We then tested the financial feasibility of each project with a range of public/private incentives for which each project is eligible. Consistent with the findings of the economic assessment in the “Economic Development Context” Section starting on page 13, the Eastside remains a challenging development environment; as a result, many of the development programs studied are not feasible without incentives. To understand the impact of various incentive programs, HR&A identified opportunities for capital and non-capital incentive contributions, which are outlined in a summary table on page 75 and described in detail in Appendix I: Detailed Incentives Description. Based on site locations and applicable uses, we applied incentives to program cash flows and calculated the resulting net present value (NPV). Incentives significantly improve development outlook for most of the prototypical programs.

Some of the development programs have remaining gaps in feasibility, even after applying incentives. HR&A provides an analysis of each site, including additional opportunities to improve feasibility and attract new development to the area. We focus on scalable strategies that not only may impact the future of selected sites, but may have broader implications on incentivizing new development across the EPZ.



San Antonio Eastside Economic Development Context

Revised November 10, 2015

Note: This section was originally conceived as a separate Chapter and restructured into a subsection for the final report.

Prepared for:
San Antonio for Growth on the Eastside (SAGE)

Prepared by:
HR&A Advisors, Inc.

EXECUTIVE SUMMARY

This report is the second section of a report by the HR&A Team that will review current conditions and analyze potential growth opportunities within EPZ. This section describes **existing conditions** for economic and real estate development within the study area; then draws upon these findings to deliver a set of **economic development goals and strategies** for the area and relevant metrics. It ends by identifying **key land uses** that will advance those strategies, which will be explored further in the HR&A Team's subsequent analyses and report sections. Future deliverables identify vacant, neglected, and underutilized properties for potential redevelopment opportunities along with information related to property values, improvement values, and building permit and assessment history, among others.

Based on the EPZ's existing economic and physical conditions, the HR&A Team identified five priority economic development goals for the study area and strategies for attaining them, including:

1. **Attract private investment in commerce, real estate, and the community.**
 - **Provide subsidies or incentives for small and medium businesses expanding or locating to the EPZ.** Current subsidies and incentives cater to larger businesses but provide little benefit to smaller businesses which are more likely to locate to or grow in the EPZ.
 - **Develop public-private partnerships by leveraging the value of the many assets in the EPZ, such as parks and open spaces, St. Philips College and the AT&T Center**
2. **Increase economic diversity of EPZ resident base.**
 - **Develop new, market-rate housing to attract young professionals and their families.** Market-rate housing will create greater economic diversity among the residents of the EPZ and help attract additional amenities and resources to the area.
 - **Build new, quality affordable housing through expanded partnership with SAHA.** Though much of the EPZ is organically affordable, its housing stock is largely aging and may not support wealth creation for its residents.
 - **Improve existing housing stock through assertive public repossession and private investment.**
3. **Improve standard of living of EPZ residents.**
 - **Increase investment in public schools and education system.** The quality of the public schools in the EPZ continues to be one of the biggest challenges faced by its current and future potential residents.
 - **Develop or subsidize new retail amenities in the EPZ.** Retail continues to be in short supply in the EPZ, and quality new retail amenities may help drive residential growth and economic activity in the EPZ.
 - **Invest in increased and streamlined transit service between EPZ and major employment centers.** EPZ residents may rely on public transit to commute to their jobs outside of the EPZ. However, disjointed transit linkages pose a major hurdle to workers seeking employment.
4. **Increase economic activity in the EPZ.**
 - **Develop or subsidize new retail amenities in the EPZ.** As previously noted, new retail amenities will likely drive increased economic activity in the EPZ and attract retail customers from a broader area in San Antonio.
 - **Utilize the stock of existing, character-rich spaces to attract new businesses and workers.** The EPZ's aging building stock offers many spaces with elaborate character and authenticity – qualities that are highly desirable to 21st Century shoppers.

- **Expand upon existing local assets and develop attractive programming and complementary commercial uses.** The EPZ may be able to support dining and entertainment uses around the AT&T Center or education-affiliated uses around St. Philips College.

5. Create jobs for EPZ residents.

- **Reach out to and partner with growing employers in the region.** Overall, San Antonio has benefitted from a growing employment base. However, the EPZ has not benefitted from this growth over the years. Through targeted outreach to growing employers such as FedEx and Carrier and provision of specialized training, SAGE may be able to help EPZ residents attain employment.
- **The City and SAGE may consider providing enhanced subsidies for employers who move to the EPZ and hire area workers.** As previously noted, current incentives are most effective for larger employers in San Antonio. Given its preponderance of Class B office space, the EPZ is likely to attract small businesses and startups. Incentives targeting these kinds of businesses are more likely to drive new economic activity and create jobs.

In prioritizing these five goals, HR&A has taken into consideration other factors, such as the concerns and desires of EPZ residents which were noted during a public meeting in April of 2015, available or potential funding sources, and the six economic development goals for the EPZ previously developed by the City of San Antonio and SAGE. In order to successfully reach each economic development goal, HR&A has also outlined multiple strategies as well as potential metrics to measure progress towards goals.

HR&A developed a land use strategy that responded to existing conditions, reflected the five economic development goals, and addressed a specific potential need or opportunity in the EPZ. Each of the following proposed land uses fell into one of the five primary categories: residential, retail, office, industrial, and public/institutional. Each proposed land use also included a brief description of physical and site conditions necessary for successful development. HR&A's land use strategy focused on the following aspects:

- | | |
|---|--|
| <ul style="list-style-type: none"> ● Residential <ul style="list-style-type: none"> ○ Market-rate multifamily ○ Affordable multifamily ○ Senior housing ○ Historic preservation ○ Single family housing ● Retail <ul style="list-style-type: none"> ○ Neighborhood retail ○ Daycare ○ Incubator retail ○ Big box retail ○ Healthcare and medical clinic space | <ul style="list-style-type: none"> ● Office <ul style="list-style-type: none"> ○ Class A office ○ Co-work and incubator office space ○ Data centers ● Industrial <ul style="list-style-type: none"> ○ Office/flex distribution space ○ Incubator industrial ○ Heavy industrial space ● Public/Institutional <ul style="list-style-type: none"> ○ Charter schools ○ Vocational programs ○ Parks |
|---|--|

The next step in seeking opportunities for catalytic development in the EPZ is identifying specific sites that may be suitable for each of the above land uses. The HR&A Team has developed site selection criteria based on feedback from developers, business owners, and other community leaders. These criteria will guide a GIS-based categorization of all parcels in the EPZ. In this process, the HR&A Team will also identify vacant, neglected, and underutilized parcels for consideration in future development opportunities.

INTRODUCTION

In the first part of this report, we present our findings of existing market and physical conditions in the EPZ and the broader region. We introduce our findings of existing conditions with an overview of the San Antonio region, which creates a backdrop against which we measure the relative performance of the EPZ. Our EPZ analysis then begins with a demographic assessment of residents to identify income, education, and labor patterns. We identify geographies in which EPZ residents are employed as well as geographies from which workers in EPZ are commuting in order to understand employment patterns and their impact on the EPZ's demographics.

We then conduct a market scan of four primary land uses in the EPZ: residential, retail, office, and industrial. We utilize US Census data to identify potential housing development opportunities in the EPZ in the near term. We also conduct a high-level retail demand assessment, in which we identify a number of customer groups, such as EPZ residents and workers from various employment clusters. Similarly, we assess office and industrial demand in the EPZ through a review of historical development and absorption. For all of the above uses, we assess existing supply to identify what, if any, opportunity may exist for new development in the near and medium terms.

We supplement our market analysis with an assessment of existing physical conditions. These include qualitative assessments of the EPZ's infrastructure, points of access, open space, and the quality of existing buildings and homes.

In the second part of this report, we recommend specific land uses that reflect our assessment of existing conditions and market-supportable opportunities for new development. As noted in Figure 2, these land uses will allow us to evaluate all parcels in the EPZ in order to identify ones that may be well-positioned for catalytic redevelopment.

The report concludes with site selection criteria for each of the uses that are identified. These criteria were generated through discussions with local brokers and developers and potential tenants. We developed these criteria using available GIS data, which will guide the HR&A Team's GIS analysis of site suitability in the next phase of work.

Figure 2: Steps for Identifying Development Sites and Crafting Implementation Tools

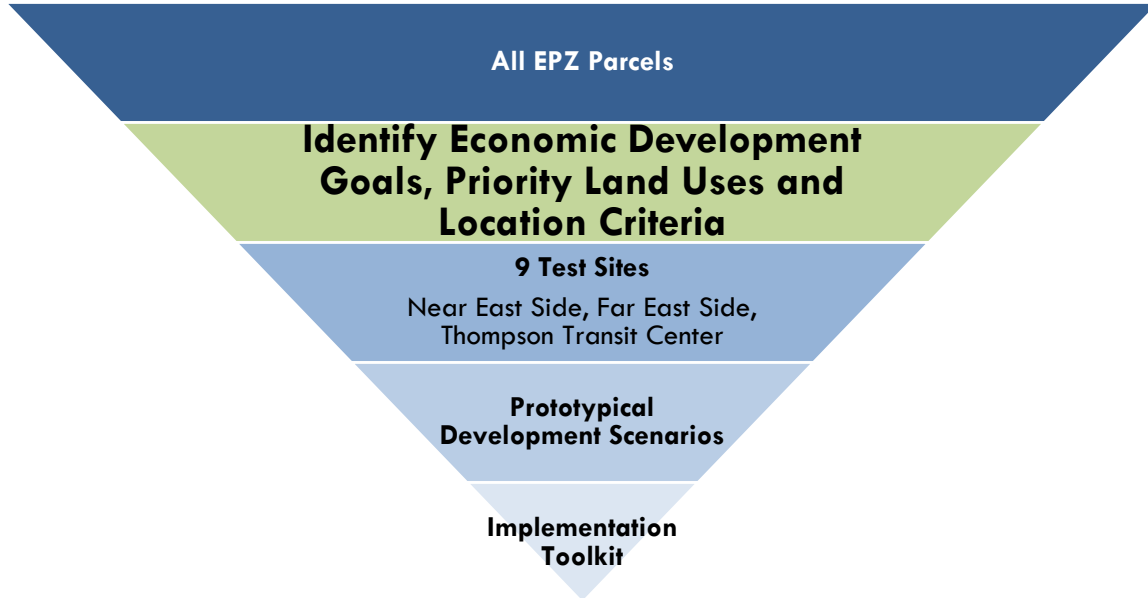
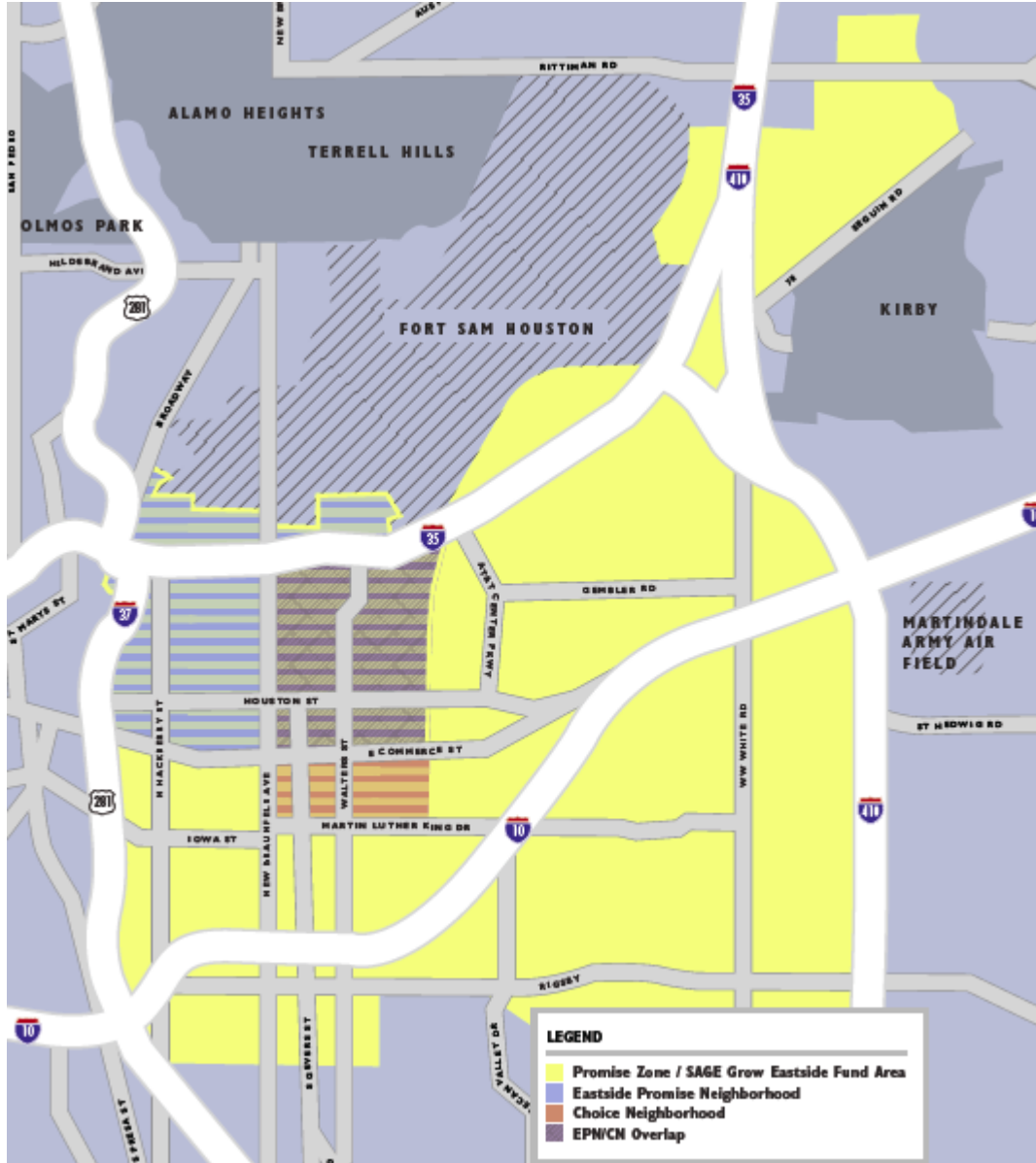


Figure 3: Map of East Point and the EPZ
(Source: SAGE)



EXISTING MARKET CONDITIONS

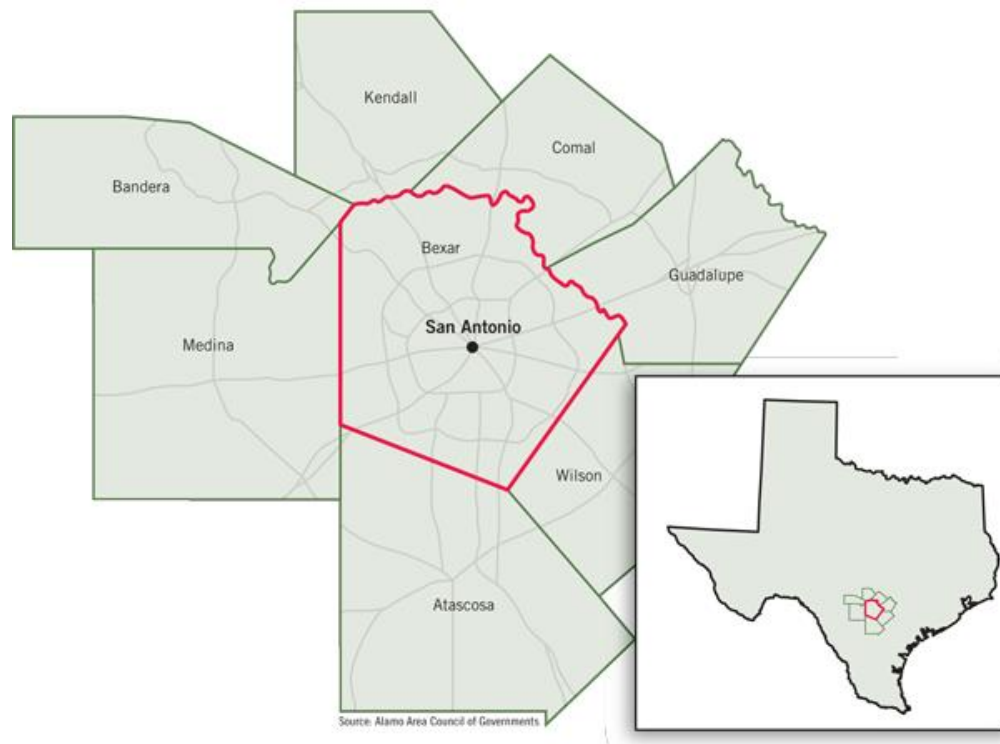
The existing conditions of the EPZ are best understood in the context of the broader region, the San Antonio-New Braunfels Metropolitan Statistical Area (MSA) and, where possible, other specific areas within the City of San Antonio.

Regional Overview

The San Antonio metropolitan region exhibits strong economic conditions and positive momentum, but its economy is growing slower than other metropolitan regions in Texas and lacks modern, 21st Century employment sectors such as technology and professional services.

The EPZ is located in the San Antonio-New Braunfels metropolitan statistical area (MSA), an eight-county region spanning nearly 7,400 square miles that is anchored by Bexar County and the City of San Antonio. The highest population and employment densities in the MSA are in and around San Antonio's Downtown as well as in northern, northwestern, and northeastern suburban clusters.

Figure 4: Map of San Antonio-New Braunfels MSA
(Source: Alamo Area Council of Governments)



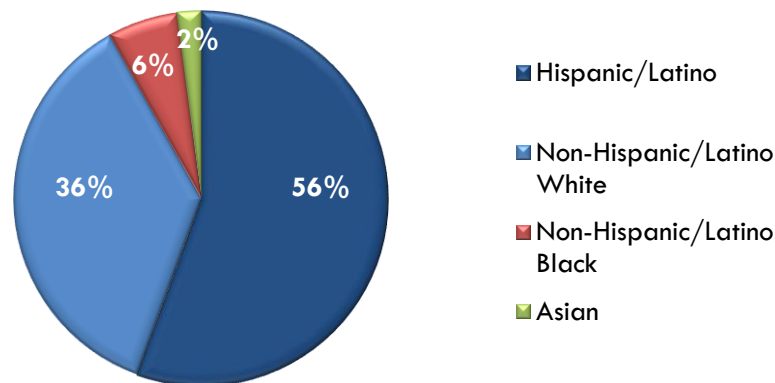
The population of the San Antonio-New Braunfels MSA is diverse and continues to grow. As of 2014, the MSA had a population of over 2.3 million residents, up from 2.1 million in 2010, making it the 25th largest MSA in the United States. The region's population is expected to grow between 2015 and 2020 by 7.64%², nearly twice as fast as the population growth rate for the United States in the last five years.³ In

² Claritas

³ World Bank

the same period of time, the Dallas-Fort Worth-Arlington MSA and the Houston-The Woodlands-Sugarland MSA are expected to experience 7% and 6.5% population growth, respectively.⁴ As shown in Figure 5, the region's population is diverse; Hispanic/Latino people of various ethnicities make up the largest proportion (55%), followed by non-Hispanic/Latino white (36%), non-Hispanic/Latino black, (6%), and Asian (2%).⁵

Figure 5: San Antonio Population: Race/Ethnicity
(Source: US Census Bureau)



EPZ Demographic Trends

Unlike those of the broader San Antonio-New Braunfels MSA, the economic conditions of the EPZ exhibit a number of fundamental challenges, which are further exacerbated by transience and a pervasive underground economy. As of 2014, there were approximately 26,889 households within the EPZ with an average household size of 2.84.⁶ In comparison, there are approximately 497,517 households across San Antonio with an average household size of 2.69.⁷

Figure 6: Comparison of 2014 Household Size between Eastside Promise Zone and San Antonio
(Source: US Census Bureau; ESRI Business Analyst)

⁴ Texas Department of State Health Services

⁵ US Census Bureau

⁶ US Census Bureau; ESRI Business Analyst

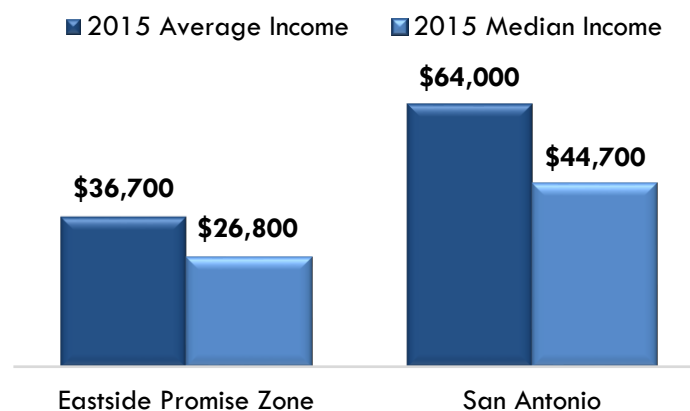
⁷ US Census Bureau; ESRI Business Analyst



The average household income in the EPZ is approximately 40% lower than the rest of the City of San Antonio. As of 2015, residents in the EPZ have an average household income of approximately \$36,700. The largest segment of the EPZ's population, approximately 27% of households, report a household income below \$15,000, the result of which is a far lower median household income of approximately \$26,800 in the EPZ. Across the City of San Antonio, the average household income rises to approximately \$64,000 in 2015. Concentrations in lower tier income brackets lead the median household income across the City to drop to approximately \$44,700.

Figure 7: Comparison of 2015 Average and Median Incomes between Eastside Promise Zone Residents and San Antonio Residents

(Source: US Census Bureau; ESRI Business Analyst)



EPZ residents are generally under-employed and work in industries that are generally lower paying when compared to the broader City of San Antonio. Approximately 37% of EPZ residents reported having jobs in the 2013 American Community Survey, as compared to 45% of residents across San Antonio.⁸ However, when broken up by age group, the data indicates that EPZ residents begin working at an earlier age than the general population in San Antonio.⁹ Among all San Antonio workers, 27% are age 29 or younger and 57% are age 30 to 54, while among EPZ workers, 32% of workers are age 29 or younger

⁸ 2013 American Community Survey; ESRI Business Analyst

⁹ Age group data limited by US Census to three tiers: younger than 29, 30-54, and older than 55

and 55% are age 30 to 54.¹⁰ EPZ residents who are employed often work in low-skill, labor-intensive industries; the largest industries of EPZ resident employment are health care and social assistance (~18.5%), accommodation and food services (~14%), retail trade (~10%), waste management (~8.5%), and educational services (~8%).¹¹ Less than 5% of the EPZ's population works in each of a number of professional industries such as finance and insurance, real estate, and information. For more information, Appendix B indicates how EPZ employment by industry compares to the overall City of San Antonio.

Figure 8: Comparison of Top Five Employment Industries between Eastside Promise Zone Residents and San Antonio Residents

(Sources: US Census Bureau; LEHD On The Map)

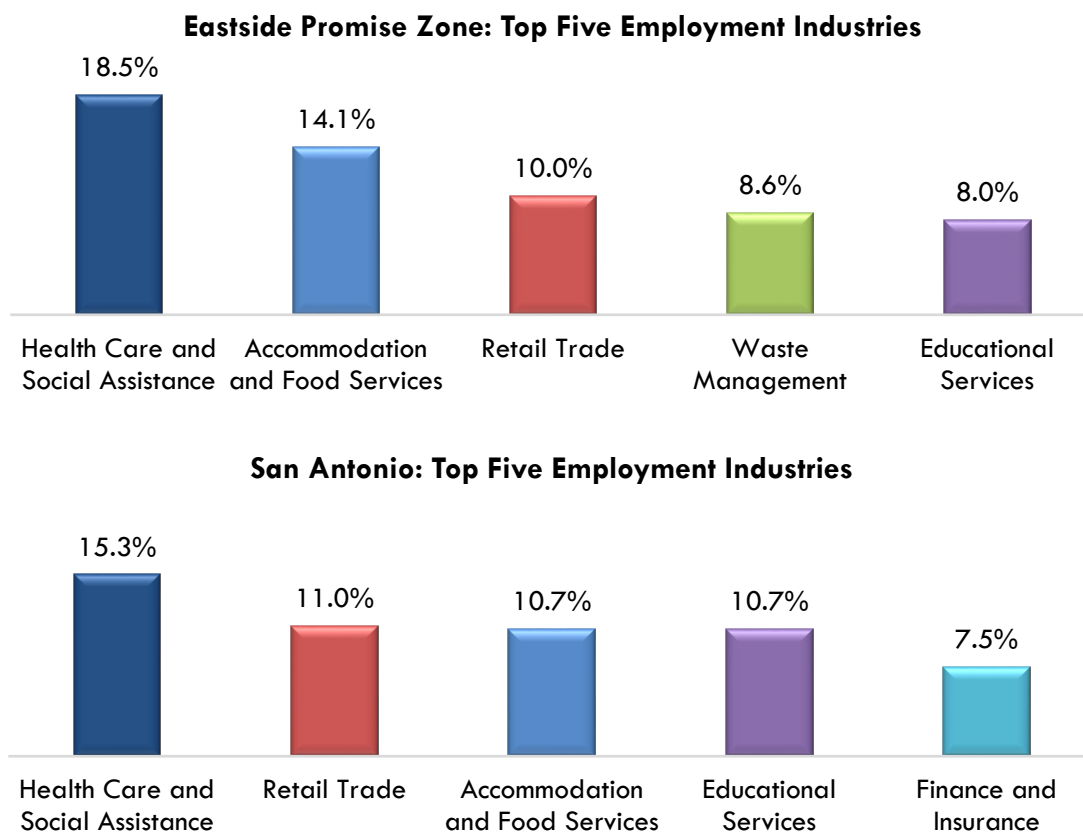


Figure 9: Location of EPZ Residents' Employment

(Source: LEHD On The Map, US Census Bureau)

¹⁰ US Census Bureau; LEHD On The Map

¹¹ US Census Bureau; LEHD On The Map

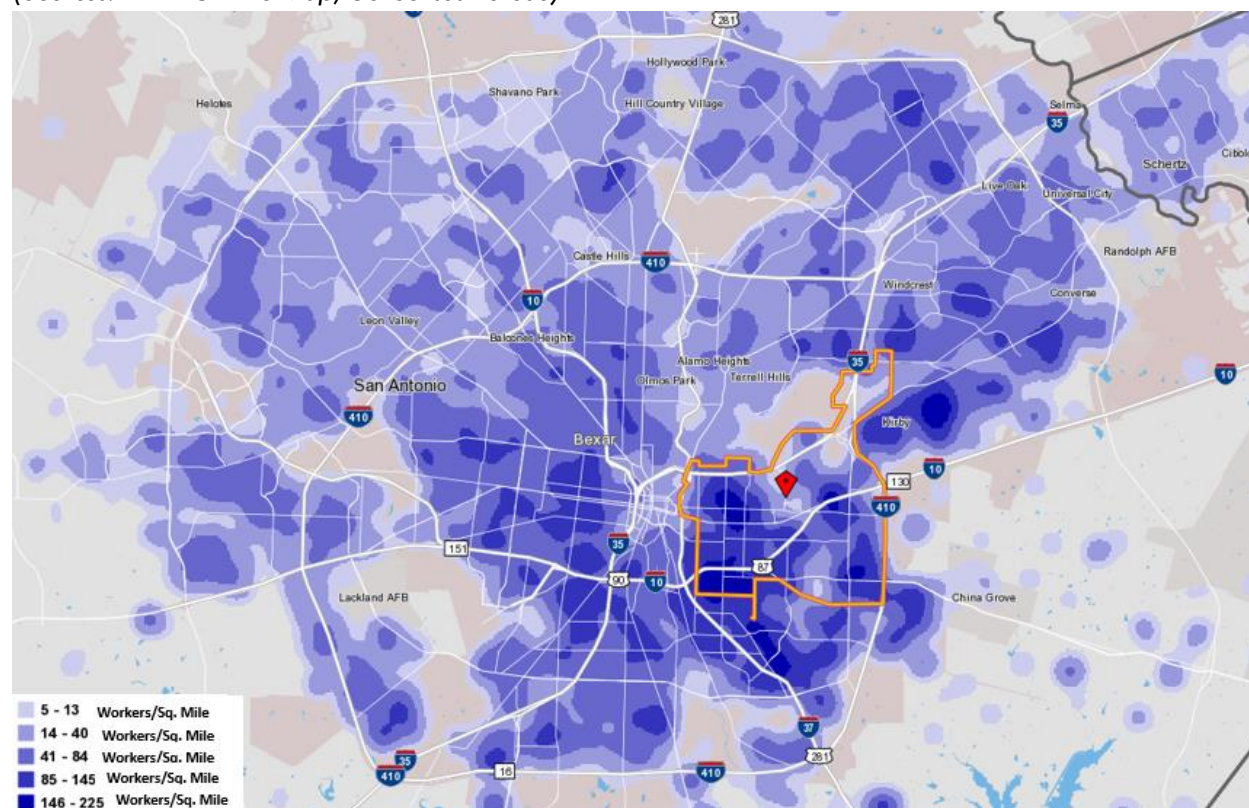
Figure 10: Comparison of 2014 Educational Attainment between Eastside Promise Zone Residents and San Antonio Residents

(Sources: 2013 American Community Survey; ESRI Business Analyst)

	No Diploma	High School Graduate	GED/Alternative Credential	Some College, No Degree	Associate Degree	Bachelor's Degree or Higher
EPZ	32.6%	22.5%	6.8%	23.0%	6.0%	9.1%
San Antonio	19.6%	19.9%	4.9%	24.0%	6.8%	24.8%

Figure 11: EPZ Workers' Place of Residence

(Sources: LEHD On The Map, US Census Bureau)



Because of the misalignment of training and preparedness between EPZ residents and the jobs available, most EPZ workers travel beyond the EPZ for work, and most of the jobs in the EPZ are occupied by people who live outside of the EPZ. Approximately 17,000 EPZ residents are employed outside of the EPZ, while nearly 25,000 of the 26,000 jobs in the EPZ are occupied by people who live beyond the EPZ.¹⁴ As indicated in Figure 9, the 17,000 residents who travel beyond the EPZ to their jobs are employed across San Antonio, with large clusters in the traditional employment centers of Downtown San Antonio and northern suburban areas. Of the residents who work within the EPZ, their jobs are concentrated in the eastern half of the EPZ, particularly along the W.W. White corridor. Figure 11 shows

¹⁴ US Census Bureau; LEHD On The Map

that the 25,000 workers who commute into the EPZ come from across the City and beyond, with over 5,000 workers commuting from over 50 miles away.

Transience and an underground economy limit the accuracy of data and continue to be a major concern for area leaders. All of the above findings on the existing conditions of the EPZ rely on data from sources such as the US Census Bureau and the US Bureau of Labor Statistics. However, in places such as the EPZ, these data may not fully capture the effects of transience or elements of the underground economy.

Though difficult to measure empirically, community leaders in the EPZ have anecdotally acknowledged these challenges through their interactions with area residents. The Eastside Choice Neighborhood Community Profile of 2012 recognized transience as one of five major challenges affecting the community:

“Educators describe the difficulty they face due to the large mobility rate into and out of local schools: ‘...success in the classroom is about getting the kids settled in, this is hard. There is so much uproar in the classroom and it has to do with the housing in the area.’

“And faith leaders express similar concerns: ‘it’s heart breaking to me as a pastor...to keep them motivated – the area is so transient – as soon as you make contact, you know you help [them] out, they come for a month or two then you don’t see them for a month and then you go back and knock on the door and there’s papers and they’re not there and it’s discouraging...’”¹⁵

In the same report, community leaders recognize the prevalence of a criminal underground economy as one of the five biggest challenges affecting the community. Police officers indicate that “... criminal activity is a highly functional underground economy, using the metaphor of ‘small business’ to describe it. Each ‘small business’ has identified and exploited a ‘niche’ in the local (informal) economy dominated entirely by narcotics and prostitution.”¹⁶

EPZ Economic/Employment Trends

Though the region has a variety of economic drivers, the largest employer is the government/military. The largest industries by employment in the MSA are government (17%), trade, transportation, and utilities (17%), education and health services (15%), professional and business services (13%), and leisure and hospitality (12%).¹⁷ Lackland Air Force Base and Fort Sam Houston employ approximately 37,000 and 32,000 people, respectively, well above H-E-B, the next largest with approximately 20,000 employees. Outside of the government and military, much of the major private employment in San Antonio is rooted in health sciences, education, and professional services. The region is also home to a number of corporate headquarters, such as USAA (financial services), Valero Energy (energy), and Rackspace (IT), reflecting the region’s attractiveness to diverse employers. Figure 11 outlines the top employers in the San Antonio-New Braunfels MSA.

¹⁵ San Antonio Eastside Choice Neighborhood: Community Profile, page 14

¹⁶ San Antonio Eastside Choice Neighborhood: Community Profile, page 21

¹⁷ Texas Workforce Commission; US Bureau of Labor Statistics

Figure 12: Top 10 Employers in the San Antonio-New Braunfels MSA

(Sources: San Antonio Economic Development Foundation; 2015 Book of Lists; San Antonio Business Journal)

Employer	Sector	Location	Number of Employees (rounded)
Lackland Air Force Base	Military	West San Antonio	37,000
Fort Sam Houston	Military	Northeast San Antonio	32,000
H-E-B	Retail (grocery)	Regional (HQ Downtown)	20,000
USAA	Financial Services/Insurance	Northwest San Antonio	17,000
Northside Independent School District	Public/Education	Northwest San Antonio	13,000
Randolph Air Force Base	Military	Northeast San Antonio	11,000
North East Independent School District	Public/Education	Northeast San Antonio	10,000
City of San Antonio	Public	Downtown San Antonio	9,000
Methodist Healthcare System	Healthcare	Regional	8,000
Baptist Health System	Healthcare	Regional	6,000

Moving forward, the region's job growth will likely depend upon the continued expansion of private sectors, such as healthcare, construction, education, and professional services. It should also be noted that federal budget limitations may result in reductions to or idling of the region's military sector. Yet, the region was able to gain 29,000 jobs between May 2014 and May 2015, a 3.2% increase,¹⁸ reflecting an 11-year low unemployment rate of 3.9%.¹⁹ Comparatively, the economy of the Dallas-Fort Worth-Arlington MSA grew by 125,800 jobs, a 3.9% increase; and the economy of the Houston-The Woodlands-Sugarland MSA grew by 69,000, a 2.4% increase.²⁰ The largest annual gains in the San Antonio region were in construction (5,600 jobs), financial activities (5,500 jobs), education and health services (5,000 jobs), and trade, transportation, and utilities (4,500 jobs).²¹

The region's most dense employment clusters are Downtown San Antonio, northwest San Antonio, north central San Antonio, and northeast San Antonio. Downtown San Antonio has been anchored by large public sector employment, while the suburban employment clusters are home to many of the private sector offices. Figure 13 below indicates secondary employment clusters around the EPZ at Fort Sam Houston and a large pocket of industrial development near the intersection of Interstates 35 and 410.

¹⁸ US Bureau of Labor Statistics

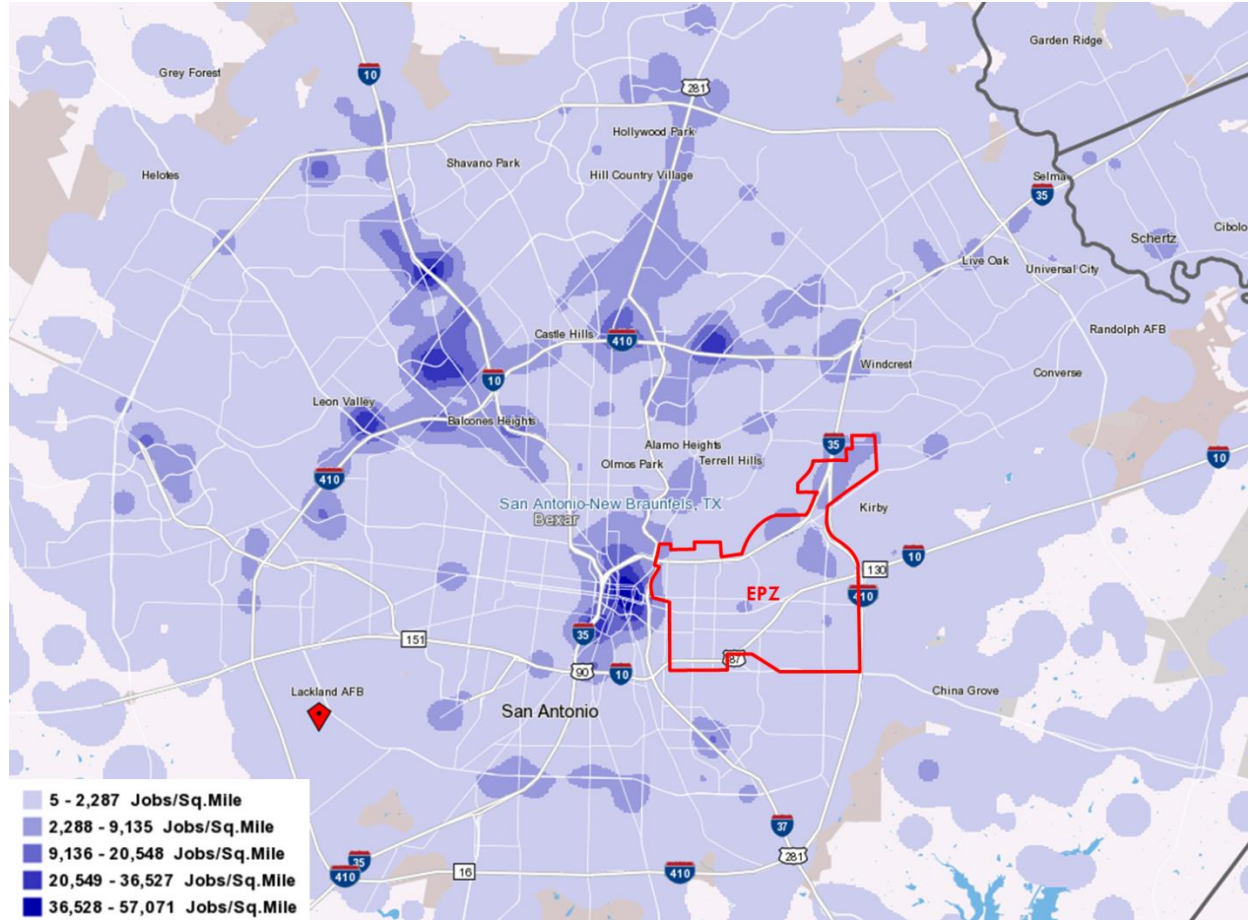
¹⁹ Transwestern

²⁰ US Bureau of Labor Statistics

²¹ US Bureau of Labor Statistics; Texas Workforce Commission

Figure 13: Job centers in San Antonio

(Sources: Longitudinal Employer-Household Dynamics [LEHD] on the Map, US Census Bureau)



Economic Trends: Key Employment Clusters

The EPZ is geographically proximate to a number of employment centers and may be well-positioned to become an attractive destination for workers seeking lower cost housing.

Based on the earlier assessment of employment concentration across San Antonio, there are four notable employment centers near or within the EPZ that may present opportunities for growth within the EPZ:

1. **Downtown San Antonio**, an approximately 4.25 square mile area bound by Interstate 10, Interstate 37, and Interstate 35 (for the purposes of this study);
2. **Northern Suburban Office Clusters**, a series of office and retail clusters along Interstate 410; bound together as one area for the purposes of this study;
3. **Fort Sam Houston**, a 400-acre US Army post immediately north of the EPZ; and
4. **EPZ Industrial Cluster**, a four square mile area of light and heavy industrial clusters in the northeastern corner of the EPZ.

Downtown San Antonio is a dense cluster of over 77,000 jobs across a broad range of industries but has experienced limited growth in recent years. The largest industries by employment in Downtown are educational services (~16%), public administration (~14%), accommodation and food services (~14%), and health care and social assistance (~13%). Workers in Downtown San Antonio have relatively strong incomes, with nearly 50% of workers earning above \$40,000 per year.²² Downtown workers commute from across the City, with notable concentrations coming from the northwest, southwest, and southeast corners of the city. For a detailed map of downtown workers' place of residence, see Appendix C.

Like many American cities, San Antonio has experienced renewed interest in the urban core. The Pearl District, immediately north of Downtown, has captured much of this interest. Office development has idled in Downtown since 1989, when the last office building was developed at 112 E. Pecan St. The building, which is the tallest in San Antonio, has an overall vacancy of 12%.²³

The Northern Suburban Office Clusters represent a 34 square mile area encompassing approximately 226,000 jobs with higher concentrations of jobs in professional service industries than in other geographies. The largest industries by employment in the Clusters are health care and social assistance (~24%), educational services (~16%), finance and insurance (~13%), waste management (~9%), and retail trade (~8%).²⁴ Workers in these office clusters generally reside on the north side of San Antonio, close to their jobs and in relatively affluent parts of the city. For a detailed map of northern suburban office workers' place of residence, see Appendix D.

Despite a renewed interest in the urban core, the suburban office market in San Antonio is very strong and continues to be the single largest driver of office demand in the region. The surrounding housing and retail areas, where a significant portion of office workers live, have also continued to thrive, keeping the Northern Suburban Office Clusters atop the list of employment centers by population in the region.

Fort Sam Houston, also known as Joint Base San Antonio after combining with Lackland and Randolph Air Force Bases, is a major center of economic activity in San Antonio. Though the exact number of military personnel is constantly evolving, the base employs approximately 32,000 workers, of which at least 2,000 are non-military. The military campus is also home to the Army Medical Department and School, an academic medical facility where 25,000 students train each year. The five largest non-military sectors of employment at Fort Sam Houston are waste management and remediation (~28%); accommodation and food services (~27%); professional, scientific, and technical services (~18%); construction (~7%); and healthcare and social assistance (~7%).²⁵ Among the non-military workers at Fort Sam Houston, a large number live in distant suburban and rural clusters north and east of the base, and a measurable number of workers live within the EPZ. For a detailed map of Fort Sam Houston non-military workers' place of residence, see Appendix E.

Data on the place of residence of military personnel is not publicly available. An extrapolation of military dependents' school district assignments may serve as a proxy for the general areas where military personnel reside. The data indicates that only 1.2% of military personnel reside in the San Antonio Independent School

²² US Census Bureau; LEHD On The Map

²³ CoStar

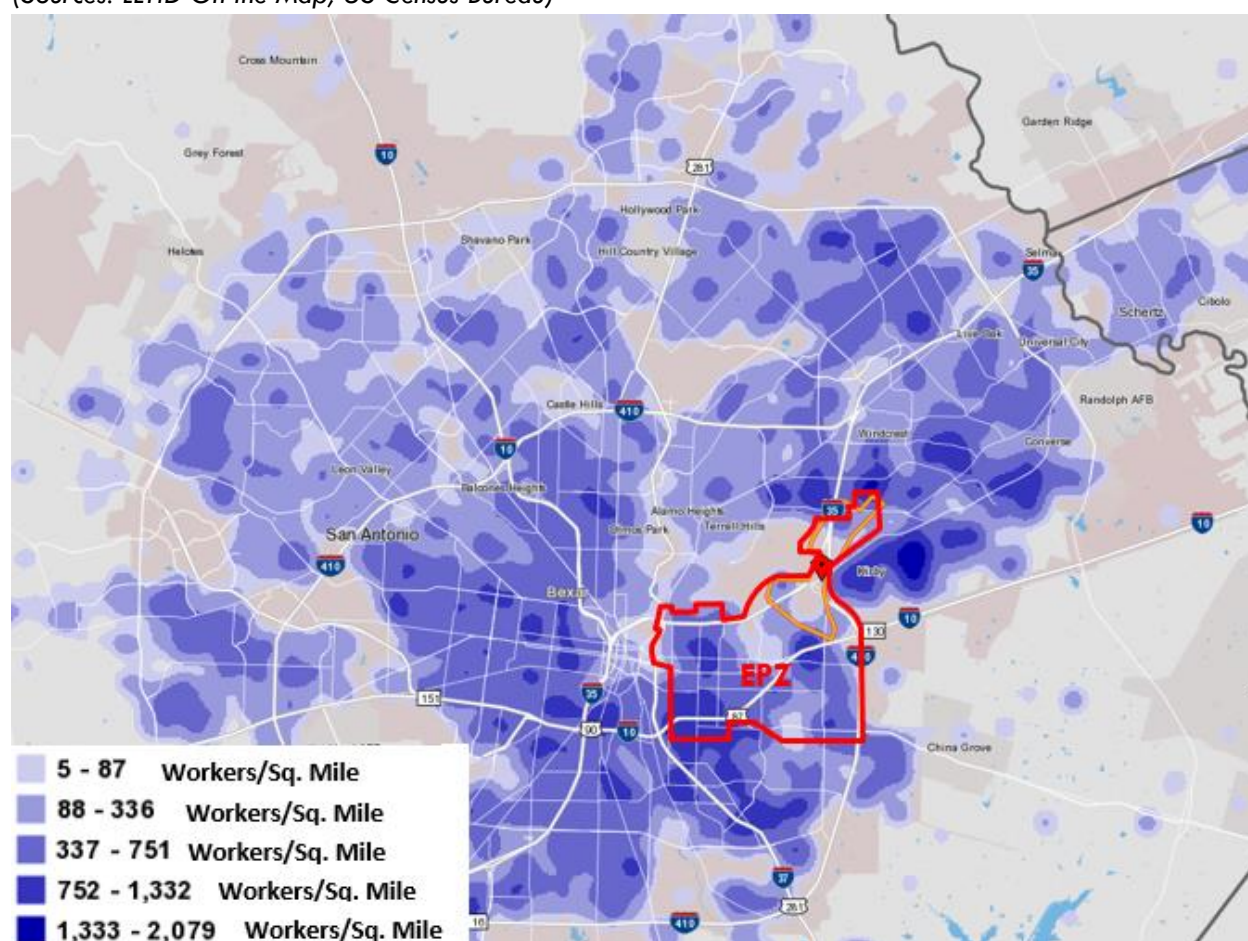
²⁴ US Census Bureau; LEHD On The Map

²⁵ LEHD On the Map; US Census Bureau

District, which is comprised of the EPZ and much of central San Antonio. Appendix F shows the breakdown of students by school district as well as the geographic boundaries of each district.

The EPZ Industrial Cluster, with over 16,000 workers, some of whom are residents of the EPZ, may play a significant role in the economic transformation of the EPZ in the near and medium terms. The five largest sectors of employment in the cluster are manufacturing (~25%); transportation and warehousing (22%); wholesale trade (~17%); waste management and remediation (9%); and retail trade (~9%). Employment in the EPZ Industrial Cluster had fallen to just over 10,000 at the peak of the economic recession in 2010, but has rebounded since then to the current level of 16,000 workers.

Figure 14: EPZ Industrial Cluster Workers' Place of Residence
(Sources: LEHD On the Map; US Census Bureau)



A number of new buildings on the market in recent years in northeast San Antonio have helped establish the region as a major industrial center in San Antonio. Easy access to the region's major highways and railways have further strengthened the EPZ Industrial Cluster as a destination for industrial growth. Vacancy rates in the Cluster have remained at or below 6% since 2011, and appear to stay low in the near term. The Cluster may be ripe for new industrial development, particularly as the broader area's market heats up with the addition of large facilities for Amazon, Carrier, Caterpillar, Dollar General, and O'Reilly.

Real Estate Market Scan and Opportunities

Residential

The region's real estate market reflects its population growth and has generally been strong. Developers have planned to deliver 6,500 new apartments to the market in 2015, following 6,300 new units in 2014.²⁶ Like many metropolitan areas across the US, the region's multifamily market may slow down in the short term due to the high level of development over the last four years since the end of the economic recession in 2011.

Today approximately 26,000 housing units are located in the EPZ, a 3.7% increase from just over 25,000 units in 2010.²⁷ Approximately 4,200 new multifamily units – which are largely concentrated outside of the boundaries of the EPZ – are currently under construction or have recently been completed, a nearly 19% increase in the multifamily housing stock in the city's eastern quadrant. However, the large volume of new development appears to have outpaced demand for new housing in the near-term, while vacancy rates across the EPZ and surrounding areas currently average 8%.²⁸ Due to its relatively poor quality, the existing housing stock within the EPZ has a vacancy rate of 14% in 2015.²⁹ As a result, rents have remained low in the EPZ, averaging between \$500 and \$600 per month.³⁰

Figure 15: Comparison of 2015 Residential Space, Vacancy Rates, and Average Rent between the Eastside Promise Zone and San Antonio

(Sources: CoStar; REOC San Antonio)

	Inventory (Units)	Vacancy	2015 Rent
EPZ	26,000	14%	\$500-600/month
San Antonio	160,204	6%	\$800/month

New housing development in the EPZ may need to address the needs of specific residential groups, such as young families or the elderly, and will likely require some level of public policy and investment to be feasible. As housing costs continue to rise in other more popular parts of the city's core, such as the Pearl district, young professionals – and particularly those with families – may seek lower cost housing in the EPZ due to its proximity to downtown and other employment clusters. The overall population is expected to grow by nearly 4% between 2015 and 2020. Furthermore, residents above the age of 65 are expected to grow from approximately 13% of the EPZ's population today to over 15% of the EPZ's population by 2020.³¹

Although blight and vacancy continue to plague the EPZ, private developers may be able to take advantage of the low cost of land and existing structures for redevelopment or new construction. In some cases, particularly where larger developments are proposed, developers may require public investment in the form of subsidies or infrastructure improvements in order to make the project feasible. In areas lacking

²⁶ Marcus Millchap

²⁷ ESRI Business Analyst, US Census Bureau

²⁸ REIS

²⁹ ESRI Business Analyst, US Census Bureau

³⁰ ESRI Business Analyst, REIS

³¹ ESRI Business Analyst, US Census Bureau

valuable proximate amenities such as parks, additional public investment may be necessary to attract residents and new investment.

Retail

The region's retail market has performed well in the previous year and is positioned for growth. H-E-B and WalMart are leading the growth and have planned new store locations across the region. Much of the new retail development in the last year has been concentrated in the city's northwest and northeast in reaction to the large residential and office growth in those areas.³² San Antonio's inner ring of neighborhoods, including the EPZ, may see the next wave of retail growth (due, in part, to efforts of community groups such as SAGE). For example, H-E-B is building Downtown San Antonio's first grocery store, a 12,000 square foot version of its larger suburban stores. However, the new store, a much smaller and condensed store than the average 60,000 square foot H-E-B store, will likely cater to the higher end of the market, reflecting the demographics of recently developed luxury residences nearby.³³

The EPZ may be well-suited to support new retail development in the near term because of low vacancy rates and a limited pipeline of new or planned development. The EPZ has a total retail inventory of approximately 3.2 million square feet, a small portion of the over 42 million square feet of retail across the city. Much of the existing retail in the EPZ is located along major corridors, such as W.W. White and New Braunfels, though smaller retail spaces are scattered throughout the area. The retail inventory in the EPZ has a vacancy rate of only 3%, below the citywide vacancy rate of 9% in the first quarter of 2015.³⁴ No new retail has been planned for the EPZ, indicating a relatively low vacancy rate for the foreseeable future.

Despite the lower vacancy rate, retail rents in the EPZ are between \$11 and \$12 per square foot, well below citywide rents of between \$16 and \$17 per square foot. The lower rents in the EPZ may indicate poor quality of existing retail space, limited rent capacity of existing tenants, and the lack of large anchors to induce greater retail demand.³⁵

Figure 16: Comparison of 2015 Retail Space, Vacancy Rates, and Average Rent between the Eastside Promise Zone and San Antonio

(Sources: CoStar; REOC San Antonio)

	Inventory	Vacancy	2015 Rent
EPZ	3.2M SF	3%	\$11-\$12 PSF
San Antonio	42M SF	9%	\$16-\$17 PSF

The EPZ is currently home to nearly 900 retail businesses which generated nearly \$1.4 billion in existing annual retail sales in 2014.³⁶ Retail sales increased by six percent between the first quarters of 2014 and 2015, as compared to three percent growth in the previous year. The recent sales increases represent a rise

³² Marcus Millchap

³³ San Antonio Business Journal

³⁴ CoStar; REOC San Antonio

³⁵ CoStar; REOC San Antonio

³⁶ ESRI Business Analyst

in consumer confidence across the region as the economy continues to stabilize.³⁷ This growth across San Antonio may present the EPZ with an opportunity for new development.

By capturing a very modest 1.25% of overall demand from residents and workers in and around the EPZ, a single new development may be able to support as much as 20,000 square feet of commercial retail, a small grocery store and a few small restaurants.³⁸ The existing customer base, which primarily includes residents as well as a large number of workers from the EPZ Industrial Cluster, Downtown San Antonio, and Fort Sam Houston, generates nearly \$940 million in annual retail demand. The most important and reliable customer base is likely EPZ residents, who may support retail in various locations across the EPZ. The worker groups will likely be less reliable and unwilling to travel far from their workplaces to new retail, creating some geographic limitations. Though the Northern Suburban Office Cluster workers generate by far the largest worker demand, they have a number of proximate retail amenities and are extremely unlikely to travel to the EPZ for daytime retail experience. Other residents beyond the EPZ may venture into the EPZ for new retail, but, for the sake of conservative measure, have been excluded from this analysis.

Quality regional or national retail tenants will likely be able to attract enough customers to support this scale of development. Anchor tenants, who often utilize between 20,000 and 50,000 square feet, may help to attract residents and workers from across the eastern quarter of the city. Smaller retail businesses, such as locally-owned restaurants and retail stores, will likely require an anchor tenant to be viable in the EPZ.

Industrial

San Antonio has also seen strong growth recently in industrial development. Since the third quarter of 2013, developers constructed build-to-suit distribution centers ranging between 500,000 and 1 million square feet along major transportation corridors for Amazon, Carrier, Caterpillar, Glazer's, and Sysco.³⁹ New distribution centers for Dollar General and O'Reilly are under development, and additional speculative developments have been planned.

The EPZ continues to be a major industrial center in the San Antonio market. Nearly 24 million square feet of industrial space is located within the EPZ, a large portion of the 34 million total square feet in San Antonio. Industrial space in the EPZ has historically performed well, with a five-year vacancy rate hovering around 6%. In comparison, citywide industrial vacancy has averaged between 7% and 8%.⁴⁰ Much of the industrial space in the EPZ is concentrated in the northern and northeastern edges of the area, including the EPZ Industrial Cluster in the far northeastern corner.

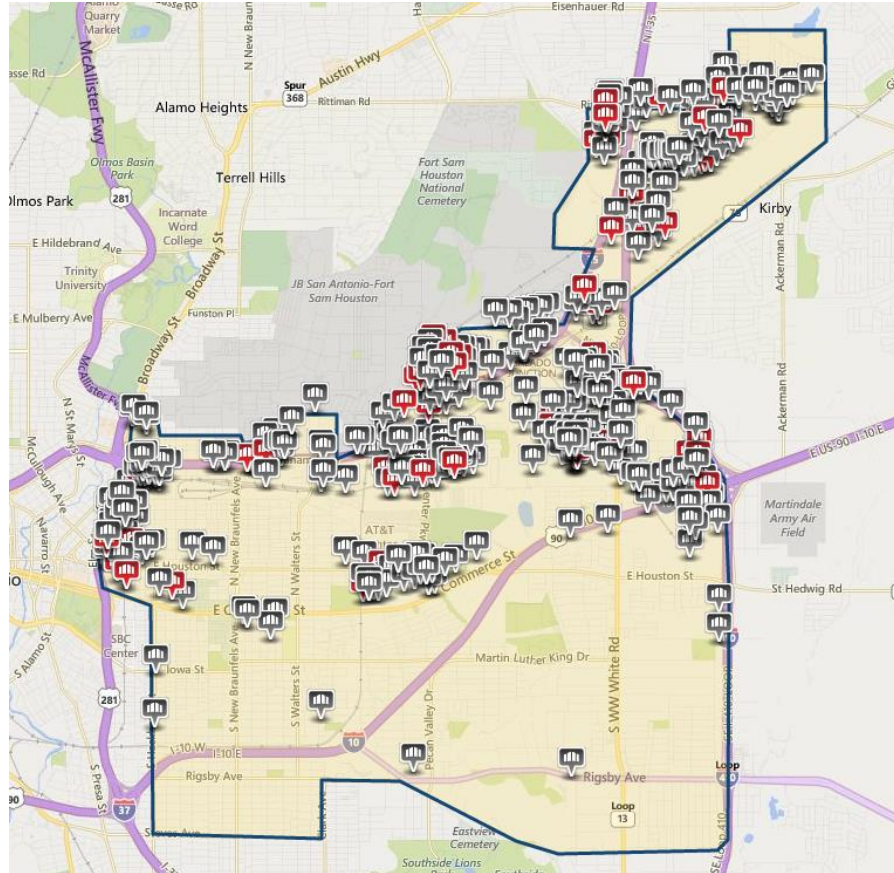
³⁷ Marcus Milchap

³⁸ HR&A analysis

³⁹ Cushman & Wakefield

⁴⁰ CoStar; REOC San Antonio

Figure 17: Existing Industrial Spaces in the EPZ
(Source: CoStar)



Industrial rents in the EPZ, which average between \$4 and \$5 per square foot, are below citywide rents of \$7 and \$8 per square foot. Industrial rents typically vary by type of space, with distribution and warehouse spaces receiving \$5 per square foot citywide, and service center and flex space receiving between \$9 and \$10 per square foot citywide.⁴¹

Figure 18: Comparison of 2015 Industrial Space, Vacancy Rates, and Average Rent between the Eastside Promise Zone and San Antonio
(Sources: CoStar; REOC San Antonio)

	Inventory	Vacancy	2015 Rent
EPZ	24M SF	6%	\$4-\$5 PSF
San Antonio	34M SF	7-8%	\$7-\$8 PSF

However, the EPZ has not successfully competed for new industrial development in the recent past. While the San Antonio region has generally seen growth in the industrial market, none of the most recent activity has taken place in the EPZ. The most notable recent growth was the development of a 200,000

⁴¹ CoStar; REOC San Antonio

square foot FedEx facility in the far northeast of the city, where much of the other latest leasing activity has taken place.⁴² Other developments in the far northeast include:

- Menlo Logistics, 132,000 square feet;
- Pearson Education, 76,000 square feet;
- Mega Furniture, 55,000 square feet;
- Casa Mechanical Services, 44,000 square feet; and
- Alorica, 35,000 square feet.

According to the San Antonio Economic Development Foundation (SAEDF), the EPZ has not been able to adequately compete with other parts of San Antonio for recent industrial activity because of a lack of available, existing space or potential to develop new space, an insufficient mix of housing for workers, and a lack of sufficient incentives to address the challenges of new, ground up development in the EPZ. The SAEDF also noted that FedEx considered the EPZ as a possible location but ultimately chose a site outside of the EPZ for the above noted reasons.

Though conditions are favorable in the EPZ for new industrial development, public investment in incentives may help it better compete with other submarkets in San Antonio. The large number of low-cost, vacant sites and the level of access to significant transportation infrastructure make the EPZ very well suited for new industrial development. However, as much of the recent new development has been concentrated in suburban areas farther north, the EPZ may need to actively invite industrial developers and tenants with tools such as employment incentives.

Office

The office market in San Antonio has been slower to grow than other uses, but strong employment and population growth have supported a number of new office developments in the suburban office clusters in the region's north. Over 800,000 square feet of speculative office space are under construction in the northwest and north central areas of the region which could cause the region's vacancy rate to spike from its current level of 17.5%.⁴³

The office market in the EPZ has not shown any indications of growth for many years, but it may be able to support small amounts of new development in the near and medium terms. The EPZ currently has an inventory of approximately 530,000 square feet of office space, a small percentage of San Antonio's 29 million total square feet of office.⁴⁴ Existing office spaces are concentrated in the western quarter of the EPZ, along major thoroughfares and close to the downtown Central Business District. This relatively small office market has a vacancy rate of 10%, well below the 17.5% vacancy rate across San Antonio.⁴⁵

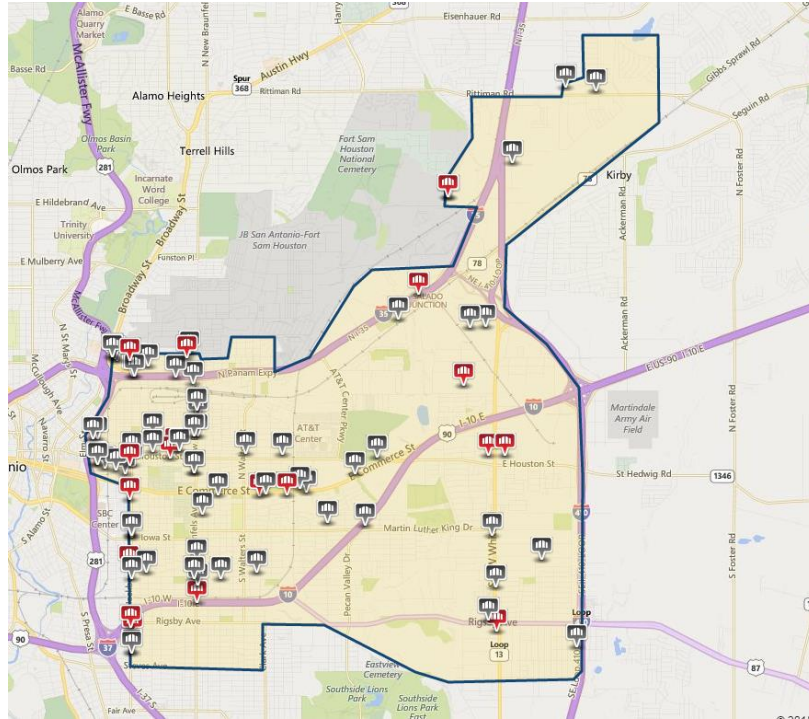
⁴² REOC San Antonio

⁴³ REOC San Antonio

⁴⁴ CoStar; REOC San Antonio

⁴⁵ CoStar; REOC San Antonio

Figure 19: Existing Office Spaces in the EPZ
(Source: CoStar)



New office space in the EPZ should be Class A and strategically located to attract high quality tenants. Like the retail market, the high occupancy level suggests that the EPZ is a reasonably strong market, but lower rents indicate that challenges in quality of space are limiting factors in the EPZ's office market. Rents in the EPZ average \$14 to \$15 per square foot, below San Antonio's overall average of \$20 per square foot as well as the \$26 per square foot rents achieved in Class A office space in the Northern Suburban Office Clusters. Class C office rents across San Antonio are more in line with the EPZ market, averaging \$15 per square foot.⁴⁶

Figure 20: Comparison of 2015 Office Space, Vacancy Rates, and Average Rent between the Eastside Promise Zone and San Antonio
(Sources: CoStar; REOC San Antonio)

	Inventory	Vacancy	2015 Rent
EPZ	530,000 SF	10%	\$14-\$15 PSF
San Antonio	2.9M SF	17.5%	\$20 PSF

Recent lease transactions in the San Antonio market include:

- US government contractors: 160,000 square feet
- iHeartRadio: 36,000 square feet
- Disability Services SW: 34,000 square feet
- Catto & Catto: 22,000 square feet

⁴⁶ CoStar; REOC San Antonio

- Davidson, Trolie, Ream, & Garza: 22,000 square feet; and
- CeloNova BioSciences: 17,000 square feet.⁴⁷

With the exception of Catto & Catto (downtown), each of the above lease transactions occurred in the Northern Suburban Office Clusters. New office space in the EPZ may be difficult to lease to a quality tenant unless it is located close to downtown and along a major thoroughfare. Lesser quality office space may be attractive to startups and small businesses, but will require investment in attractive proximate amenities.

Furthermore, significant public investment in the form of land transfers or infrastructure and amenity development may be necessary to position the EPZ for viable office development. Though land costs in the EPZ are relatively low, compressed rents and a lack of sufficient amenities may reduce the income capacity necessary for new office development. Public investment in land acquisition and transfer may support catalytic office development. Alternatively, rent subsidies and competitive rent concessions may be a less capital-intensive path to supporting office development. Additional investment in infrastructure, such as revised transit routes or services, and amenities, such as nearby restaurant and retail, should be considered.

Review of Assets

Physical Conditions

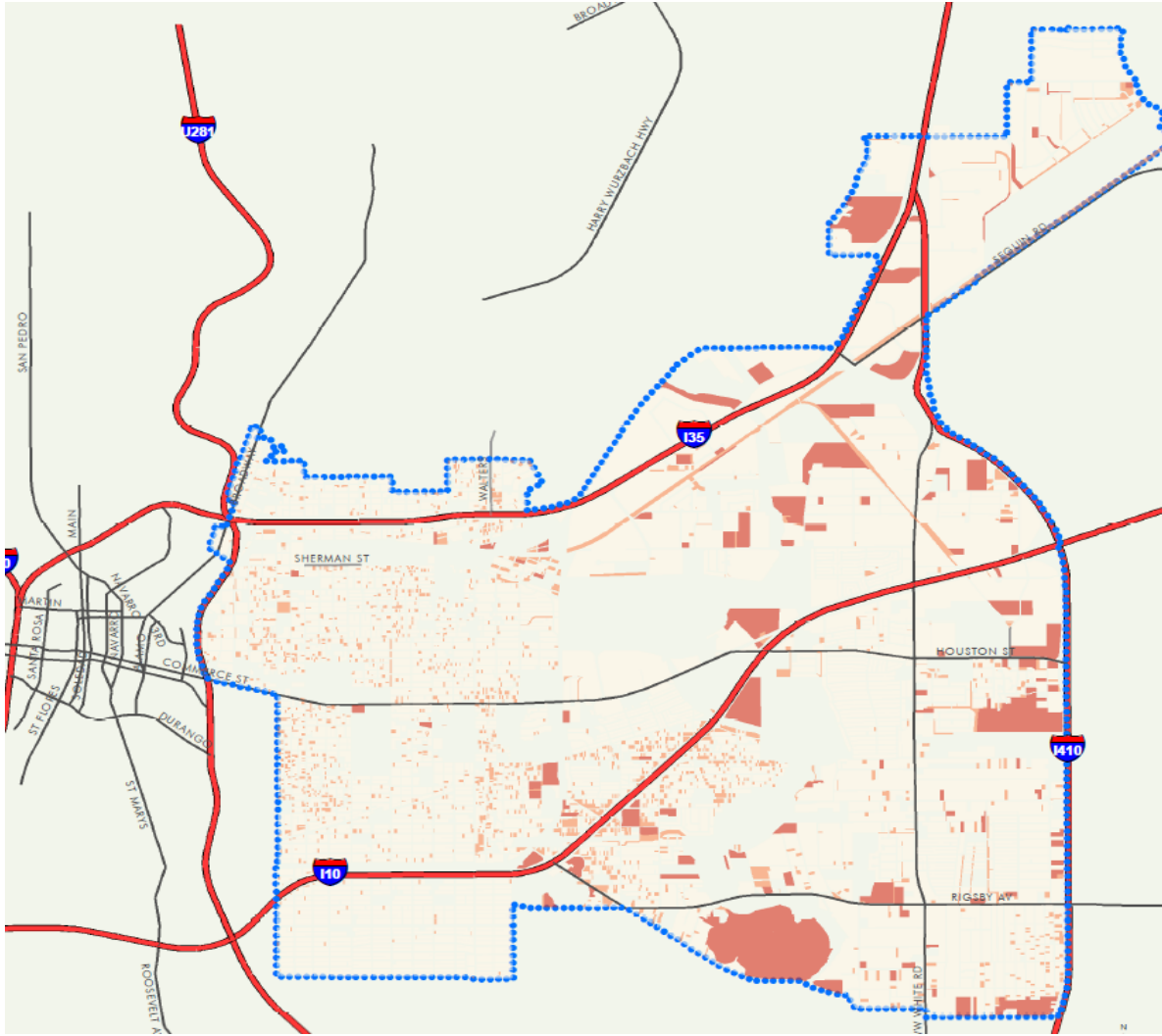
The existing physical conditions of the EPZ vary significantly, suggesting that the EPZ may require a comprehensive master plan which identifies areas that will require future public investment in the built environment in order to support economic growth. The assessment of physical conditions indicates that the EPZ lacks cohesion and consistency across different elements of the built environment. Though individual elements, such as highway infrastructure, are well maintained and may attract investment to the area, poor supplementary roadway infrastructure may present a hurdle to impactful investment across broad areas of the EPZ. A comprehensive plan, which should include updated neighborhood plans, may identify these inconsistencies and recommend strategies for targeted and impactful investment.

Available Land

The significant presence of vacant parcels also gives the EPZ a competitive advantage in inviting developers and businesses. Vacant parcels offer a blank canvas for unique and catalytic mixed-use development. The EPZ contains nearly 4,000 vacant parcels, of which over 400 are over one acre in size.

⁴⁷ REOC San Antonio

Figure 21: Map of Vacant Parcels in the Eastside Promise Zone
(Sources: City of San Antonio; MIG GIS Analysis)



The low cost of land and existing structures in the EPZ further strengthens its competitive advantage. Land in the EPZ currently has an average appraised value of approximately \$48,000 per acre, and buildings or other improvements have an average appraised value of only an additional \$71,000, presenting a strong opportunity for low-cost acquisition and redevelopment. By comparison, land on the west side of the city has an average appraised value of over \$220,000 per acre.⁴⁸

Sidewalks, Curbs, and Streetscapes

The general condition of streetscape infrastructure throughout the EPZ varies widely. At its best, new curbs, sidewalks, and streetscapes have been retrofitted in small pockets, generally located in community development block grant (CDBG) qualified tracts. These improvements are often sporadic and isolated amidst poorer streetscapes.

⁴⁸ City of San Antonio

The EPZ has large swaths of area with streetscape infrastructure that is damaged or in a state of substantial disrepair. Many of these areas are pre-World War II neighborhoods, originally designed and constructed as walkable communities, which received little or no subsequent investment. They have retained their original streetscapes, which have experienced significant wear and damage.

Some areas of the EPZ lack streetscape infrastructure entirely; sidewalks, curbs, street trees, street lighting, and other elements of walkable streetscapes were excluded from their design and construction. These areas are typically located in neighborhoods built after World War II, such as Skyline Park and Coliseum Willow Park. Tree-lined streets in the EPZ usually occur as a matter of happenstance, with very few trees located within the public right-of-way. Street lighting in the EPZ also lags behind the rest of the city and is generally limited to street intersections.

Utilities and Internet

Water, sewer and power appear to be in place or accessible to most, if not all, parcels within the EPZ. Though technology infrastructure across San Antonio generally lags the rest of the nation, pockets of the EPZ lag further behind city. There are swaths of the EPZ which rely on DSL internet service as opposed to high-speed internet access which is more prevalent in urban areas around the country. For detailed maps of internet availability and infrastructure within the EPZ, see Appendix G.

On July 15, 2015, The Department of Housing and Urban Development announced the ConnectHome initiative, an effort to bring broadband internet to low-income households in 27 cities across the US. San Antonio is among these cities, and the EPZ may experience a boost in its internet capacities in the near term as a result of this program.

Access

Highway Access

Perhaps one of the EPZ's greatest strengths, beyond its numerous community assets, is the existence of a vast and connected transportation infrastructure, a very attractive quality for growth in industrial development. The EPZ is bound by four major interstate highways, I-10, I-410, I-35, and I-37. Each of these roadways links San Antonio to other regional hubs such as Austin and Houston. Furthermore, existing rail yards in the north of the EPZ already support major shipping across the south and southwest. Though highway and rail infrastructure spans across the region, nowhere does it converge like in the EPZ, making the area well-equipped for large scale industrial development.

The map displays the San Antonio area with a focus on the EPZ (Export Processing Zone). The EPZ is outlined in black and labeled 'EPZ' in large black letters. Major highways are shown in orange, and rail infrastructure is shown in red. Key locations include Alamo Heights, Olmos Park, Terrell Hills, Kirby, and the San Antonio Zoo. The map also shows various streets and landmarks like the AT&T Center and the Alamodome.

However, access has not been entirely problematic across the EPZ. The larger venues in the EPZ, the AT&T Center and the Alamodome, generally have sufficient access to accommodate their sporadically high levels of traffic. Additionally, baseline traffic levels throughout the EPZ are also generally moderate, and parking, both on- and off-street, is readily available for current residential and commercial uses.

Open Space

The EPZ offers a generous amount of quality open space, proportionately greater than the popular northwestern neighborhoods of San Antonio. The Salado Creek Trail and Willow Springs Golf Course in particular are very attractive and popular community assets. The City has been careful to invest in parks and open space evenly across the city, and EPZ park assets have not been neglected. However, many of the parks throughout the EPZ are highly used and have begun to show their age. Despite their level of maintenance and activity, public perception is that these parks are not as safe as others across the city.

Buildings

Residential structures in the EPZ – primarily single family homes with some multifamily buildings – vary greatly in age and quality and would generally benefit from increased investment and maintenance. Neighborhoods in San Antonio have traditionally developed concentrically from the center of the city. This pattern holds true for the EPZ. The oldest houses are near the eastern edge of downtown, generally constructed between 1880 and 1910 in the Victorian style. Grander houses can be found in the Dignowity Hill and Government Hill neighborhoods, while more vernacular houses are to the south. The next growth ring occurred in the 1910's and 1920's and primarily consists of Craftsman bungalows, both one and two story. Although some houses from the 1930's are scattered throughout, the next substantive growth ring can be seen in the traditional houses built after World War II. The more elaborate houses of this period can be seen in the eastern edges of Highland Park, which was a prime neighborhood in the 1950's. Many of these homes still exist in their original configuration. The growth ring of the 1960's is discernible by the curving streets popular at that time. These modest houses are on larger lots with larger setbacks. They are universally one story with low sloped roofs. There are no mid-century modern homes in the EPZ.

Although its historical housing stock has become well-established, the EPZ has experienced little or no additional investment in housing since this period. This is in contrast to various waves of urban renewal, when both the west and south sides of the city saw public and private investment in housing. Despite the lack of investment, many buildings in the EPZ have withstood the test of time because of high quality initial construction. In comparison, much of the affordable housing developed throughout the west side in the 1960's and 1970's was not as well built and has fallen into disrepair.

Figure 22 below indicates the large areas in the EPZ that have already been identified as historic or that have the architectural integrity to become local historic districts. The Dignowity Hill Historic District has rapidly transformed into an attractive neighborhood for young professionals seeking quality housing at low cost. Government Hill has experienced more modest investment, but its strategic location near the Pearl District may lead to its transformation in the near term as well.

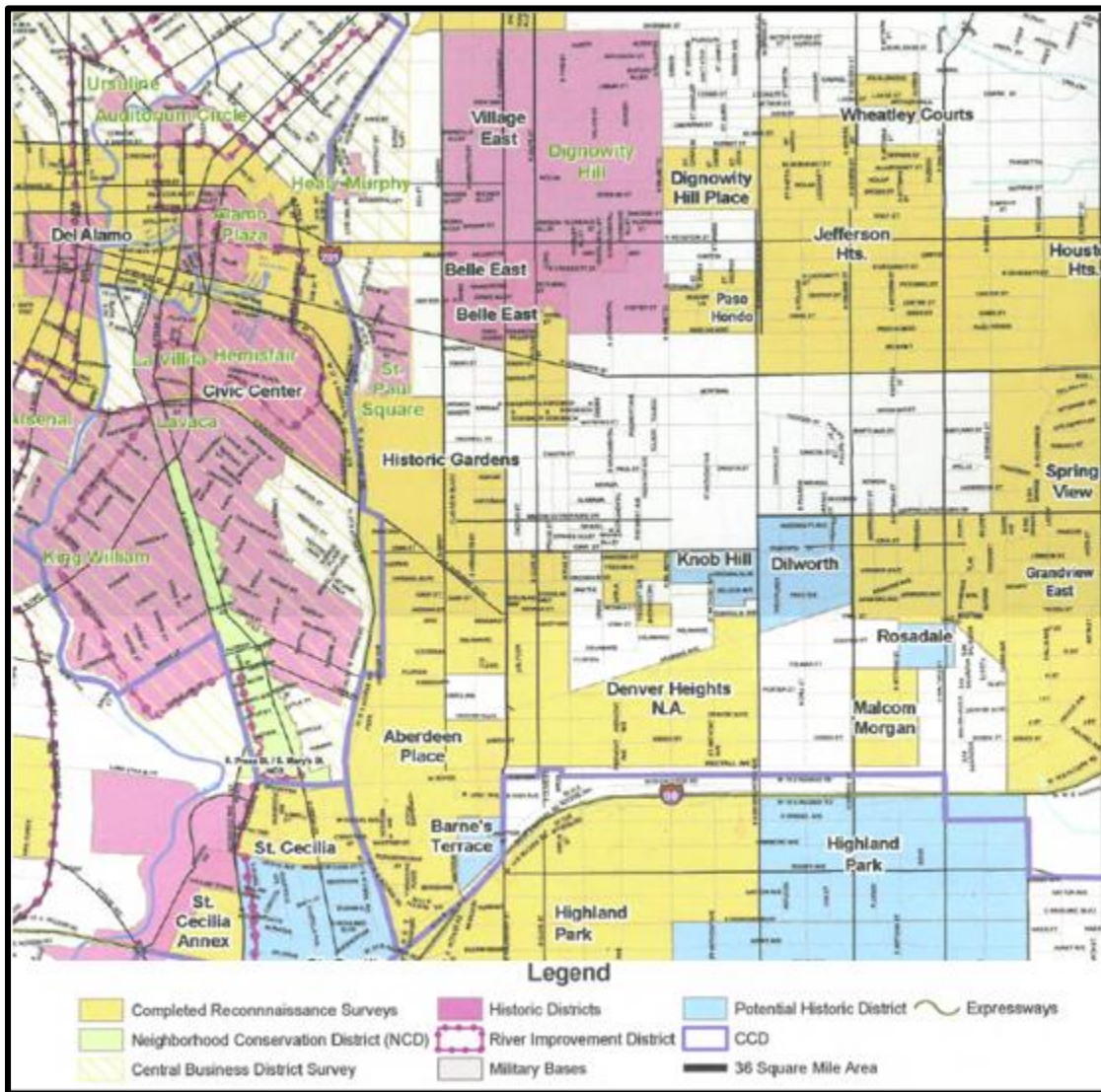
Commercial structures in the EPZ do not share the same history as many residential structures, but nodes of historic buildings have received interest in commercial uses for further investment in recent years.

Though early Victorian commercial buildings are nearly nonexistent in the EPZ, St. Paul Square and its surrounding area has a modest concentration of Victorian buildings, particularly along Austin Street. These buildings have generally been used over time with brief periods of abandonment. These patterns of use have led the buildings to some disrepair, but their overall quality of construction has made them resilient to the test of time. More recently, St. Paul Square has become an area of interest for investment in new commercial uses.

Dignowity Hill and Government Hill have a number of neighborhood corner commercial buildings, but many have long been abandoned. In the neighborhoods which were developed in the 1920's and 1930's, major thoroughfares are often lined with brick, partially commercial structures. Many of these structures have been significantly modified over time. The Highland Park neighborhood features a number of 1950's strip retail centers, which were not as well built as older structures and have suffered from extensive modifications. Near the western edge of the EPZ, there are a number of 1980's two- and three-story commercial structures – loosely described as “Brutalist buildings” – at the corners of significant intersections. These structures appear old and worn but continue to be in sound condition.

Besides St. Paul Square, most commercial structures in the EPZ have not been maintained, but some areas continue to exhibit exciting potential for reuse. North New Braunfels, a target area for potential commercial investment, has a number of quality buildings from the 1920's through 1940's. Though these buildings have seen some interest in reinvestment in the past, the closure of the Fort Sam gate on New Braunfels at the northern edge of the EPZ greatly impacted their value for commercial uses. As Government Hill begins to transform, these buildings may once again present exciting opportunities for commercial reuse.

Figure 23: Historic Neighborhoods in the EPZ
(Source: City of San Antonio Historic Survey)





ECONOMIC DEVELOPMENT GOALS

Based upon a review of existing economic and physical conditions, HR&A identified five priority economic development goals for the EPZ.

- 1. Attract private investment in commerce, real estate, and the community.**
- 2. Increase economic diversity of EPZ resident base.**
- 3. Improve standard of living of EPZ residents.**
- 4. Increase economic activity in the EPZ.**
- 5. Create jobs for EPZ residents.**

In prioritizing these five goals, HR&A also took into consideration other factors, such as the concerns and desires of EPZ residents, which were noted during a public meeting in April of 2015, available or potential funding sources, and the six economic development goals for the EPZ previously developed by the City of San Antonio and SAGE. These goals are 1) creating jobs, 2) improving educational opportunities, 3) increasing economic activity, 4) reducing poverty and providing affordable housing, 5) attracting private investment, and 6) increasing public safety.

Though the five goals should be pursued in parallel as a virtuous cycle of economic development, they have been organized in order of potential chronological implementation to optimize public investment and effectively catalyze desired outcomes.

For each of the economic development goals, HR&A has provided an explanation of how the goal was derived, its objective in the broader effort to positively transform the EPZ, potential strategies for achieving the goal, and measures of success.

Attract private investment in commerce, real estate, and the community

Private investment is the seed from which jobs are created, new or refurbished real estate is born, and the community is uplifted. Therefore, the primary objective of the City and SAGE in revitalizing the EPZ is to increase the level of investment across multiple dimensions and subsequently improve the quality of life of EPZ residents. As such, the logical first goal for economic development in the EPZ should be to attract private investment.

Private investment in the EPZ should focus on three dimensions: 1) creation or attraction of businesses and retailers who can employ EPZ residents and stimulate economic activity; 2) investment in real estate through either new ground-up development or redevelopment of existing structures; and 3) investment in community infrastructure and programming, such as educational, religious institutions and recreational facilities.

In order to successfully attract private investment to the EPZ for each of the three recommended dimensions, the City and SAGE may need to revise existing or craft new policies and programs to leverage public assets.

Strategies

- **Provision of subsidies or incentives for small and medium businesses expanding or locating to the EPZ:** Subsidies and incentives are frequently utilized by economic development entities to stimulate new investment. Their efficacy is rooted in their capacity to be tailored to specific projects and initiatives. The City of San Antonio currently offers a number of incentives for businesses, such

as tax abatements, incentives from the Economic Development Incentive Fund, a Freeport Exemption, and development financing. But these incentives often target larger businesses as a result of minimum eligibility requirements for level of private investment, resulting tax revenue projections, and employment targets. Smaller businesses, which may leverage less than \$100,000 in private investment or not produce significant tax revenues in the short term or only employ a few initial employees, may be excluded from receiving these valuable benefits. The outcome of these circumstances is limited or no attraction of small businesses to the EPZ, and lack of suitable space and infrastructure for large businesses in the EPZ.

SAGE may need to work with City officials to revise requirements of existing incentives or develop new incentives targeting smaller businesses. Some of the existing incentives, including tax abatements, the Economic Development Incentive Fund, development financing, and impact fee waivers through San Antonio Water and Sewer may need minor modifications to address opportunities in the EPZ. Additionally, SAGE and the City may consider approaching Bexar County and State officials to further tailor county- and statewide incentives to the EPZ, such as State Enterprise Zone benefits and the Texas Workforce Commission's Skills Development Fund.

- **Development of public-private partnerships:** Partnerships between public and private entities are often very effective in stimulating new investment. Private entities typically pursue such partnerships because of valuable public or community assets which can be leveraged to enhance their investment.

An example of a potential public-private partnership in the EPZ may include City contribution of publicly-owned land adjacent to a community asset (such as a park or destination) toward the private development of new, high-density housing. The private developer benefits from a discounted land acquisition adjacent to the asset, and in return the City receives increased property taxes from the developed site and attracts new residents to the EPZ. As priority parcels for development are identified in later phases of this engagement, SAGE should consider formulating an approach to the City for such partnerships with development proposals and subsequent benefits in hand.

Measures

In order to measure the success of providing subsidies and incentives to small and medium businesses, the City and SAGE should closely track each subsidy or incentive transaction and conduct annual program-wide assessments of performance. Specifically, the City or SAGE should record the dollar value of subsidy/incentive and the subsequent private investment. The City and SAGE should determine precise performance objectives, such as dollars of investment toward new business creation as a multiple of public incentive dollars, and modify subsidy and incentive programs as needed to achieve these objectives.

Like subsidies and incentives, public-private partnerships may need to be tailored to different circumstances. Their measures of success may be more straightforward and on a case-by-case basis. For example, if the City develops a partnership with a private entity for the development of high-density housing, the completion of the project and subsequent tax revenues will determine the success of the project. The City and SAGE should establish a quantifiable objective for each partnership prior to execution. SAGE may be well-suited to facilitate and manage these relationships through active outreach to developers and private entities interested in such partnerships.

Increase economic diversity of the EPZ resident base

Economically diverse residents in the EPZ will further attract private investment and stimulate revitalization. The current base of residents in the EPZ, though more ethnically and racially diverse than the rest of San Antonio, exhibits a uniformity of economic circumstances; most residents have low incomes and are poor. Though it may be unwanted or challenged by the current resident base, economic diversity of new residents will improve average and median incomes in the EPZ, attract private investment in new retail amenities, and may ultimately improve the quality of life of existing residents.

Strategies

- **Development of new, market-rate housing to attract young professionals and their families:** Much of the existing housing stock in the EPZ is old and of low value. These conditions may attract the rare, courageous middle-income resident. However, in order to shift the EPZ's economic paradigm, new residential development on a large scale may be necessary.

Market-rate housing, in the form of high-density multifamily development as well as lower-density single family homes, can attract young professionals – particularly the growing number of Millennials in the workforce – who seek housing near the urban core.

Such developments may be intertwined with lower-income developments, as is the case with the redevelopment of Wheatley Courts from a public housing site to 417 mixed-income apartments. The San Antonio Housing Authority's (SAHA) \$30 million Choice Neighborhoods Implementation Grant funding was instrumental in the success of this project. SAGE and SAHA may consider pursuing similar grant funding to subsidize these kinds of mixed-income developments. Such grants are generally only available to projects which include a low-income housing component; therefore, mixed-income projects may be a highly effective and attractive path to creating market-rate units in the EPZ.

SAGE may also consider fostering public-private partnerships between the City and private developers to encourage new market-rate housing development. Through contribution of subsidized or free land, the City may be able to support the creation of significant new, tax-generating properties.

- **Development of new, quality affordable housing through expanded partnership with SAHA:** Though much of the existing housing stock in the EPZ is organically affordable, it is generally in poor condition and is not suitable for low-income individuals and families. Poor quality housing often limits the capacity of residents to build wealth and uplift themselves. New, quality affordable housing can reduce residents' maintenance and utility costs.

SAHA has taken on a leadership role in developing or redeveloping affordable housing in the EPZ. SAHA currently owns or operates nine public housing projects, three mixed-income housing projects, and two affordable housing projects in the EPZ. Through an expanded partnership with SAHA – which may entail a closer alignment of goals, increased financial support, provision of sites for vertical development, and strategic guidance for new development – SAGE may be able to more effectively achieve the objective of developing new affordable housing. SAHA may also provide

valuable guidance in shaping site selection criteria for affordable housing development, including proximity to retail amenities and educational institutions.

- **Improve existing housing stock through assertive public repossession and private investment:**
The EPZ's existing housing stock is a rich fabric of different eras in design and construction. Yet, much of the stock has not received adequate capital investment in maintenance and improvement, rendering it poor quality and unattractive.

The City should utilize various tools of repossession, such as tax foreclosure, to obtain properties which can be sold to capable investors at a discount with strict conditions of maintaining primary residence and investing in capital maintenance. Though aggressive, this strategy may very effectively invite new residents of varying economic groups to the EPZ to establish residence and engage with the community. SAGE may be able to guide the City through this process by utilizing the GIS tool developed in this engagement to identify priority development parcels and opportunity areas. Implementation of this strategy should begin with proof-of-concept – potentially only a handful of homes – that are flipped to buyers.

Measures

The success of market-rate housing development can be measured by the total number of new market-rate units that are developed and occupied on an annual basis. The City and SAGE should collaborate with private developers to ensure that these developments are financially feasible and reflect market conditions (i.e. new market-rate multifamily may not be feasible in the short-term due to oversupply).

Like market-rate housing, the success of affordable housing development can be measured by the number of new affordable units that are developed and occupied on an annual basis. Unlike market-rate housing, affordable housing will likely be in demand under most market conditions and may already be financially feasible in the EPZ, given the low cost of land acquisition.

Improvement to the existing housing stock may require longer-term measures of success, such as tracking of home procurement and disposition by the City to determine where these homes are located to identify patterns in new investment.

Improve standard of living of EPZ residents

Improved standards of living for existing EPZ residents can enhance private investment and further attract new, economically diverse residents. “Standard of living,” as defined by the United Nations, is a comprehensive measure of material standards, including level of wealth, access to material goods and necessities, availability of employment, poverty rate, crime rate, quality and affordability of housing, gross domestic product, life expectancy, infrastructure, economic and political stability, and environmental quality. Utilizing this definition of “standard of living,” it is evident that the EPZ's population faces a number of challenges. Three of the most prominent challenges affecting residents – as indicated during the public meeting in April of 2015 – are: 1) ineffectual transit infrastructure to link residents with jobs; 2) inadequate public schools to prepare young residents for the workforce; and 3) insufficient retail amenities, including quality grocery stores.

Strategies

- **Investment in increased and streamlined transit service between EPZ and major employment centers:** Residents and community leaders from the EPZ have anecdotally indicated that current transit offerings are remarkably ineffective; some residents may travel upwards of an hour by bus to commute to a job only a few miles away from their homes.

Streamlined transit service, such as express bus service, between the EPZ and employment centers may go a long way in improving the standard of living for residents as well as increasing employee productivity. SAGE should consider approaching employers from the largest clusters of EPZ residents' employment – Downtown, Northern Suburban Office Clusters, and the EPZ Industrial Cluster – and demonstrate the need for and benefits of direct bus service, particularly during peak commuting hours. SAGE and employers may then be able to form a public-private partnership to lobby VIA Metropolitan Transit for express bus service for EPZ residents.

- **Increased investment in public schools and education system:** Residents and community leaders from the EPZ have also indicated discontent with the quality of the area public school system. Residents have few alternatives to the public schools – only two private schools and one charter school exist within the EPZ. Increased investment in schools and educational programs, including vocational education and job training, may result in sustained, long-term employment benefits in the EPZ, an important indicator of standard of living.

The United Way of San Antonio and Bexar County is the grantee of the Promise Neighborhood initiative and administers funding to implement educational initiatives in the Eastside Promise Neighborhood, a smaller subsection of the EPZ. The United Way has received a \$24.6 million grant to support education achievement. These dollars, leveraged with additional support from City and State funding, offer the first path for investment in the education system. SAGE and the City should also expand their support of institutions like the Alamo Colleges, which offer critical early childhood education programs to augment the public school system. SAGE may also consider outreach to the Texas Workforce Commission to establish an EPZ-specific fund within the existing Skills Development Fund to help businesses within and around the EPZ attain adequate funding to train area workers.

- **Develop or subsidize new retail amenities in the EPZ:** As noted earlier in this report, retail offerings in the EPZ are remarkably limited relative to the rest of San Antonio. Most offerings are small and poor quality, the only larger anchor retailers are dollar stores. Residents and community leaders also emphasize the poor quality of food and grocery offerings, confirmed by an HR&A site visit to one of two national-brand grocery stores in the EPZ. New retail amenities will give EPZ residents access to material goods and necessities and create opportunities for employment, both of which are measures of standard of living.

As a community leader, SAGE may be able to identify individuals with potential and unique skills in crafting or designing goods for retail stores. These individuals, or existing micro-businesses, may become retailers within the EPZ. This “locally-sourced” approach is an increasing popular strategy for developing neighborhood-scale retail.

SAGE should reach out to owners of vacant commercial property in the EPZ who may be interested in hosting entrepreneurial retail uses. For example, a single large commercial space may be able to host booths for individuals and micro-businesses seeking to sell their products and build brand recognition in the community. This kind of retail cluster may provide area residents with valuable retail goods while driving new, hyper-local economic activity and attraction regional customer interest.

On a larger scale, SAGE should consider taking on a facilitation role for development financing programs currently offered by the City. In this role, SAGE should guide prospective businesses to general bond financing which permits borrowers to finance an entire development project. SAGE may also be able to guide healthcare entities to the City's Health Facilities Corporation, which provides bond funding for healthcare facilities. These healthcare facilities may be anchors for new retail projects in the EPZ.

This strategy may be most effective if paired with the earlier strategy of developing public-private partnerships. Retail developers are currently not active in the EPZ due to a number of factors, such as a perceived lack of "rooftops" and difficult development requirements in building reuse projects. SAGE may be able to foster public-private partnerships by working directly with developers to locate sites for new development and measuring the level of subsidy or land discount necessary to make the development financially feasible. SAGE could then to approach the City with a comprehensive proposal for public-private development that presents the benefits and costs of a partnership between the City and the developer. By providing such a role and, in turn, advocating for private developers when necessary, SAGE can accelerate the development approval and completion process.

Measures

Measures of success for standards of living will require qualitative and quantitative inputs from residents. In order to understand how successful the transit strategy is in improving residents' standard of living, SAGE should conduct annual surveys of residents on commute times and their perceived access to employment.

Investment in education will likely have longer-term repercussions. Therefore, measures of success for investment in education will require a long-term assessment of students' academic performance and subsequent employment. SAGE and the City may consider developing 10-year and 15-year tracking of students' performance in the classroom, graduation rates, and surveys of employment in the EPZ or beyond.

The measure of impact of new retail amenities on standard of living in the EPZ may include an annual assessment of total retail demand and supply in the EPZ – as measured by the US Census Bureau – as well as qualitative surveys of residents about their satisfaction with proximate retail amenities.

Increase economic activity in the EPZ

At the heart of the revitalization efforts in the EPZ is the need for greater economic activity. Increased economic activity means a number of things for the EPZ: more companies conducting business and, therefore, bringing jobs and workers to the EPZ; greater retail spending by residents and workers from the EPZ and

beyond; and more money in the pockets of residents, and increased fiscal returns to the City to further invest in the EPZ.

Strategies

- **Develop or subsidize new retail amenities in the EPZ.** Greater retail amenities will drive increased economic activity in the EPZ. Current retail offerings are limited; the City and SAGE may need to entice retail developers and tenants with competitive subsidies and incentives, such as low cost land and employment subsidies.
- **Utilize the stock of existing, character-rich spaces to attract new businesses and workers:** New businesses – and particularly startups – seek quaint, character-rich spaces to attract young creative talent. The EPZ has an abundance of such spaces, such as in St. Paul Square and along New Braunfels Avenue, most of which are in disrepair and need capital improvements. Through targeted public investment, these spaces can become viable options for startups and small businesses.

Incubator office may be a valuable use of vacant spaces in the EPZ. Incubator spaces, which receive relatively low rents and offer modified lease terms, can help the EPZ become a hotbed of creativity and small businesses. These kinds of developments attract young talent and, ultimately, investors seeking to make an impact in their surrounding environments. SAGE may be able to fulfil the role of facilitator between these small businesses and property owners of vacant spaces to establish incubator spaces.

The City and SAGE should consider providing targeted subsidies and incentives to employers or property owners to catalyze incubator uses. Utilizing the City's Economic Development Incentive Fund, SAGE may be able to provide rent subsidies to property owners who provide discounted office space to startups or funding to startups to pay for market-rate office space rents.

- **Expand upon existing regional assets and develop attractive programming and complementary commercial uses:** The EPZ is home to a number of notable regional assets, including the Alamodome, the AT&T Center, and the Salado Creek Greenway. Residents and community leaders have repeatedly noted the lack of economic impact generated by some of these assets, despite the large amount of traffic and regional interest generated by each.

The City and SAGE can better capitalize on these assets through development of complementary programming and land uses. For example, the AT&T Center is surrounded by low-density development that may be redeveloped into an entertainment district with numerous dining and retail establishments. Furthermore, assets like the Salado Creek Greenway may benefit from attractive programming such as recreational events and regional competitions.

Measures

There are a number of ways to measure the level of new economic activity being created in the EPZ. One of the most meaningful measures of impact is the annual change in retail sales in the EPZ as measured by the US Census Bureau. Increased retail sales can be directly translated to economic impacts, including creation of new jobs and economic multipliers for residents and workers in the EPZ.

In order to measure the impacts of catalyzing small businesses in the EPZ, SAGE should measure the annual number of new jobs created in or migrated to vacant spaces, their average salaries, and the economic impact generated by these new salaries. The City may also consider measuring new property taxes generated by these spaces to determine their fiscal return on investment through any subsidies provided.

Attractive programming and complementary uses around existing assets will likely generate increased retail activity in the EPZ. However, the source of the increase in activity may be difficult to disaggregate from baseline growth and other retail development initiatives recommended in earlier strategies. Assessments or surveys of developers, new retail tenants, and event organizers, may further indicate the economic impact that these initiatives have on the EPZ.

Create jobs for EPZ residents

Sustained job creation for residents of the EPZ will be the culmination of multiple other economic development efforts and will require support and assessments over the long term. Each of the previous goals and its respective strategies should ultimately promote job creation, though a number of additional strategies and efforts may also be necessary. EPZ community leaders may consider hyper-specific strategies for industry-specific or organization-specific job creation as well.

Strategies

- **SAGE may consider reaching out to and partnering with growing employers in the region.** A number of industrial employers have recently located or expanded in the region, including Amazon, FedEx, and Carrier. Their growing operations may present opportunities for EPZ residents to pursue employment. SAGE and the City may be able to establish financial or organizational partnerships with these companies to develop targeted training programs and job placement resources for EPZ residents.
- **Less specifically, the City and SAGE may consider providing enhanced subsidies for employers who move to the EPZ and hire area workers.** The City currently offers a number of subsidies and incentives, particularly for industrial uses. However, one valuable incentive from which the EPZ currently does not benefit is the Foreign Trade Zone designation, which provides businesses with duty reduction, deferral, or elimination. The nearest existing Foreign Trade Zone is Kirby. SAGE should seek such a designation for the EPZ and its large industrial trade areas.

Measures

The most straightforward measure of success for these efforts is the level of employment among EPZ residents. Though this level may be difficult to precisely measure due to transience and underreporting, much of the impact should be captured by current tools deployed by the US Census and through surveys of area leaders. SAGE should continue annual tracking of employment with a focus on industrial workers. This effort may require special outreach to area employers and workers to gather precise employment data.

LAND USE STRATEGY

HR&A has developed a land use strategy that responds to existing conditions, reflects the above five economic development goals, and addresses a specific potential need or opportunity in the EPZ. These land uses also take into consideration the desires of community residents and leaders for revitalization in the EPZ.

Residential

Market-rate multifamily is a critical land use for creating income and economic diversity in the EPZ. Young professionals, particularly those seeking housing near downtown, may migrate toward the EPZ as other popular urban residential areas become more expensive. Though the market in the EPZ may not be able to sustain new market-rate multifamily immediately, land acquisition and the introduction of subsidies in the near term may create an attractive environment for market-rate multifamily investment in the medium-term.

New market-rate multifamily development should be located close to an employment center, particularly downtown, in order to optimize private investment and effectively attract new residents.

Affordable multifamily, like market-rate multifamily, is vital to the diversity and stability of the housing market in the EPZ. The EPZ is generally a lower-cost area relative to the greater San Antonio region, but new affordable multifamily development may provide residents with higher quality housing alternatives. Affordable multifamily may not be as sensitive to market conditions because of the infinite need for lower cost housing, and, therefore, may be feasible in the near-term. As in any affordable housing development, land acquisition costs should be contained to optimize affordability.

Senior housing is growing in demand across the nation as the baby-boomer generation transitions into retirement. This trend certainly exists in San Antonio and the EPZ, where the 65+ population is expected to increase between 2015 and 2020. Senior housing may be feasible in the near-term as the EPZ's population continues to age.

Like the other residential uses, sites for new senior housing should be along walkable streets with access to neighborhood retail and open space. In order to best serve the population of the EPZ and keep housing costs low, potential sites should also be relatively inexpensive to acquire and develop. Creative reuse of existing buildings may be possible, though building codes and programmatic requirements for senior housing may pose some challenges and unreasonably increase costs.

Historic preservation housing is an obvious opportunity across the EPZ, where a number of neighborhoods have already been or may soon be classified as historic. Historic preservation housing utilizes historic tax credits for investment in refurbishment and restoration of housing. This kind of investment can create tremendous value and create a ripple effect of housing demand across a large portion of the EPZ. Neighborhoods already classified as historic are the logical starting point for such investment. These may include Dignowity Hill and Government Hill.

Single family housing is the lowest-hanging fruit of the residential land uses. Single family homes may be developed on infill sites across the EPZ and may be the most effective strategy in catalyzing economic diversity. The housing market in San Antonio is strong and may be able to sustain small pockets of new development with the necessary proximate amenities, such as schools, open space, and community organizations.

Retail

Neighborhood retail can greatly enhance many of the major corridors and neighborhood corners across the EPZ. A number of areas, such as St. Paul Square and New Braunfels North are already well-suited for and attractive to neighborhood retailers – small, often locally-owned businesses. Given current rents and lack of vacant, quality space, the EPZ may be ripe for development of new neighborhood retail space. Suitable sites for neighborhood retail should be close to existing retail clusters or near dense neighborhoods, both of which will serve as anchors to support new retail.

Daycare is a critical retail use in support of increased education and employment opportunities for residents of the EPZ. Daycare uses will both create new jobs and allow currently unemployed parents to seek employment. Because most EPZ residents are employed in industrial and service sectors, new daycares may need to provide traditional and non-traditional hours of operation.

Incubator retail, such as pop-up and temporary stores which support new business ideas, may enhance existing corridors and neighborhoods across the EPZ. Furthermore, successful incubator spaces may lead to the development of larger retail operations in the future. Spaces for incubator retail can also be created in a variety of physical scenarios, though they should be clustered near existing retail and a residential base. A commercial kitchen that could service food trucks and small wholesalers, combined with a retail facility which is open to the public is an example of such a use.

Large-Format retail may be the most challenging land use in terms of tenant attraction and retention, but could be very beneficial to the retail market of the EPZ. Currently, a handful of national retailers, particularly dollar stores, operate in the EPZ.

New large-format retail development will require large and preferably vacant sites. These sites should be located on major thoroughfares near one of the major interstate highways. Furthermore, potential sites should be close to existing retail or have good access to neighborhoods and residents in the EPZ and from other parts of the region. New, high quality space will likely rent at a premium to existing retail space, but additional subsidies and incentives may be necessary to make such a development financially feasible for both the owner and retailer.

Healthcare and medical clinic space, which is often located in retail centers, may be in demand as the healthcare industry grows in the EPZ. New medical clinic space may be viable in a variety of physical conditions, such as existing retail centers, vacant or blighted buildings, and new ground-up development sites.

Office

Class A office is in short supply in the EPZ and may be a viable use in a small quantity and in strategic locations. All of the existing office supply in the EPZ is Class B or below and commands lower rents, despite its relatively low vacancy.

The key to successful development of Class A office will be sites that are located close to existing jobs centers, primarily downtown, and offer easy access to workers by being situated on major thoroughfares and near

interstates. New Class A office space, particularly in dense and walkable corridors like New Braunfels, may be viable.

Co-work and incubator office space can help drive employment in the EPZ by fostering a low-cost environment for small businesses and startups. Perhaps more importantly, co-work and incubator office space can support the emergence of entrepreneurs and creatives. Unlike Class A office space, co-work and incubator office space can be of slightly lesser quality and situated in less prominent locations. These spaces can also fit into existing structures and provide more design flexibility. Current office rents in the EPZ are more closely aligned with co-work and incubator office space and should be feasible, assuming demand from startups and small businesses in the EPZ.

Data centers are a hybrid of office and industrial spaces – while they create jobs for skilled workers, they often require large open spaces at relatively low cost. Much of the EPZ is well-suited to such uses; the availability of large and low-cost parcels may attract additional data centers to the area. Data centers may be most suitable near the EPZ Industrial Cluster in the northeast. However, other large, low-cost sites may be suitable across the EPZ, particularly because data centers do not require significant transportation infrastructure.

Industrial

Office/flex distribution space, similar to much of the existing uses in the EPZ Industrial Cluster, presents an opportunity for new mixed-skill jobs. A number of these kinds of spaces have been developed recently in San Antonio, indicating that the market is ready for additional development. Any new development of office/flex distribution space will require large vacant sites with low acquisition costs and good access to interstates.

Incubator industrial can help foster new manufacturing and distribution businesses in the EPZ and further support an economy of entrepreneurship and creativity. These spaces can be developed in a variety of physical conditions, though they may require access to major thoroughfares or interstates. Large blighted buildings may present opportunities for adaptive reuse as incubator industrial space.

Heavy industrial space, which is less common in the EPZ than office/flex distribution space, may require more careful planning to avoid negative externalities to existing EPZ residents. Like office/flex distribution space, heavy industrial will require large, vacant, low-cost sites which are located far from any residential areas. Access may be an issue as well, depending on the industry.

Public/Institutional

Charter schools were touted by EPZ residents as a valuable asset for children and their families seeking alternatives to the public school system. These schools can operate in a variety of types and sizes of space, including adaptive reuse of older buildings and ground-up development on vacant sites. New charter schools should ideally be located near residential neighborhoods and provide safe outdoor space for children during school hours.

Vocational programs are essential for the advancement of EPZ residents. These programs provide job training and placement, a lifeline amenity in an area with extremely high unemployment and generally low

levels of education among residents. A commercial kitchen incubator combined with a jobs training program is an example of such a use.

Vocation programs may not require development of new spaces; they often utilize existing spaces such as schools, colleges, and churches. However, new vocational program space may be viable in existing buildings through adaptive reuse and would be most beneficial in densely developed areas that are easily accessible to large numbers of residents.

Parks and open space are generally plentiful in the EPZ, but may need additional investment and programming. Well-programmed and attractive parks can improve attract private investment, increase public safety, and improve quality of life.

Public investment in parks should focus on two key elements: programming that responds to the needs and demographics of surrounding residents, such as playgrounds and sports programs for children and exercise programs for adults; and connectivity through trails and walkways that link parks with other valuable assets such as schools, churches, and other parks. New park development is best suited in or near neighborhoods, particularly those that lack other proximate park amenities.

NEXT STEPS

The next step in seeking opportunities for catalytic development in the EPZ is identifying specific sites that may be suitable for each of the above land uses. The HR&A Team has developed site selection criteria based on feedback from developers, business owners, and other community leaders. These criteria will guide a GIS-based categorization of all parcels in the EPZ. In this process, the HR&A Team will identify vacant, neglected, and underutilized parcels for consideration in future development opportunities. All of these findings will be made available on a website for public review and comment.

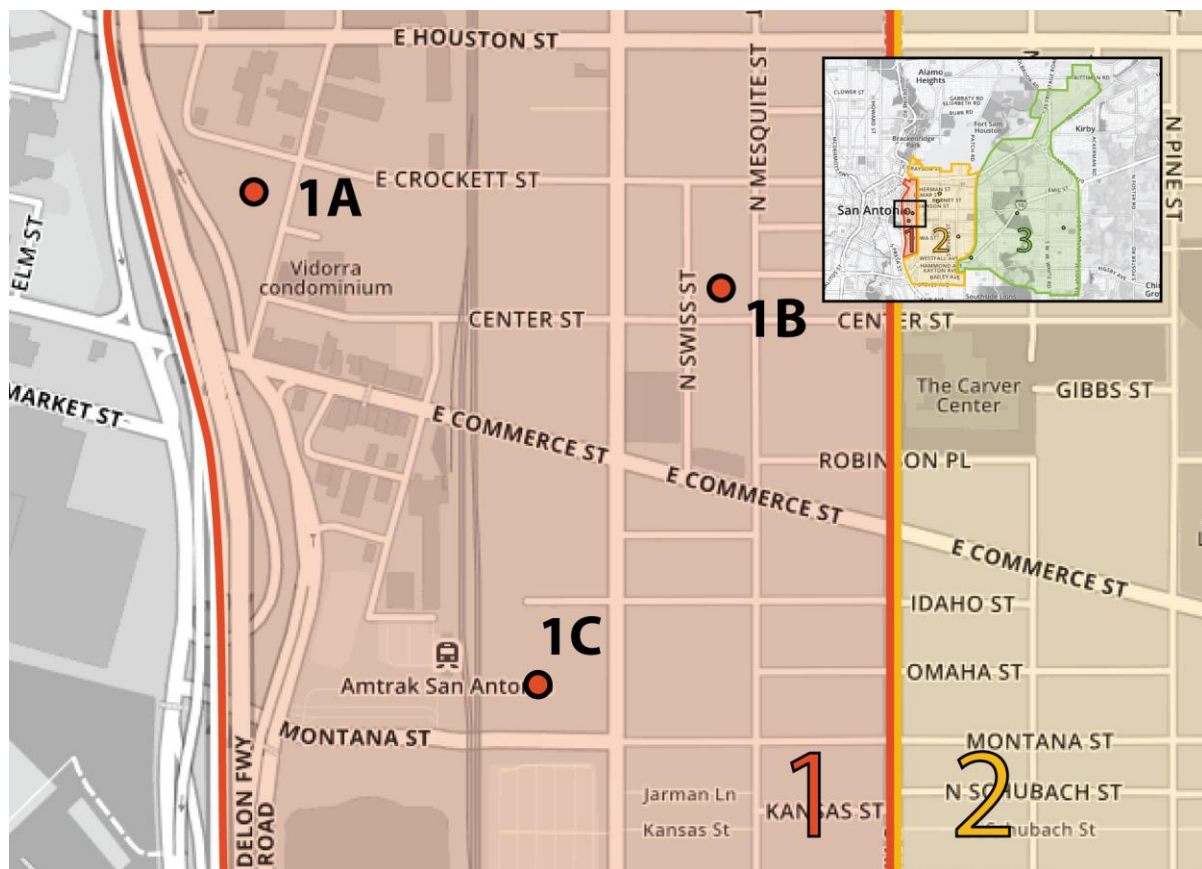
KEY DEVELOPMENT SITES AND CONCEPTS

As described in the preceding Methodology section, the HR&A Team prepared site development concepts for each of nine prototypical sites in consultation with SAGE. These development concepts reflect current and potential market conditions, site conditions, and the economic aspirations of SAGE and the community it serves. The following map outlines the Eastside Promise Zone boundaries as well as our nine development sites in three Zones: the Thompson Transit Center (Zone 1), Near Eastside (Zone 2), and Far Eastside (Zone 3) areas. The descriptions below highlight specific programs by site. For a map of the three Zones, see Appendix A: Eastside Study Zones Map. For detailed site diagrams, see Appendix J: Alamo Architects Site Diagrams.

Zone #1: Thompson Transit Center

Thompson Transit Center is the portion of the Study Area closest to downtown San Antonio between I-37 and South Hackberry Street. The selected sites, shown in the following map, leverage emerging market demand driven by proximity to an increasingly healthy downtown, as well as access to Amtrak rail service, I-37 and I-35 highways, and a charming historic building stock. We include residential rental, senior housing, condominiums, and ground floor retail uses to create walkable, mixed-use destinations embedded within the Eastside neighborhood.

Figure 24: Map of Thompson Transit Center Sites



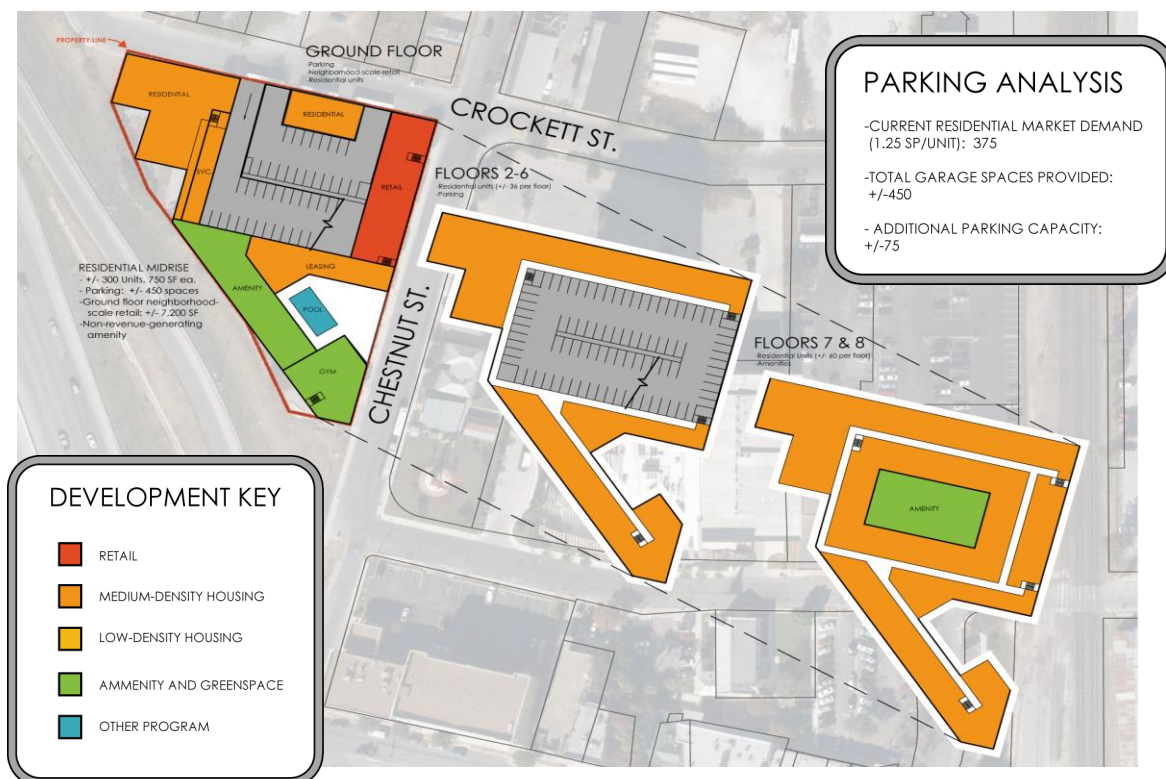
The proposed development programs for the Thompson Transit Center Zone address multiple priority economic development goals from the “Economic Development Context” Section on page 13, including:

- **Improve standard of living of Eastside Promise Zone (EPZ) residents:** Invest in increased and streamlined transit service between the EPZ major employment centers
- **Increase economic diversity of EPZ resident base:** Develop new, market-rate housing to attract young professionals and their families. Build new, quality affordable housing through expanded partnership with SAHA.
- **Increase economic activity in the EPZ:** Develop or subsidize new retail amenities in the EPZ.

Site 1A - 526 East Crockett Street

Site 1A offers an eight-story multifamily midrise development with a six-story parking structure and ground floor retail, plus a VIA Park and Ride facility. Residential development can provide an enhanced economic base to support commercial development in the Eastside. On this Site, we propose to redevelop existing surface parking as a housing structure that envelops a parking garage. Because market rents in the area are similar to tax credit rents, the analysis assumes that the residential units would be available to families who earn 60% of area median income to leverage additional subsidy. Excess parking capacity could be provided within the garage to supplant the original surface lot alongside new residential needs to serve ground floor convenience trailed, downtown commuters, and event overflow demands. Proximate to new and pipeline residential development and located at a key gateway to long-standing residential communities, this Site can also serve the surrounding residents with a public-facing ground floor amenity subsidized by the substantial development above. Our analysis examines costs for the multifamily, retail, and parking, assuming that VIA would bear the costs for a Park and Ride facility.

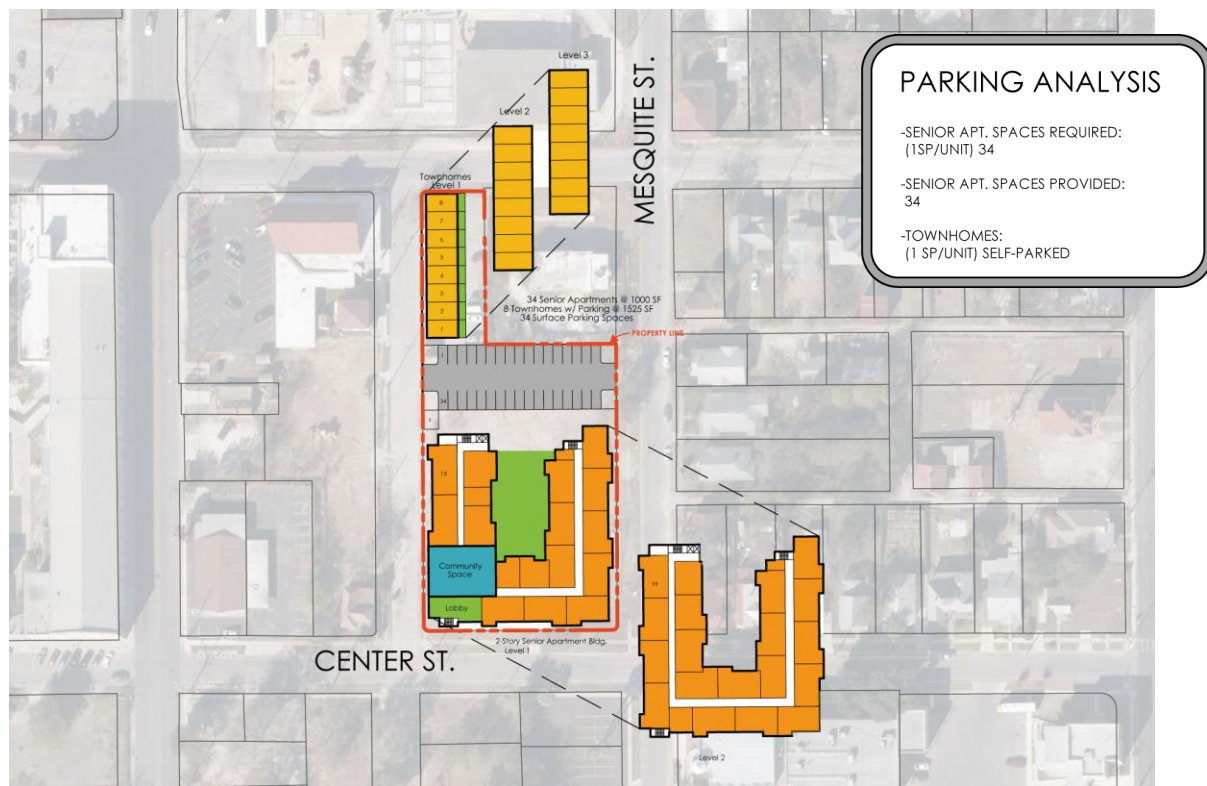
Figure 25: Site Diagram for 526 East Crockett Street



Site 1B – North Swiss

Site 1B creates a two-story senior housing development with shared community space and three-story townhomes. The currently undeveloped Bethel African Methodist Episcopal Church (“AME”) Site at Center and Mesquite presents nearly a block suitable for redevelopment within walking distance of Sunset Station and St. Paul Square. The development would include an integrated community center for both public and private use programmed in coordination with the Bethel African Methodist Episcopal Church. This would help provide a strong community connection for both future development and current landowner. Strategies to provide displaced parking include: the creation of cooperative parking agreements between businesses, Sunday van shuttling service, or nearby parking agreement.

Figure 26: Site Diagram for North Swiss

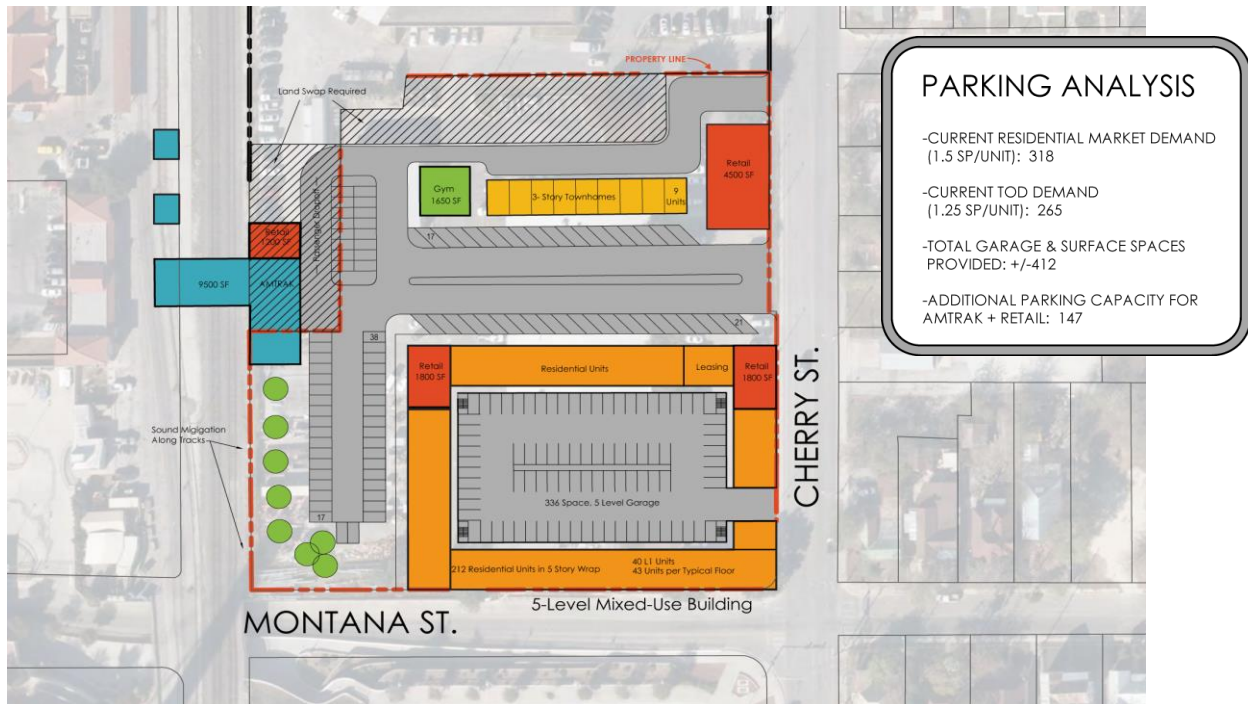


Site 1C – 223 South Cherry Street

The program for Site 1C includes mixed-use transit-oriented development with retail, five-story multifamily rentals, townhouses and a new Amtrak station. The current Amtrak station is located to the west of the tracks to take advantage of the existing rail siding. This proposal sites the new transportation hub above the rail line to take advantage of the City-owned redevelopment site to the west of the tracks and avoid acquisition of additional right-of-way for siding modifications. This new facility will benefit local perception of rail travel by celebrating this gateway to San Antonio. While costs for the Amtrak station itself are not included in our analysis, the redevelopment of this Site would allow for residential and commercial program to be created in coordination with the new station as a truly transit-oriented mixed-use development. Integration with the ongoing Thompson Transit Center Request for Proposals, a VIA

Metropolitan Transit-initiated competition for joint development of a facility which would accommodate additional daily transit operational needs and new commercial/residential development options, may support additional concepts for the Site.

Figure 27: Site Diagram for 223 South Cherry Street

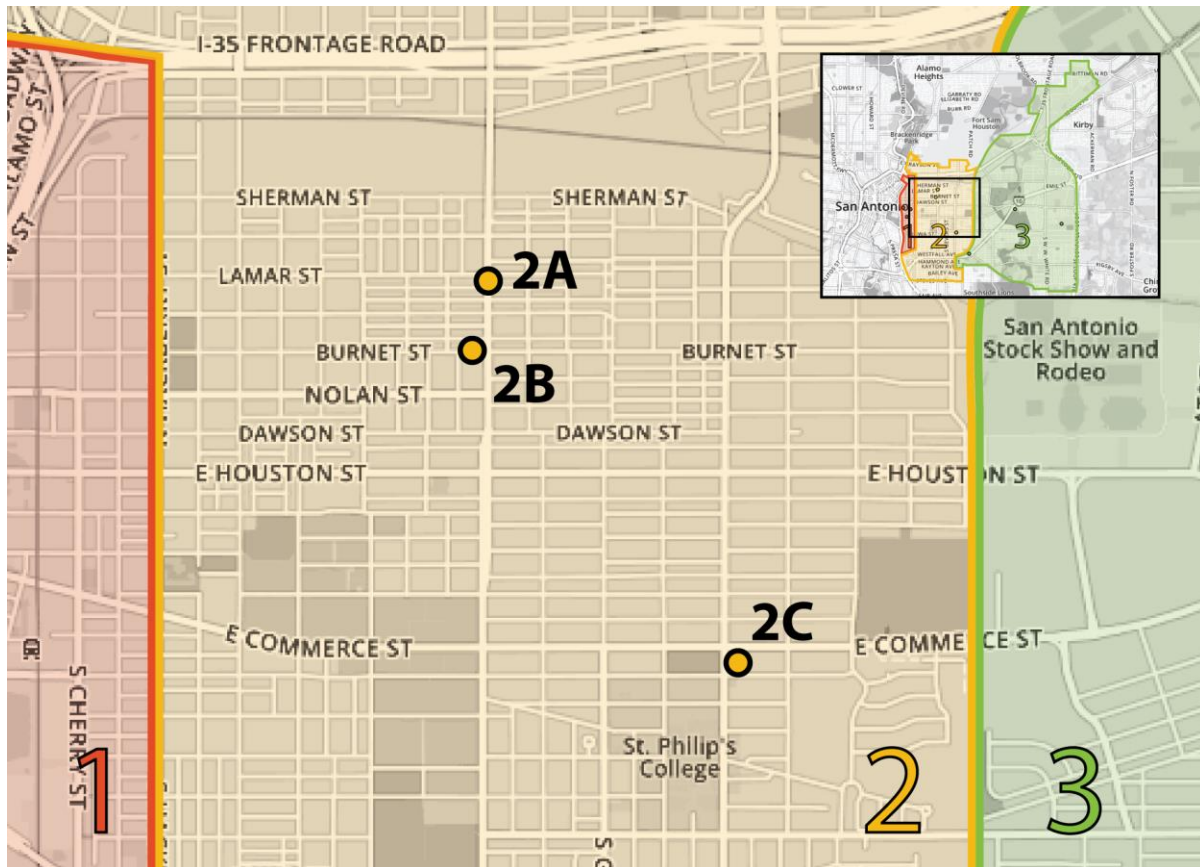


Zone #2: Near Eastside

The Near Eastside is the heart of the study area, located between North Hackberry Street and the rail track.⁴⁹ Selected sites in the Near Eastside area seek to attract the creative class to the area through development of modern office, and neighborhood retail. The Near Eastside programs also include small amounts of housing or live-work units geared toward students, artists, and employees of the new creative office space. The Near Eastside programs promote economic development and diversification of economic assets, providing the opportunity to draw new life into the area that is aligned neighborhood needs and existing anchors like St. Phillips College.

⁴⁹ The rail track separates census tracts 1305 and 1306 (to the west) from census tract 1308 (to the east).

Figure 28: Map of Near Eastside Sites



The proposed development programs for the Near Eastside Zone address multiple priority economic development goals from Appendix K: Economic Development Context, including:

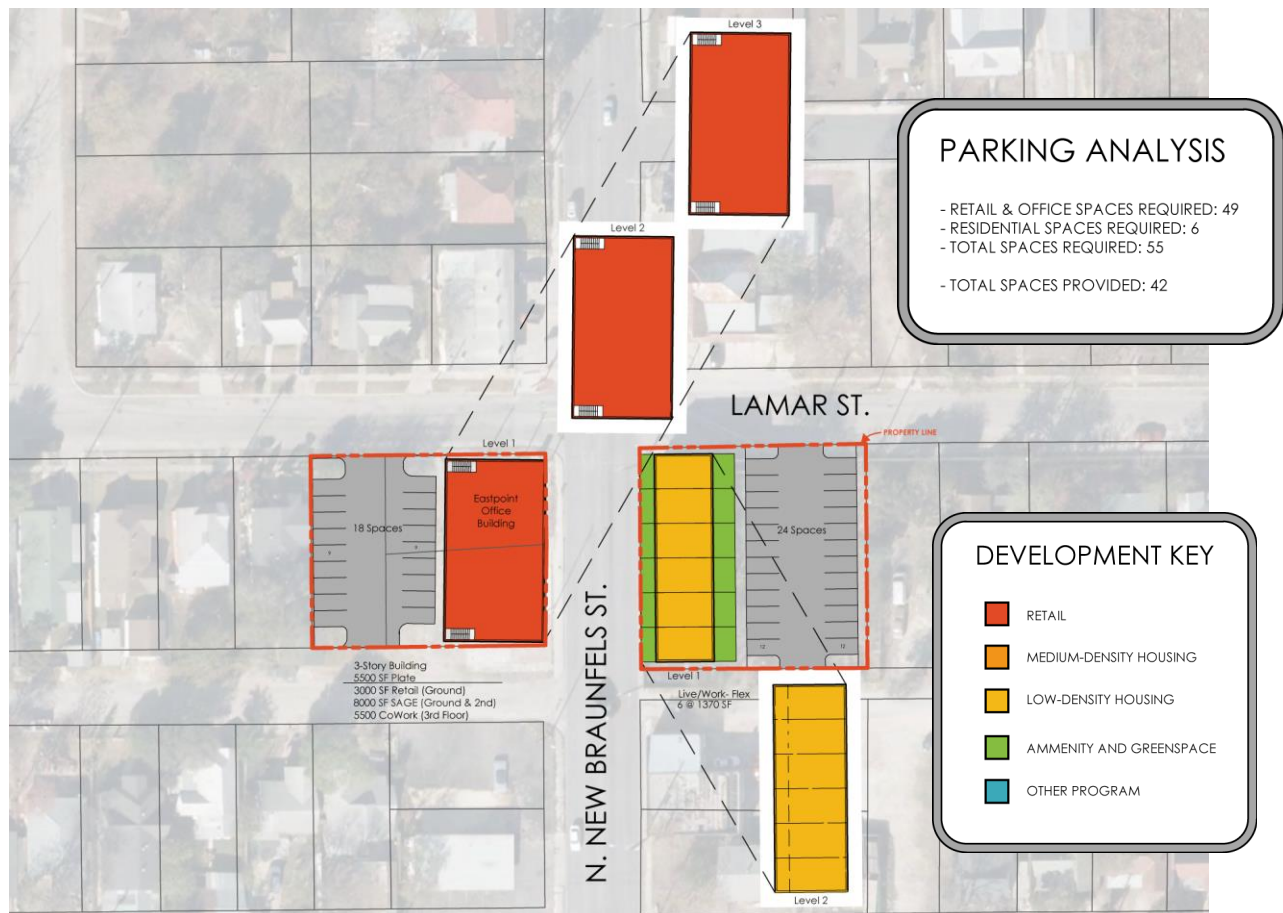
- **Improve standard of living of Eastside Promise Zone (EPZ) residents:** Develop or subsidize new retail amenities in the EPZ.
- **Increase economic diversity of EPZ resident base:** Develop new, market-rate housing to attract young professionals and their families. Build new, quality affordable housing through expanded partnership with SAHA.
- **Attract private investment in commerce, real estate, and the community:** Develop public-private partnerships by leveraging the value of the many assets in the EPZ, such as parks and open spaces, St. Phillips College, and the AT&T Center.
- **Increase economic activity in the EPZ:** Utilize the stock of existing, character-rich spaces to attract new businesses and workers.

Site 2A – 929 North New Braunfels

Site 2A is the proposed location for SAGE's new office, which would be part of a three-story office and retail development co-located with two-story live-work residential condominiums. This proposal presents a diverse development opportunity on an aggregation of smaller vacant and underutilized sites at a critical juncture in the New Braunfels corridor. The project is located at a high-visibility intersection for motorists headed from Government Hill south across the New Braunfels bridge to serve as a gateway into the

community and a beacon of corridor improvements to come. In addition to SAGE's office, the East Point office development would also have a Café Commerce-type program and co-work office space to help pull the creative class into the neighborhood. The office building could be developed in conjunction with new live-work units to create a vibrant neighborhood hub that utilizes shared-parking to minimize the surface parking spaces and maintain an appropriate neighborhood scale.

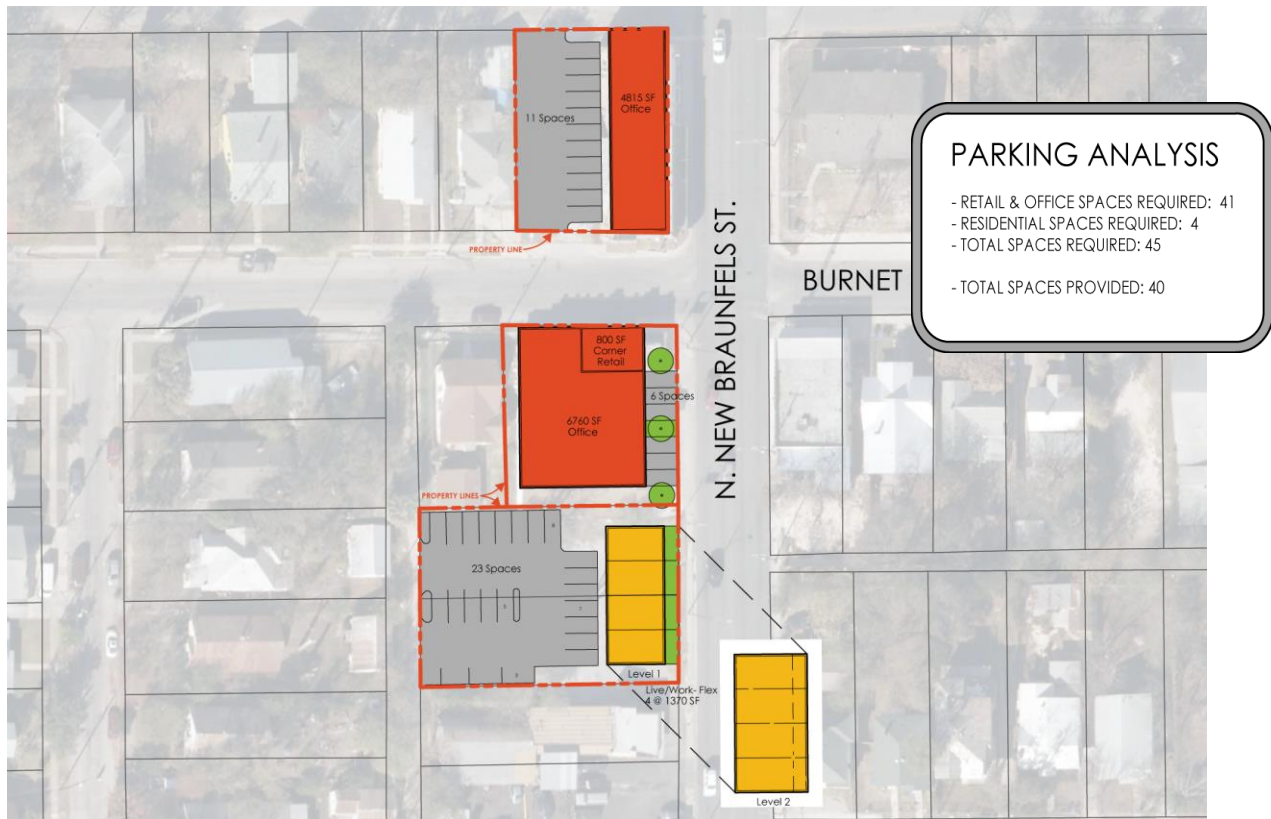
Figure 29: Site Diagram for 929 North New Braunfels



Site 2B – 733 North New Braunfels

Site 2B's program adds new office space and adapts existing buildings with new two-story live-work units and shared surface parking. This proposal demonstrates the ability to mix compatible uses within a single development to minimize parking requirements and maximize development potential. The development includes creative office space to attract new workers and organizations while helping to support some small corner retail. Live-work units are located on the Site to create a clustering of creative-class professionals that could begin to seed a larger progressive growth.

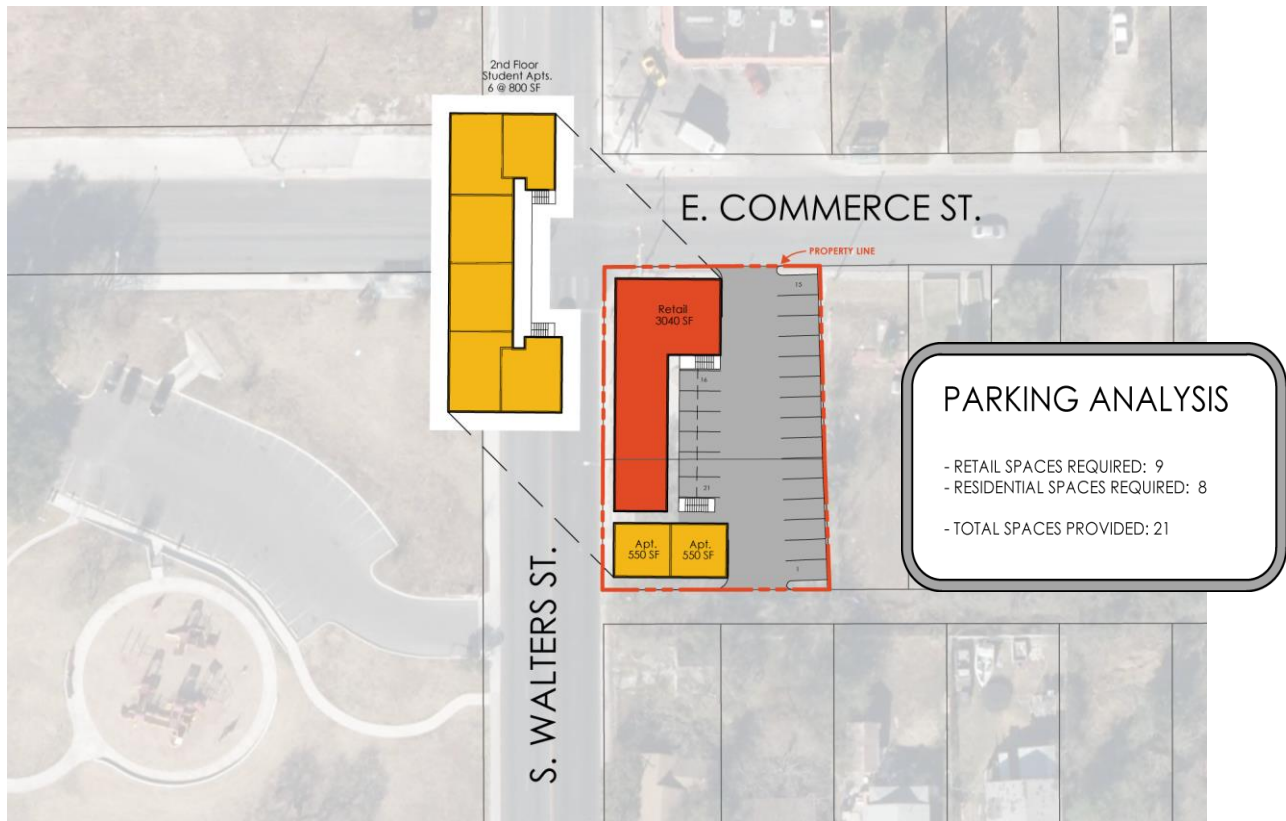
Figure 30: Site Diagram for 733 North New Braunfels



Site 2C – 2602 East Commerce Street

Site 2C would provide a two-story retail and small student housing development with shared surface parking. The Site is adjacent to St. Phillips College, an important anchor centering the Eastside that has expressed strong interest in their Commerce Street presence for the connectivity to downtown and the City beyond. This Site on Walters and Commerce is ideally located to make a statement for St. Phillips and the University of Incarnate Word while also testing the viability of a new building typology in this area. Retail use on the Site could have great potential as a family-operated community-oriented restaurant, such as Pancake Joe's, to help tie the adjacent student populations in with other surrounding community patrons. This use could be combined with a small amount of student housing to incubate the idea of non-commuting students and help minimize the amount of parking required for the development.

Figure 31: Site Diagram for 2602 East Commerce Street



Zone #3: Far Eastside

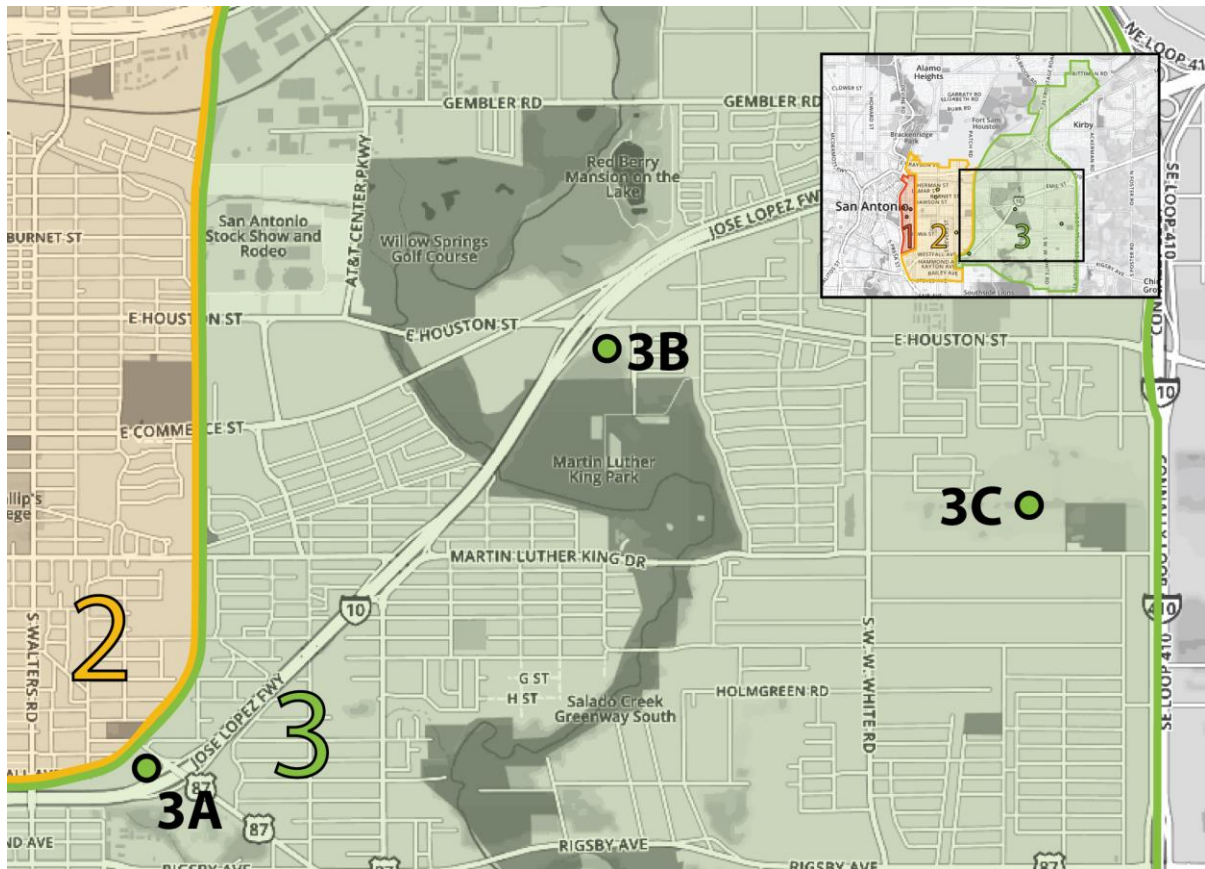
Within the study area, the Far Eastside is geographically farthest from Center City San Antonio. However, easy highway access from I-10 and I-410 make large Sites in the area ideal candidates for auto-oriented retail uses. The Far Eastside Zone lies between the rail track and I-410.⁵⁰ Suggested programs in the Far Eastside sites take advantage of the access and visibility to create new retail and housing. Retail uses anchor the Far Eastside Sites, which can promote growth and create jobs in the area as well as offer new retail options for both old and new residents of the Eastside neighborhoods.

The proposed development programs for the Far Eastside Zone address multiple priority economic development goals from Appendix K: Economic Development Context, including:

- **Attract private investment in commerce, real estate, and the community:** Provide subsidies or incentives for small and medium businesses expanding or locating to the EPZ.
- **Increase economic diversity of EPZ resident base:** Develop new, market-rate housing to attract young professionals and their families. Build new, quality affordable housing through expanded partnership with SAHA.
- **Improve standard of living of EPZ residents:** Develop or subsidize new retail amenities in the EPZ.

⁵⁰ The rail track separates census tracts 1305 and 1306 (to the west) from census tract 1308 (to the east).

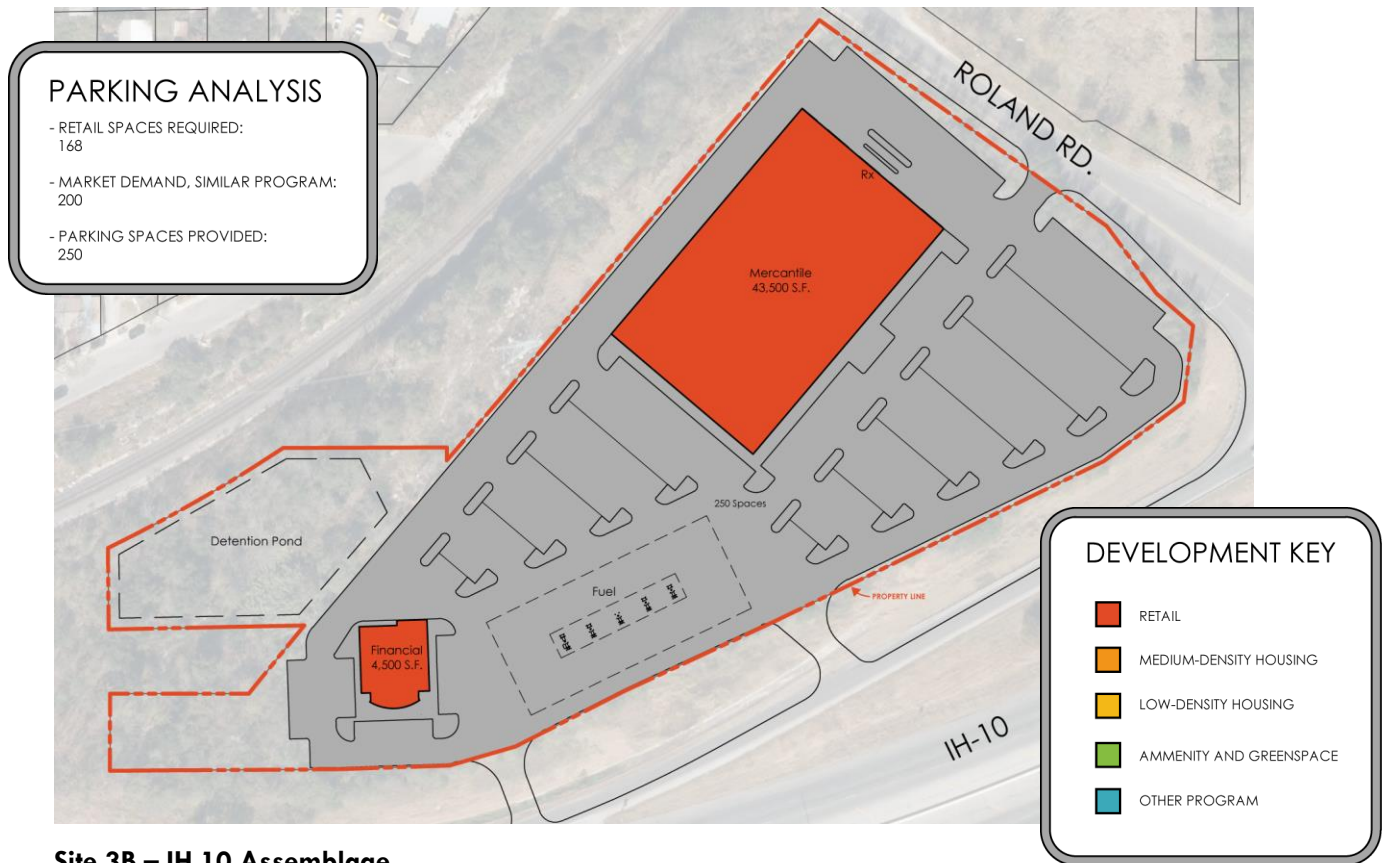
Figure 32: Map of Far Eastside Sites



Site 3A – 333 Roland

The program for Site 3A is a single-story retail center. Though smaller than the other sites identified within this sub-area, the Site presents a very straight-forward development opportunity at the first large intersection along IH-10 between City center and the Eastside. We envision a medium-scaled community market in combination with a flagship credit union. Both of these uses would help improve community access to under-served high-quality services.

Figure 33: Site Diagram for 333 Roland

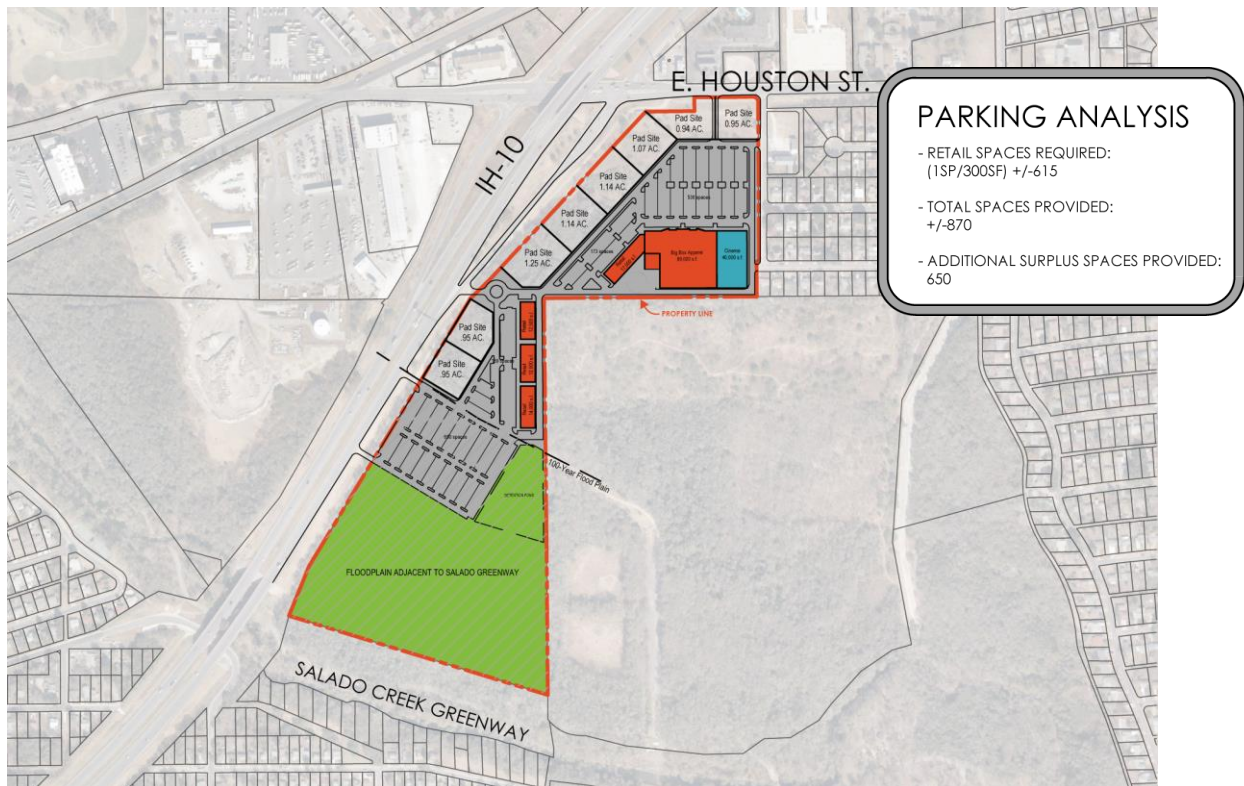


Site 3B – IH 10 Assemblage

Site 3B would be a large, single-story retail power center development with accompanying pad sites.

This Site is located at the highly-trafficked intersection of Houston and IH-10 and offers a premium large-scale retail development opportunity. With more than 50 acres of land consolidated by a single ownership entity located on the primary highway corridor into the City, this would be an ideal opportunity to serve downtown commuters, the surrounding neighborhood, and rural users. A small-scale, community use such as a carefully curated theater could be one component of the center, helping to draw in visitors and providing a community hub. The Site is located partially in the flood plain but also along the Salado Creek Greenway. Although this creates some constraints to the practical development area, the Greenway connects the Site to the entire Eastside along the hike and bike trail.

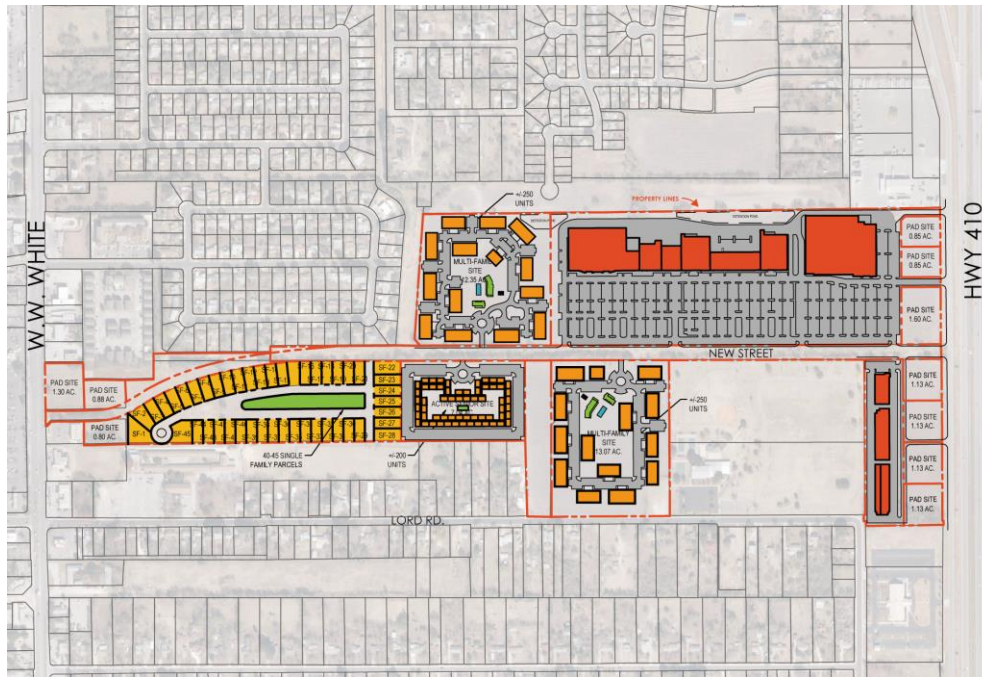
Figure 34: Site Diagram for IH 10 Assemblage



Site 3C – 750 SE Loop 410

Site 3C offers a large multifamily and single-story retail power center development with accompanying pad sites. The aggregation of available sites spanning between WW White and Loop 410 present a significant amount of greenfield development area in excess of 100 acres. Located at the mouth of the ever-expanding IH-35 corridor, this Site serves as a critical entry point to San Antonio from a range of nearby cities to the North. With the expansive development opportunity comes a range of possible programs with likely candidates in retail, single-family residential, and multi-family communities. The project could be easily phased to include a first wave of residential development to create a strong base for later-phase retail.

Figure 35: Site Diagram for 750 SE Loop 410



PARKING ANALYSIS

RETAIL

- RETAIL SPACES REQUIRED:
(1SP/300SF) 1215
- RETAIL SPACES REQUIRED:
1880
- ADDITIONAL SURPLUS SPACES PROVIDED
+/-650

MULTI-FAMILY SITE 1:

- RESIDENTIAL SPACES REQUIRED:
(1.5 SP/UNIT) +/-375
- MARKET DEMAND, SIMILAR PROGRAM:
(1.7 SP/U) +/-425
- SPACES PROVIDED: +/-425

MULTI-FAMILY SITE 2:

- RESIDENTIAL SPACES REQUIRED:
(1.5 SP/UNIT) +/-375
- MARKET DEMAND, SIMILAR PROGRAM:
(1.7 SP/U) +/-425
- SPACES PROVIDED: +/-425

ACTIVE SENIOR LIVING:

- RESIDENTIAL SPACES REQUIRED:
(1.5 SP/UNIT): +/-300
- SPACES PROVIDED: +/-300

SINGLE-FAMILY UNITS:

- SELF-PARKED

KEY FINDINGS

HR&A understands that development requires some incentives and, in fact, a number of our proposed uses would not be financially feasibility without incentives. Therefore, HR&A identified a broad range of programs that are currently available and could potentially be used to spur development on the Eastside. We include public incentives administered by the federal government, State of Texas, Bexar County, and City of San Antonio, as well as a select group of incentives administered by SAGE and other private organizations active in the Study Area. These incentives can support the development of uses and typologies not otherwise feasible in the local market through the use of grants, tax credits, preferential loans, and other supports. The impact of each incentive by project is explained below in detail in the Site Analysis section. For a brief summary of incentives, see Figure 36: Summary of Incentives. For additional details on incentive programs and eligible projects, see Appendix I: Detailed Incentives Description.

Figure 36: Summary of Incentives

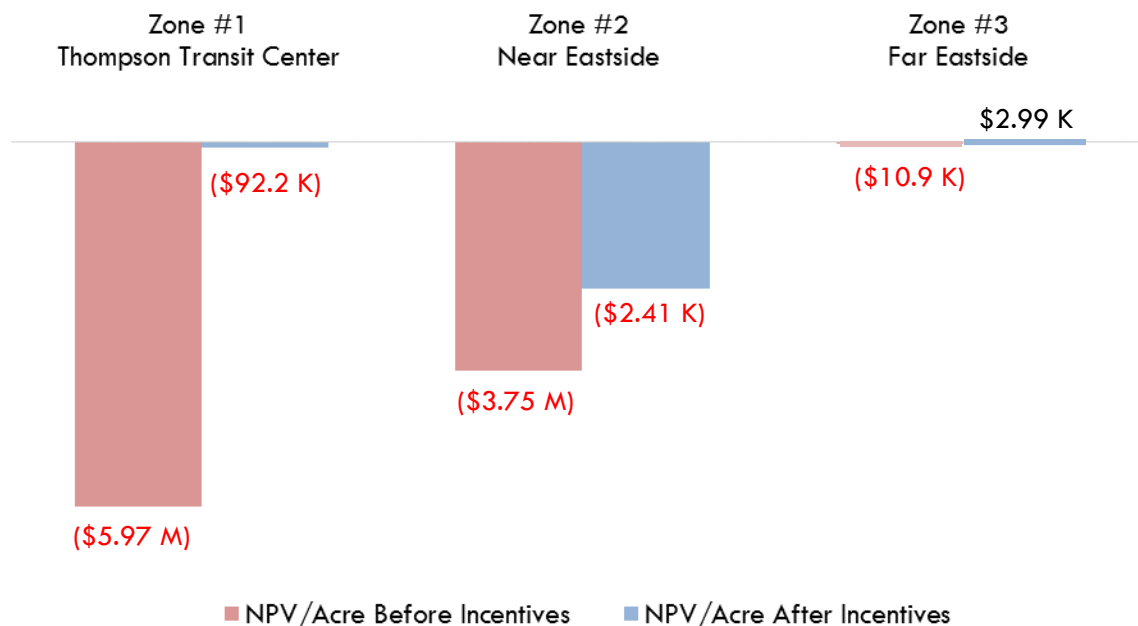
Incentive Program	Administered By	Program Description
Federal		
New Market Tax Credit (NMTCT)	Internal Revenue Service (IRS)	Program to attract new capital investments into underserved communities (where median family income <80% of the local median income).
Community Development Block Grant (CDBG)	U.S. Department of Housing and Urban Development (HUD); local governments	Grant funding for a wide range of activities to expand housing and economic opportunity, primarily for low- to moderate-income individuals.
HOME Investment Partnerships Program (HOME)	HUD	Grant program for expanding the supply of decent, affordable housing for low- and very low-income families.
Low-Income Housing Tax Credits (LIHTC)	IRS; HUD; U.S. Department of Justice (DOJ)	Program for a dollar-for-dollar reduction in federal income tax liability for project owners who develop rental housing that services low-income households (where median family income is up to 60% of area median income).
EB-5 Immigrant Investor Visa Program	U.S. Citizenship and Immigration Services (USCIS); local governments	Initiative to direct foreign investment into real estate projects for job creation in areas of high unemployment.
Federal Historic Preservation Tax Incentives Program	National Park Service; State Historic Preservation Offices; IRS	Program for the rehabilitation of historic buildings across the country.
State		
State Enterprise Zone Project Designation	OOG- Economic Development and Tourism Division	Program to create jobs and new investments in economically distressed areas. Designated businesses are eligible for State sales and tax refunds on certain expenditures.
County		
Tax Abatement: 10-yr & 6-yr (Chapter 381 Program)	Bexar County Economic Development	Tax abatement incentives on property taxes. The Eastside is eligible for a 10-year abatement term.
City		
City of San Antonio Fee Waiver	City of San Antonio (CoSA)- Center City Development Office (CCDO)	The City may waive fees for eligible projects to stimulate development within the ICRIP area.

Incentive Program	Administered By	Program Description
Economic Development Incentive Fund (EDIF)	CoSA- Economic Development Department (EDO)	The City provides grants and loans to attract new businesses and investment.
Mixed Use Forgivable Loans	CoSA- CCDO	The City provides loans for inner-city development projects, which are forgiven after five years, as long as high occupancy rates are maintained.
San Antonio Water System (SAWS) Fee Waivers	CoSA- CCDO	The City may waive fees for eligible projects, including water system fee waivers.
Tax Abatement: 10-yr & 6-yr (Chapter 380 Program)	CoSA- EDO	Specified industries may receive a tax abatement on real and/or personal property taxes.
Land Bank Program	CoSA- Office of Urban Redevelopment (OUR); SA Affordable Housing (SAAH)	The City established a land bank to support new residential development and reuse vacant property.
Historic Preservation Tax Exemptions and Grants	CoSA Office of Historic Preservation; SA Conservation Society	Tax exemptions and grants are offered for projects prioritizing historic preservation.
Cooperative Parking Agreements	CoSA- Development Services Dept.	Two or more business owners may enter into a cooperative parking agreement to share parking facilities to reduce parking needs and related costs.
Infrastructure Investment	CoSA	The City may develop or improve infrastructure in order to attract new development.
Public Land Disposition	CoSA	The City may sell or lease land to developers to jumpstart new development projects.
General Obligation (GO) Bonds	CoSA	The City may issue standard general obligation bonds or revenue bonds to finance projects.
Other		
Store-Front Grant	San Antonio for Growth on the Eastside (SAGE)	Matching grant program (up to \$10,000) for businesses to fund external improvements.
Grow Eastside Fund	SAGE	Financial support for small businesses that are moving to or growing on the Eastside.
Tax Increment Reinvestment Zone (TIRZ)	Property owner-initiated or City-initiated for a given area	TIRZs direct a portion of property taxes towards subsidizing development projects.
Non-profit or other organizational support	Varies	Organizations may offer additional support to promote improved community outcomes.
Self Sufficiency Fund for Employers	Texas Workforce Commission	State-sponsored program awards grants to higher learning institutions/community organizations that partner with local employers to build training programs for low-income individuals.

Feasibility by Zone

Development feasibility varies by Zone. As Figure 37 demonstrates, the average net present value (NPV) by acre in each Zone is negative before incentives, indicating that development is not viable absent incentives. In Zone 1, the average NPV is negatively skewed by Site 1A, where the program is supporting 450 spaces of structure parking. Removing Site 1A would increase the NPV after incentives to \$108 thousand per acre, indicating the Zone 1 programs are viable but highly sensitive to parking requirements.

Figure 37: Average Net Present Value/Acre by Zone



Zone 1, the Thompson Transit Center, is the most promising from a market perspective. The mixed-use development programs proposed for the Zone 1 Sites leverage transit-oriented development and downtown momentum to catalyze development activity. The Zone 1 Sites include the most residential relative to the other uses because of their proximity to the downtown core, and the density needed to support retail uses.

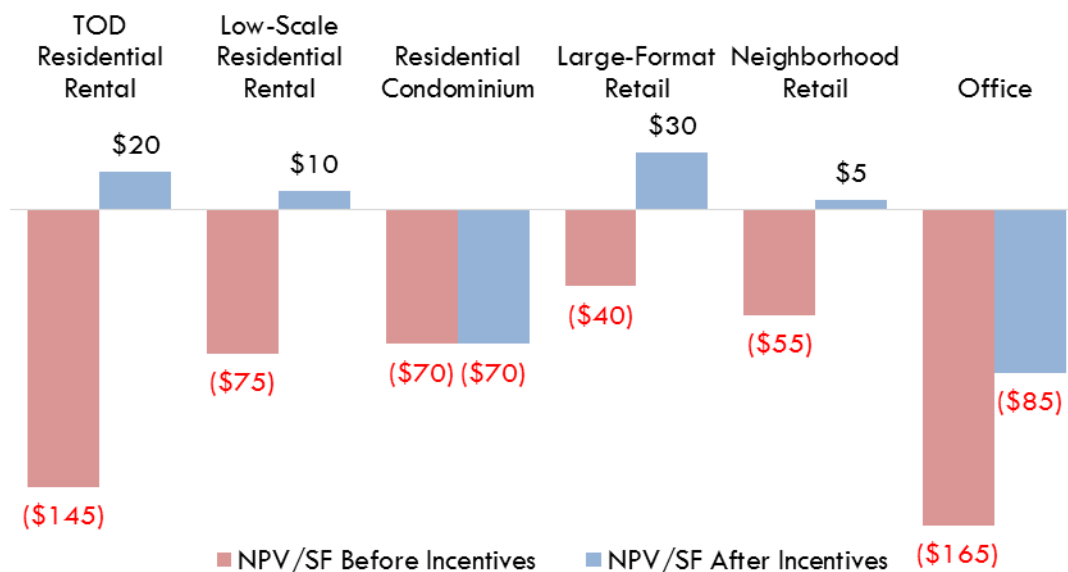
Zones 2 and 3, the Near Eastside and Far Eastside, respectively, are more challenging for future development.

- In the Zone 2 programs, limited office potential makes the suggested programs infeasible. Small sites and historic structures limit large-scale opportunities, so large-format retail in higher density TOD residential rental, both uses that could increase feasibility, are not practical. Small-scale residential may be a viable use, but it is difficult to finance.
- Zone 3 is a more promising market, but it lacks the incentive opportunities of Zones 1 and 2 since it is outside the Inner City Reinvestment Infill Policy (ICRIP) Area, a geography that is eligible for enhanced levels of City incentives. The available assemblages in Zone 3 are larger than available development sites in Zone 1 and Zone 2, but limited density in the surrounding neighborhoods constricts potential development. Small-scale retail is possible, but larger development is harder to incentivize. Zone-wide absorption of retail uses is also a concern; because development of a single site may fill area retail demand.

Feasibility by Program Uses

Existing market and policy conditions favor residential rental and retail uses. Figure 38 shows that both dense TOD and low-scale rental uses are feasible after incentives. Large-format retail is more profitable than neighborhood retail, but both are possible with incentives. Condominiums and office are not viable due to limited incentives for these uses.

Figure 38: Average Net Present Value/SF by Use



Affordable multifamily housing is supportable due to incentives and existing household incomes in study area. The average household income in the study area is similar to 60% Area Median Income (AMI), a measure defined by HUD that provides regional income guidelines for Federal housing subsidy programs. Units that are made available to households earning at or below 60% of AMI are eligible for Low Income Housing Tax Credits, which are the driving force behind housing feasibility in our analysis.

Market-rate housing is more difficult to support at current rents. The Center City Housing Incentive Policy (CCHIP) provides additional levels of City incentives for housing development in the urban core of the City. CCHIP has been successful in the Center City, but most of the Study area is not eligible for these benefits. Even if the CCHIP boundary were expanded, CCHIP incentives do not offer sufficient benefit to facilitate market rate development. For the Zone 1 programs that are eligible for CCHIP, current City incentives alone are insufficient to generate positive NPVs. For these Zone 1 Sites, Low Income Tax Credits make up approximately 85% of the incentive packages and ultimately are the driving factor behind a feasible development program. Future enhancements to CCHIP for market-rate housing in mixed-income neighborhoods might facilitate market-rate housing development. Over time, these enhancements may not be required if the multifamily market on Eastside tracks the improvements in rents throughout Bexar county over the past five years. There is also the potential to create mixed-income developments where subsidies for affordable housing would help subsidize market-rate housing costs. Given the impact of affordable subsidy, at Sites 1A and Sites 1B, the programs could support 50% of the residential units at market rates without additional subsidy support. In Zone 3, site 3C could support up to 70% of the residential rental program as market-rate units.

Developers are also unlikely to create large-format retail without large incentives, In the mixed-use programs in Zone 1 and Zone 2, the smaller retail option are not viable. Near term incentives may help to create small-scale development, but long-term need for a more connected and more robust mixed-income consumer markets. It will be important to collaborate with community organizations to recruit and support new entrepreneurs to the Eastside. Small business owners such as crafters and restaurateurs may be viable options to foster business growth on the Eastside.

Office space is not viable in the Eastside area in the current market without significant subsidy. Strengths of the San Antonio office market vary by sub district with certain areas, such as Northwest of Center City, experiencing significant new development while other areas, such as the Eastside, have not seen new development in the last two decades. The City's economic development incentives favor retail or very large office spaces, and do not support the smaller, creative and tech offices that are quickly becoming the next generation's economic hubs. This smaller office typology may be an ideal fit for the Eastside, but it would require additional incentives to be feasible in the area. The City's economic development fund caps of \$5,000/job are not enough to spur creative office development, so increased limits for certain industries, such as tech, or additional incentives are needed to realize Eastside office development. SAGE's office development would require a significant boost from an incentive such as New Market Tax Credits, which must be obtained through a competitive process, and may benefit from being part of a development that includes a more profitable use such as housing. SAGE could realize this transformation by serving as a developer (with a lower return requirement) and by acquiring land from the City free of cost

Impact of Incentives

Federal tax credits are the most powerful development incentives, but they are not directly controlled by SAGE or the City. Federal Low Income Housing Tax Credits and New Market Tax Credits generate substantial upfront capital to support housing and office/retail development, respectively. These are both highly competitive and have not been utilized in the Eastside. SAGE and its Partners can and should assist interested developers in accessing these funds. New Market Tax Credits may also be an option for the SAGE office.

It is critical that SAGE and the City work with State partners to advocate for Low Income Housing Tax Credit allocation, both competitive 9% and 4% with bonds. The annual Qualified Allocation Plan (QAP) gives states the flexibility to create preferences within the tax credit allocations, so there may be an opportunity to adapt to the needs of the Eastside. For residential uses in the Eastside, Low Income Housing Tax Credits vastly increase feasibility so that the residential portion of a program more than satisfies developer return requirements. These tax credits could also be restricted to only some of the units, ensuring that a residential include market-rate units to attract new residents to the Eastside.

State and County incentives are limited, and only the State Enterprise Zone Designation has substantial impact of the development of projects. The City of San Antonio has control over the Enterprise Zone Designation; it must select development sites that have the potential to create jobs to apply for the Designation. The State Enterprise Zone Designation is most impactful for development like large-format retail that will bring a substantial amount of new jobs to the area. County property tax abatements are useful to reduce operating costs, but they do not offer enough benefit to incentivize development without layering additional subsidies in the financing package.

At the local level, SAGE can advocate for a series of changes to improve the efficacy of incentives in the Eastside. Continued advocacy may promote the following policies:

- **Center City Development Office (CCDO) incentives** support market-rate housing development in near-feasible conditions. The City's loan product may need to be expanded (or other incentives introduced) to support housing for a mix of income levels, particularly moderate and middle income households.
- **Reducing parking requirements** is a low-cost way to support development feasibility. SAGE can advocate for zoning changes on small projects and can encourage adjacent businesses/development sites to enter into shared parking agreements.
- **Land banking** also would provide an opportunity to significantly lower developer costs by removing the upfront land payment. Analysis of the proposed programs shows that remove land payment reduces the development burden by over 20% of total costs. This is particularly impactful for the large sites in Zone 3, where removing land cost for Sites 3A and 3B makes the program viable even without other subsidies. SAGE now has a tool to identify appropriate sites and advocate for land banking and disposition to appropriate development partners.
- **Supporting local capital investment**, particularly in streets, streetscapes, and parks, can enhance development feasibility. Capital investment in neighborhoods can create value that is reflected in surrounding rents and land values. The analysis considered a 5% rent increase for all uses to understand the potential impact of neighborhood investment. This increases the revenues by an average of 8% for the suggested programs.

DEVELOPMENT FEASIBILITY ANALYSIS

The objective of the development feasibility analysis is to determine the feasibility of selected development programs by Site before and after utilizing applicable local, State, and federal incentives. HR&A's multi-year real estate financial Model creates generic cash flows that are calculated to reflect a square foot of development.

The Model is structured around the financial perspective of a single developer/land owner who would be responsible for regulatory approvals, Site preparation, and overseeing development. Functionally, multiple developers may be responsible for different uses at each Site. However, because we seek to understand the feasibility of each program, we combine the cash flows to understand the net present value for the overall development.

These generic cash flows rely on a series of assumptions, which are further detailed in Appendix K: Model Assumptions.

- **Development financial assumptions:** HR&A reached out to local developers to build a thorough understanding of the principal assumptions driving the feasibility of commercial and residential development, including land values, vertical development costs, financing assumptions, revenue projections, and the impact of parking in order to identify differences in developer returns and the value of each program use. CoStar, an industry standard database of commercial transactions, supplemented interview information.
- **Development costs:** Alamo Architects and local developers provided development costs by use and typology. HR&A also relied on development cost information from precedent housing projects, including developments that had received City incentives through the Center City Housing Incentive Policy (CCHIP) program.

Incentive assumptions: HR&A reached out to local policymakers and incentive experts, including employees of the City of San Antonio Center City Development Office, Bexar County Economic Development, and SAGE to confirm assumptions related to City, State, and Federal incentives.

- **Parking:** HR&A examined the cost of parking for residential and commercial development. Residential parking is specified in each program according to local zoning, with reductions at Sites 2A and 2B. The parking assumed for these developments does not generate revenue by charging residents, workers, or shoppers for use of the space. Because of the lack of revenue and expense of construction, parking is a major cost for all development programs. Structured parking is significantly more expensive than surface parking, at a construction cost of over \$12,000 per space compared to \$2,800, but conserves space to create more opportunity for development of revenue-generating uses. HR&A developed these parking costs through conversations with area developers.

HR&A then modeled each development program by multiplying the generic cash flow by the appropriate square footage of each use. This overall program cash flow is discounted back over time to account for the time value of money. Program-specific cash flows allow us to understand the net present value (NPV) of each development (defined as the difference between earnings and costs over time in present dollars) for a period of ten years assuming the discount rate for the developer is 16%. The discount rate is the developer's

rate of return from the cash flow over time. A high discount rate would lower the NPV of the development. The selected rate of 16% is based on market returns, the uncertainty of future cash flows, and the opportunity cost of the project relative to other investments.

A positive NPV indicates that the projected earnings exceed the anticipated costs and that the investment is profitable. Conversely, a negative NPV will result in a net loss on the investment. The Model determines that the program is “feasible” if the NPV is greater than 0.

Results for each site are detailed in the following tables, which are organized by Zone. None of the programs are viable prior to the addition of incentives. Incentives are described in the *Incentives Overview* section. They vary according to eligibility of the uses and Site geography. Federal incentives, particularly Low Income Housing Tax Credits and New Market Tax Credits, have the greatest impact on the feasibility of programs.

An in-depth explanation of feasibility findings for each Site is described in Appendix F, Detailed Feasibility by Site.

Figure 39: Feasibility Analysis by Site, Thompson Transit Center

Zone #1: Thompson Transit Center			
Site	Site 1A 526 E Crockett St	Site 1B North Swiss	Site 1C 223 S Cherry Street
Project Description	8-story multifamily midrise development with 6-story structured parking and VIA Park and Ride facility	2-story senior housing development with shared community space and 3-story townhomes	Mixed Use TOD Development with retail, 5-story multifamily, townhouses, and Amtrak station (costs for Amtrak portion not included)
Key Findings and Observations			
No Incentives	Not feasible	Not feasible	Not feasible
Current Incentives	Not feasible*	Feasible	Feasible
Net Present Value			
With No Incentives	(\$53,001,000)	(\$3,528,000)	(\$35,797,000)
With All Incentives	(\$2,096,000)	\$816,000	\$525,000
Increase in NPV due to Incentives	\$50,905,000	\$4,344,000	\$36,322,000
Increase in NPV by Incentive			
Tax Abatements			
City: 15 Year Tax Rebate	\$1,080,000	\$116,000	\$799,000
Fee Waivers			
SAWS Fee Waivers - \$500K	\$843,000	\$90,000	\$605,000
City Development Fee Waiver	\$114,000	\$16,000	\$82,000
Other Commercial Incentives			
New Market Tax Credits	\$348,000		\$462,000
Housing Incentives			
Low Income Housing Tax Credits	\$43,567,000	\$3,567,000	\$30,788,000
Affordable Housing ICIF Loan	\$313,000	\$45,000	\$221,000
Mixed-Use Forgivable Loan	\$140,000		\$186,000
CDBG or HOME Loan	\$4,500,000	\$510,000	\$3,180,000

All numbers have been rounded to the nearest \$1,000

**Additionally, the City, SAGE or another entity may provide land or other direct assistance to support project feasibility.*

Figure 40: Feasibility Analysis by Site, Near Eastside

Zone #2: Near Eastside			
Site	Site 2A 929 N New Braunfels	Site 2B 733 N New Braunfels	Site 2C 2602 Commerce Street
Project Description	3-story office and retail development with 2-story live-work residential spaces and shared surface parking	Adaptation of existing buildings with new 2-story live-work units and shared surface parking	2-story retail and student housing development with shared surface parking
Key Findings and Observations			
No Incentives	Not feasible	Not feasible	Nearly feasible
Current Incentives	Not feasible*	Not feasible*	Not feasible*
Net Present Value			
With No Incentives	(\$3,084,000)	(\$2,448,000)	(\$908,000)
With All Incentives	(\$1,887,000)	(\$1,534,000)	(\$703,000)
Increase in NPV due to Incentives	\$1,197,000	\$914,000	\$205,000
Increase in NPV by Incentive			
Tax Abatements			
County: 10 Year Tax Abatement	\$41,000	\$35,000	
Economic Development Funding			
Economic Development Incentive Fund - \$5,000/job	\$256,000	\$203,000	\$28,000
Fee Waivers			
SAWS Fee Waivers - \$500K	\$23,000	\$13,000	\$22,000
City Development Fee Waiver	\$9,000	\$6,000	\$4,000
Other Commercial Incentives			
New Market Tax Credits	\$868,000	\$657,000	\$151,000

All numbers have been rounded to the nearest \$1,000

**Additionally, the City, SAGE or another entity may provide land or other direct assistance to support project feasibility.*

Figure 41: Feasibility Analysis by Site, Far Eastside

Zone #3: Far Eastside			
Site	Site 3A 333 Roland	Site 3B IH Assemblage	Site 3C 750 SE Loop 410
<u>Project Description</u>	Small single-story community retail center	Large single-story retail power center development with accompanying pad sites	Large Multifamily and single-story retail power center development with accompanying pad sites
<u>Key Findings and Observations</u>			
No Incentives	Nearly feasible	Not feasible	Not feasible
Current Incentives	Feasible	More than feasible	More than feasible
<u>Net Present Value</u>			
With No Incentives	(\$2,526,000)	(\$32,229,000)	(\$108,726,000)
With All Incentives	\$791,000	\$1,959,000	\$43,057,000
Increase in NPV due to Incentives	\$3,317,000	\$34,188,000	\$151,783,000
<u>Increase in NPV by Incentive</u>			
<u>Tax Abatements</u>			
City: 6 Year Tax Rebate			\$3,596,000
<u>Economic Development Funding</u>			
Economic Development Incentive Fund - \$5,000/job	\$411,000	\$2,941,000	\$7,261,000
Economic Development Incentive Fund - \$3,000/job			
<u>Fee Waivers</u>			
SAWS Fee Waivers - \$500K	\$111,000	\$1,205,000	\$3,358,000
SAWS Fee Waivers - \$100K			
City Development Fee Waiver			\$590,000
<u>Other Commercial Incentives</u>			
State Enterprise Zone Designation	\$185,000	\$28,297,000	\$1,488,000
New Market Tax Credits	\$2,611,000		\$42,563,000
<u>Housing Incentives</u>			
Low Income Housing Tax Credits			\$81,301,000
CDBG or HOME Loan			\$11,625,000

DETAILED FEASIBILITY ANALYSIS BY SITE

Zone #1: Thompson Transit Center

Site 1A - 526 East Crockett Street

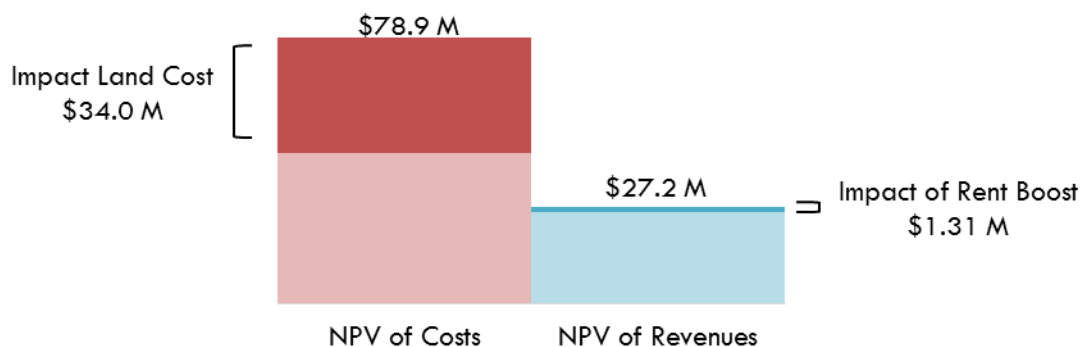
Site 1A offers an eight-story multifamily midrise development with six-story parking structure and ground floor retail, plus a VIA Park and Ride facility.

Figure 20: Gross Square Footages of Program Uses, Site 1A

Program Use	GSF
Neighborhood Retail	7,000
TOD Residential Rental	300,000
Structured Parking	157,500
Total	464,500

The development is not feasible as a stand-alone project prior to incentives. In the current market, it is unlikely that a developer would invest in the overall development program or individual uses. HR&A considered two scenarios to improve the costs and revenues, respectively. The first assumes that the land is given to the developer at no cost, and the second assumes a rent boost of 5% for all uses, which may occur as improvements to the district, such as streetscaping, generate additional site value. While land value represents \$34 million dollar of net present cost, even removing it does not lower costs enough to break even. The 5% rent boost is negligible. The parking structure is a major cost to the program, accounting for 10% of overall development costs. Total costs have a net present value that is nearly three times the value of achievable revenue, so this program is a non-starter without development incentives.

Figure 21: Net Present Value (NPV) of Development Program, Site 1A



For Site 1A, we apply the CCHIP package, including a 15 year City tax rebate and waivers for San Antonio development fees and water/sewer impact fees, and City loans for the housing and retail components. The incentives also include 9% Low-Income Housing Tax Credits and New Market Tax Credits with an extra CDBG or HOME loan for the housing. The incentive create positive returns for rental and retail by reducing costs. However, the impact is not enough to support the cost of structured parking for 450 spaces.

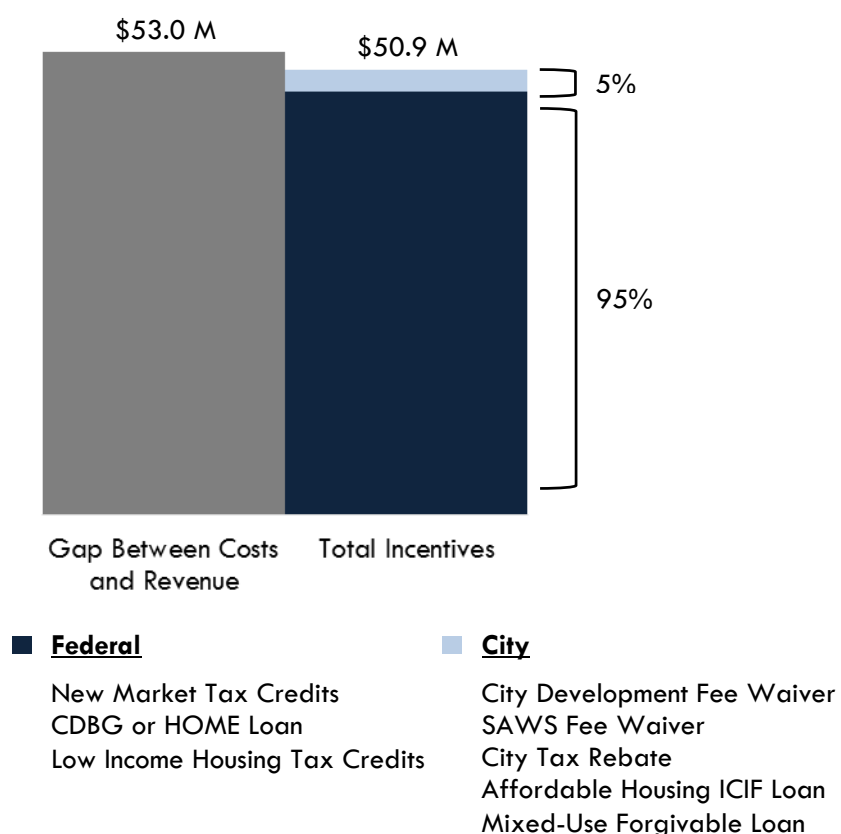
Figure 22: Net Present Value of Development by Use, Site 1A

Program Use	NPV Before Incentives	Impact of Incentives	NPV After Incentives
Neighborhood Retail	(\$450,000)	\$562,000	\$112,000
TOD Residential Rental	(\$44,717,000)	\$49,448,000	\$4,731,000
Structured Parking	(\$7,782,000)		(\$7,782,000)
Total	(\$52,949,000)	\$50,010,000	(\$2,939,000)*

*Additionally, the City, SAGE or another entity may provide land or other direct assistance to support project feasibility.

This heavily residential program only becomes feasible with the addition of Low-Income Housing Tax Credits. Other subsidies make the development slightly more feasible, but they are not enough to generate a positive NPV for the program or the individual uses. Though this is a large amount of “affordable” housing to develop on-Site, it would serve area families and young professionals who could not otherwise afford a unit in new downtown development. Because the affordable housing incentives make such a difference, the project could support just over 50% of the units at market-rate without subsidy for the residential, which could spur further development of market units in the area but would not cross-subsidize the other uses of parking and retail.

Figure 23: Impact of Incentives, Site 1A



Site 1B – North Swiss

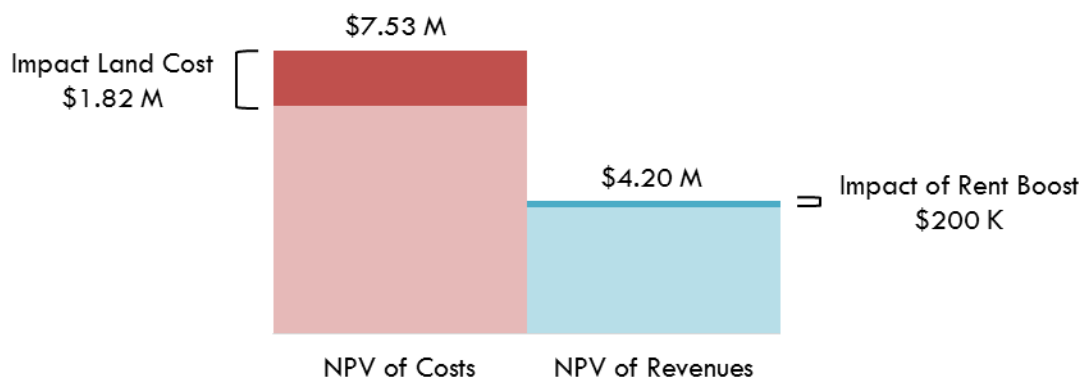
Site 1B creates a two-story senior housing development with shared community space and three-story townhomes.

Figure 24: Gross Square Footages of Program Uses, Site 1B

Program Use	GSF
Low-Scale Residential Rental	34,000
Residential Condominium	9,600
Surface Parking	14,700
Total	58,300

As with the other Zone 1 Sites, the market is not robust enough in the area to elicit development without incentives. Even with surface parking rather than structured parking, as proposed for the other Thompson Transit Sites, neither the rental and condo townhouse programs are generating enough revenue to support the cost of building construction or parking. Site 1B has the smallest of the three programs, so the gap between costs and revenues is only \$3.5 million before removing land value and adding a 5% rent premium, compared to \$53 and \$36 million for Sites 1A and 1C, respectively. Like Site 1A, lowering land values to zero and adding a 5% rent boost does not close the gap. However, the remaining gap is only \$1.5 million, and comparison to larger sites indicates that it may be easier to close the gap for smaller, all residential programs than it would be for mixed-use developments.

Figure 25: Net Present Value (NPV) of Development Program, Site 1B



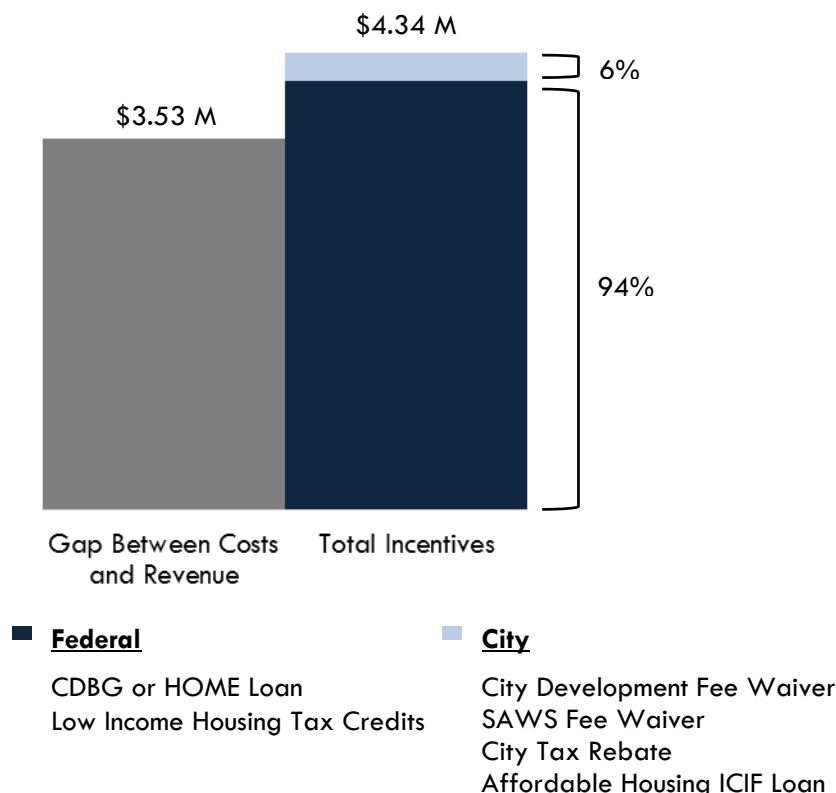
Site 1B utilizes the same housing incentives as Sites 1A. The analysis includes a 15-year City tax rebate and waivers for San Antonio development fees and water/sewer impact fees through CCHIP. HR&A assumes that the senior housing portion of the project would receive tax credits and a CDBG or HOME loan, common affordable housing subsidy loans that are often applied to senior developments. The townhouse condos do not have additional subsidy beyond the CCHIP package.

Figure 26: Net Present Value of Development by Use, Site 1B

Program Use	NPV Before Incentives	Impact of Incentives	NPV After Incentives
Low-Scale Residential Rental	(\$2,677,000)	\$4,216,000	\$1,539,000
Residential Condominium	(\$685,000)	\$36,000	(\$649,000)
Surface Parking	(\$166,000)		(\$166,000)
Total	(\$3,528,000)	\$4,252,000	\$724,000

Incentives make a huge difference for the senior housing, and the return on the rental housing with incentives supports the remainder of the program. Again, Low Income Housing Tax Credits and the affordable loan subsidy are the major drivers that increase feasibility of the development. Because the townhouses do not benefit from either subsidy, overall incentives do very little to impact the costs, improving the net present value by only \$36,000 so that development of condos alone is not feasible. A master developer would not include condos in the current market without regulation. The site can support about 50% market units if the remaining 50% of the units had Low Income Housing Tax Credits.

Figure 27: Impact of Incentives, Site 1C



Site 1C – 223 South Cherry Street

The program for Site 1C includes mixed-use transit-oriented development with retail, five-story multifamily rentals, townhouses and a new Amtrak station.

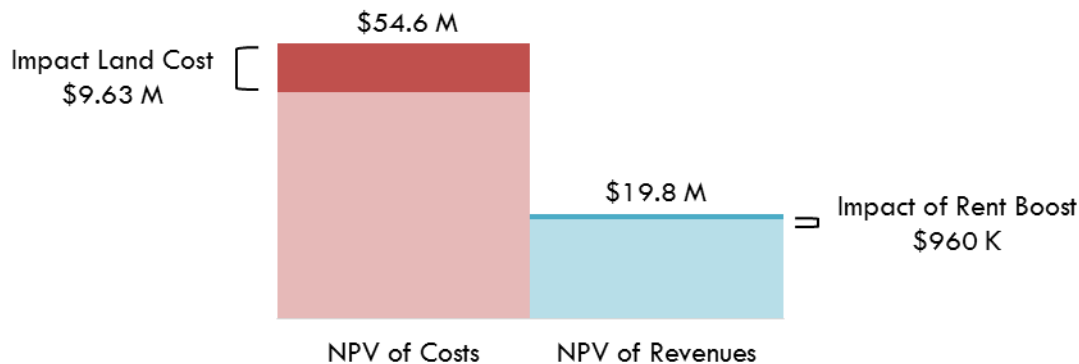
Figure 28: Gross Square Footages of Program Uses, Site 1C

Program Use	GSF
Neighborhood Retail	9,300
TOD Residential Rental	212,000
Structured Parking	72,100
Total	293,400

*Note that Amtrak Station is not part of feasibility evaluation.

This development is not feasible before application of incentives. The negative NPVs for each use indicate that a developer would not recoup upfront costs over time through revenue for any components of the program. Reducing the land value to zero or assuming a rent boost of 5% for all uses does not narrow the gap significantly. A single developer would be unlikely to pursue a catalytic mixed-use development program to capitalize on the transit opportunities offered by a new Amtrak station, and residential or retail alone would not be viable. The addition of structured parking adds further cost to the program, which is not profitable enough to support the construction of parking spaces.

Figure 29: Net Present Value (NPV) of Development Program, Site 1C



However, incentives are able to reduce upfront costs and increase revenue by reducing the tax burden. The addition of incentives improves cash flow over time, which generates positive NPVs for the retail and residential uses. The Sites in the Thompson Transit Center area are both in the ICRIP area and in the Community Revitalization Action Group (CRAG), the original 36 square miles of the city that qualify for additional housing subsidies through San Antonio's CCHIP initiative. For the Site 1C, HR&A applied a 15-year City tax rebate and waivers for San Antonio development fees and water/sewer impact fees. CCHIP also offers low-interest loans for development of the housing and forgivable loans for the retail uses, both of which are included in the incentive packages. Finally, HR&A assumes a possible award of 9% Low-Income Housing Tax Credits and New Market Tax Credits for the residential and retail space, respectively. Finally, we apply an additional, low-interest loan tied to the rental units.

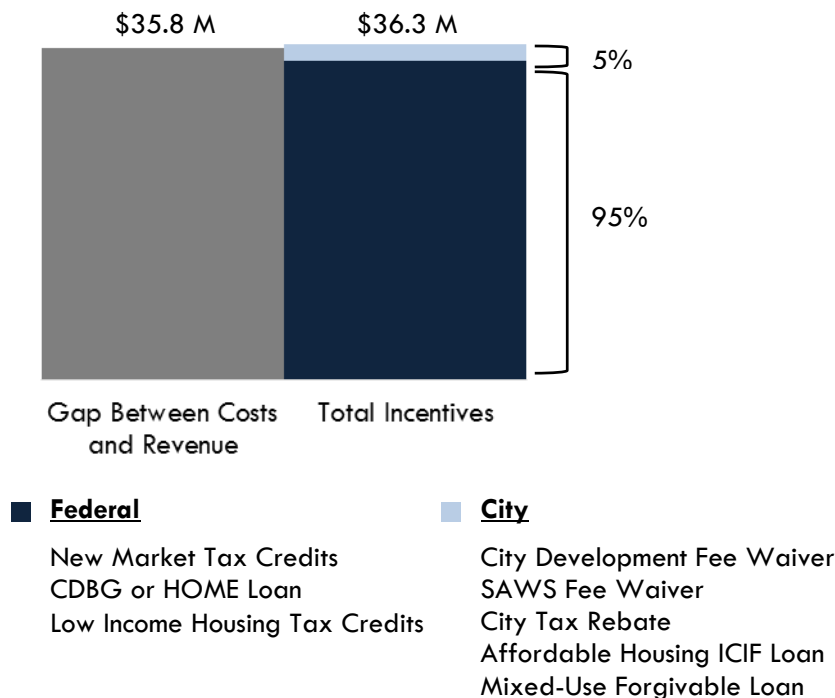
Figure 30: Net Present Value of Development by Use, Site 1C

Program Use	NPV Before Incentives	Impact of Incentives	NPV After Incentives
Neighborhood Retail	(\$597,000)	\$746,000	\$149,000
TOD Residential Rental	(\$31,637,000)	\$35,000,000	\$3,363,000
Structured Parking	(\$3,563,000)		(\$3,563,000)
Total	(\$35,797,000)	\$35,746,000	(\$51,000)*

*Additionally, the City, SAGE or another entity may provide land or other direct assistance to support project feasibility.

Low-Income Housing Tax Credits have the largest impact of all the incentives, and they are the primary driver of potential profit in the rental program. The CDBG/HOME loan makes up about 7% of the total available incentives, which also contributes to the cost reduction for the housing portion of the Site. New Market Tax Credits drive the changes in the retail development, and the City tax rebates and waivers have a smaller impact on both programs. After the application of incentives, the residential program is not able to carry the cost of parking, though the gap is minimal. The affordable subsidy barely closes the gap for the residential use alone, so Site 1C could not support a significant amount of market units in the current market. The analysis shows that only about 5% of the units could be market-rate, and the remainder must be subsidized to make the development feasible.

Figure 31: Impact of Incentives, Site 1C



Zone #2: Near Eastside

Site 2A – 929 North New Braunfels

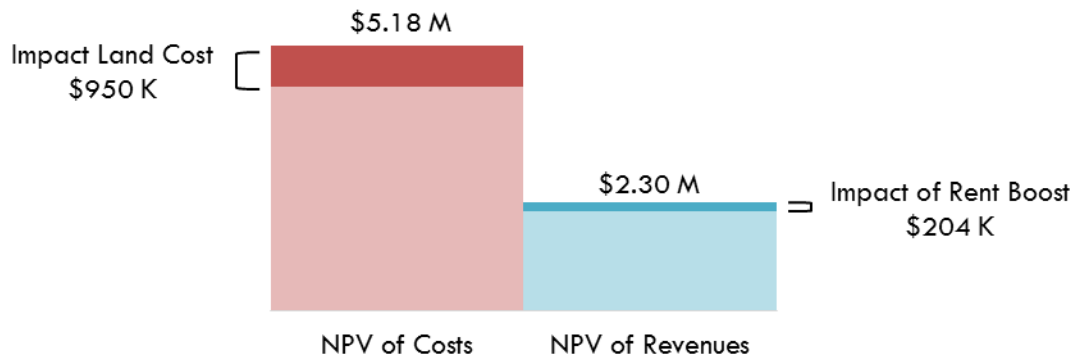
Site 2A is the proposed location for SAGE's new office, which would be part of a three-story office and retail development co-located with two-story live-work residential condominiums and shared surface parking.

Figure 32: Gross Square Footages of Program Uses, Site 2A

Program Use	GSF
Office	13,500
Neighborhood Retail	3,000
Residential Condominium	7,200
Surface Parking	14,700
Total	38,400

The current market does not generate a positive NPV for the program. The gap between costs and revenues for the program is over \$3 million, and the net present value for each use is negative. On a square footage basis, office has the lowest net present value of all the uses, which is consistent with the limited demand for office in the broader study area. Even if the analysis assumed that a developer did not pay for land costs, the gap is still over \$2 million. The impact of a neighborhood improvement related rent premium of 5% is only \$204 K.

Figure 33: Net Present Value (NPV) of Development Program, Site 2A



All three Near Eastside Sites are in the Inner City Reinvestment Infill Policy (ICRIP), so uses are eligible for 10-year City tax rebates and fee waivers. Offices uses would be eligible for a 40% abatement of County property taxes to lower liability of the investment. At Site 2A, the office and retail would qualify for Economic Development Loans of up to \$5,000 per job created. These uses could also receive a federal New Market Tax Credits, though these are allocated competitively and not as-of-right. The analysis does not assume affordable housing subsidies. Affordable incentives tend to restrict occupancy so that those who are in school or people who do not have verifiable income, such as artists, cannot be the leaseholder. The Near Eastside developments, including the units at Site 2A, cater to these types of individuals, so traditional

affordable financing may not be the optimal choice for these developments. The Sites are outside the CCHIP area, so they do not qualify for additional housing and retail loans or 15-year abatements.

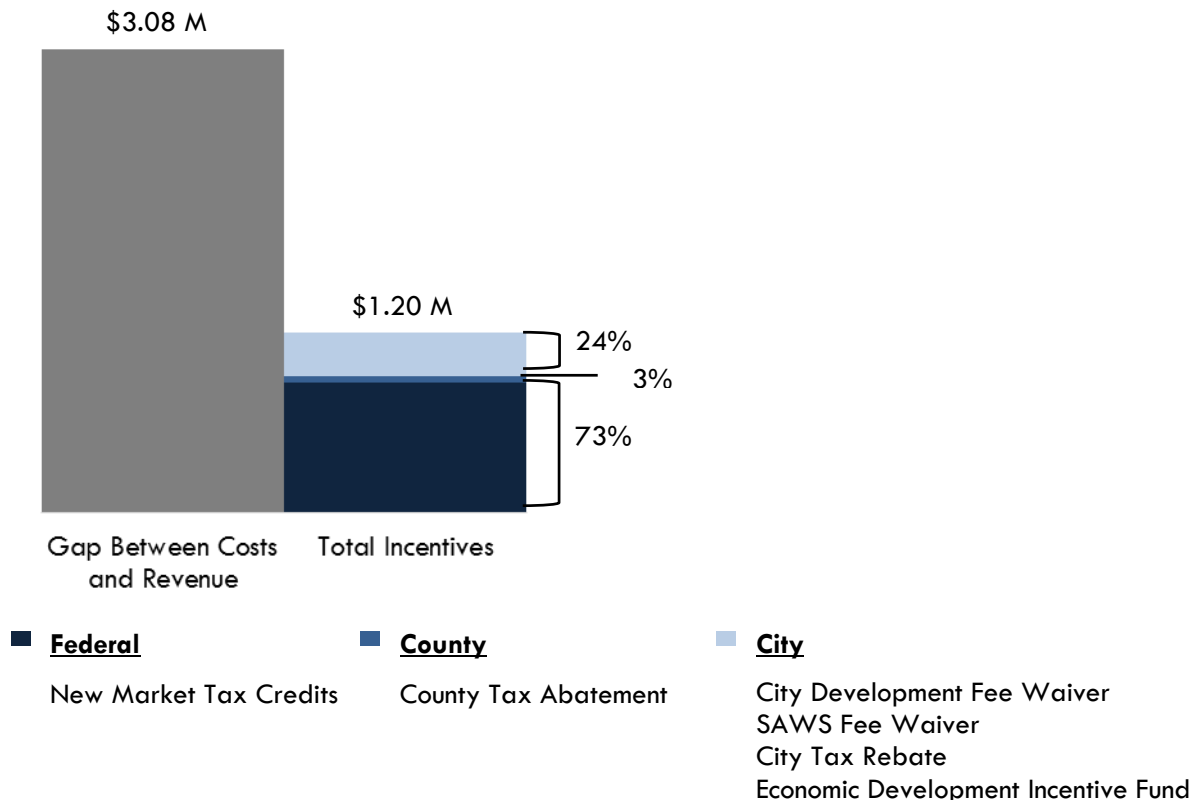
Figure 34: Net Present Value of Development by Use, Site 2A

Program Use	NPV Before Incentives	Impact of Incentives	NPV After Incentives
Office	(\$2,212,000)	\$1,097,000	(\$1,115,000)
Neighborhood Retail	(\$193,000)	\$184,000	(\$9,000)
Residential Condominium	(\$513,000)	\$18,000	(\$495,000)
Surface Parking	(\$166,000)		(\$166,000)
Total	(\$3,084,000)	\$1,196,000	(\$1,888,000)*

*Additionally, the City, SAGE or another entity may provide land or other direct assistance to support project feasibility.

Even with significant subsidies, incentives cannot offer enough excess capital to meet developer return requirements. New Market Tax Credits Economic Development Incentive Funding Loans for the office and retail portions of the Site make up 73% and 21% of the overall incentive package, respectively. Incentives make the retail use viable, but office and the condos still have negative present values, meaning that revenues over time do not compensate for the investors upfront investment, even with subsidies to reduce costs. While the parking is a net cost, eliminating all parking at this Site would not eliminate the gap.

Figure 35: Impact of Incentives, Site 2A



Site 2B – 733 North New Braunfels

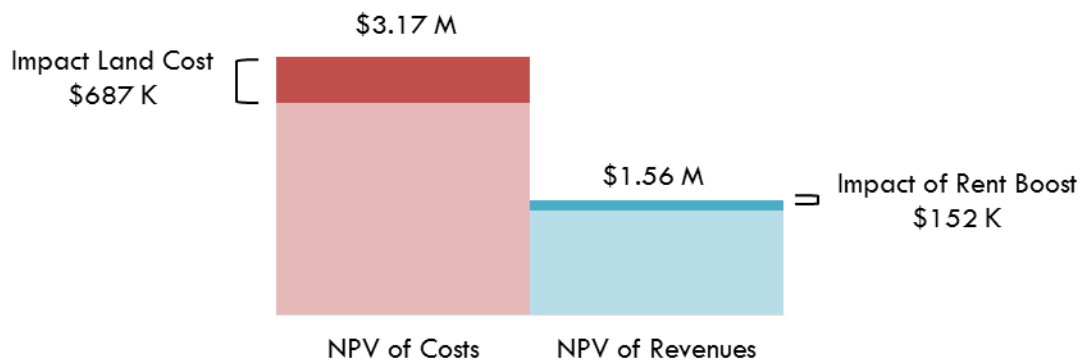
Site 2B's program add new office space and adapts existing buildings with new two-story live-work units and shared surface parking.

Figure 36: Gross Square Footages of Program Uses, Site 2B

Program Use	GSF
Office	11,575
Neighborhood Retail	800
Residential Condominium	4,800
Surface Parking	14,000
Total	31,175

The program at 733 N New Braunfels faces the same challenges as Site 2A. Office is not profitable in the current market, and the retail and residential also do not produce enough revenue to generate a return on the initial investment. Parking is an additional cost that cannot be supported by any of the components of the program. Free land and a 5% rent premium would narrow the gap to \$1.6 million, but they do not provide enough additional support to make the program viable.

Figure 37: Net Present Value (NPV) of Development Program, Site 2B



The incentive analysis assumes that uses at Site 2B would receive 10-year City tax rebates and fee waivers. Office and retail have Economic Development Loans and New Market Tax Credits. The live-work units do not include affordable subsidy, but they also benefit from tax rebates, development fee waivers, and water/sewer fee waivers.

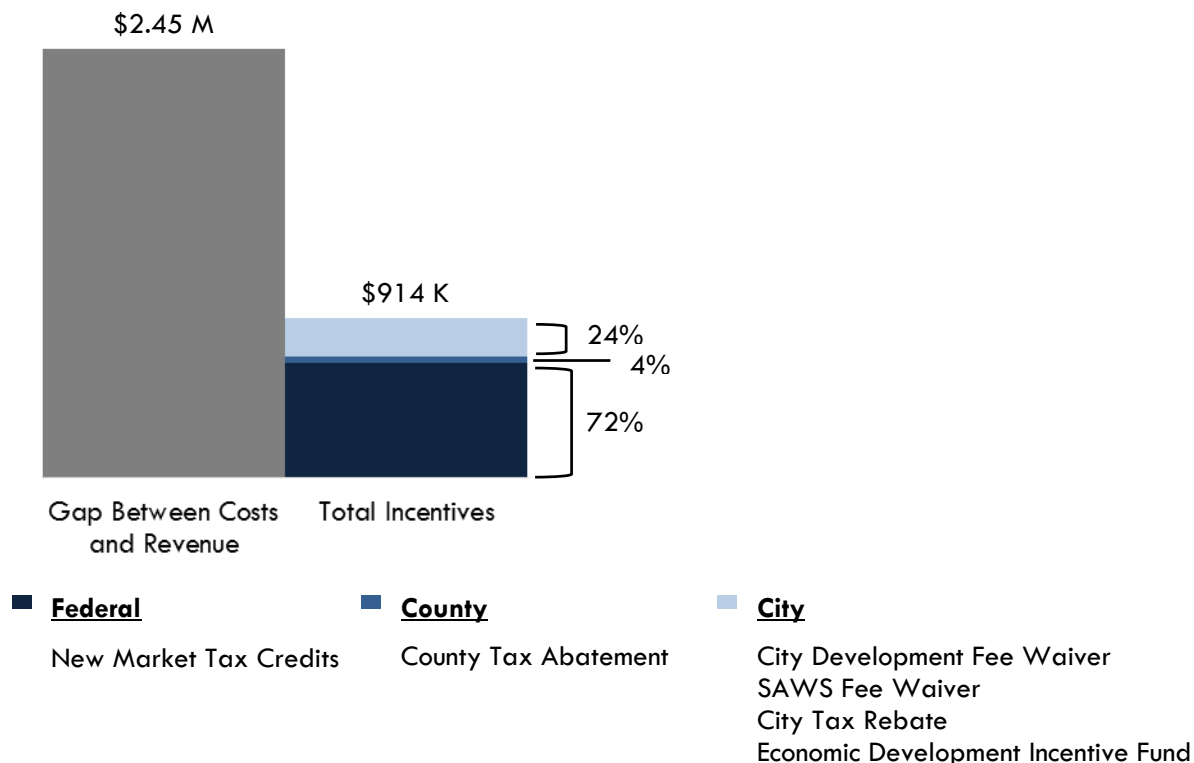
Figure 38: Net Present Value of Development by Use, Site 2B

Program Use	NPV Before Incentives	Impact of Incentives	NPV After Incentives
Office	(\$1,896,000)	\$940,000	(\$956,000)
Neighborhood Retail	(\$51,000)	\$55,000	\$4,000
Residential Condominium	(\$342,000)	\$12,000	(\$330,000)
Surface Parking	(\$158,000)		(\$158,000)
Total	(\$2,447,000)	\$1,007,000	(\$1,440,000)*

*Additionally, the City, SAGE or another entity may provide land or other direct assistance to support project feasibility.

Incentives are not enough to close the feasibility gap for any of the uses except for retail, which represents less than 5% of the total built square footage. New Market Tax Credits and Economic Development Incentive Funds make up the largest portions of the potential incentives. Unfortunately, the maximum incentives for the overall program only reduce costs by \$900 thousand, less than half of the overall gap. The minimal offerings for office incentives, particularly compared to the housing incentives available in the area, do little to create additional office opportunities in the Near Eastside.

Figure 39: Impact of Incentives, Site 2B



Site 2C – 2602 East Commerce Street

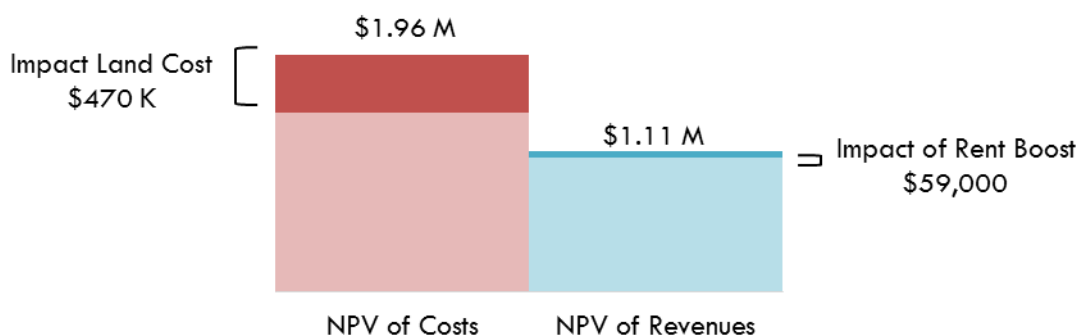
Site 2C would provide a two-story retail development and private student housing for St. Phillip's College attendees. The development would include shared surface parking.

Figure 40: Gross Square Footages of Program Uses, Site 2C

Program Use	GSF
Neighborhood Retail	3,040
Low-Scale Residential Rental	8,000
Surface Parking	7,350
Total	18,390

Site 2C is not feasible before incentives, but it is a small development that only has a gap of \$908 thousand between the net present value of costs and benefits. If the analysis assumes a 5% rent premium to reflect the new development and potential investment in the neighborhood, and the developer was able to acquire the land at no cost, the gap narrows to \$379 thousand. Even before the rent boost and free land, the retail portion is only \$200,000 short of a feasible development value to meet typical return requirements. If a socially-minded community developer or institution were willing to accept an 8% discount rate for the program, the gap would narrow even further. However, assuming a market-rate developer, it is unlikely the program would happen without an additional capital boost.

Figure 41: Net Present Value (NPV) of Development Program, Site 2C



Site 2C benefits from 10-year City tax rebates and fee waivers. The retail receives Economic Development Loans and New Market Tax Credits. The student housing does not include affordable subsidy, though the rents are similar to affordable units, because Federal statutory restrictions in the Low Income Housing Tax Credit program prohibit students from living in subsidized units.

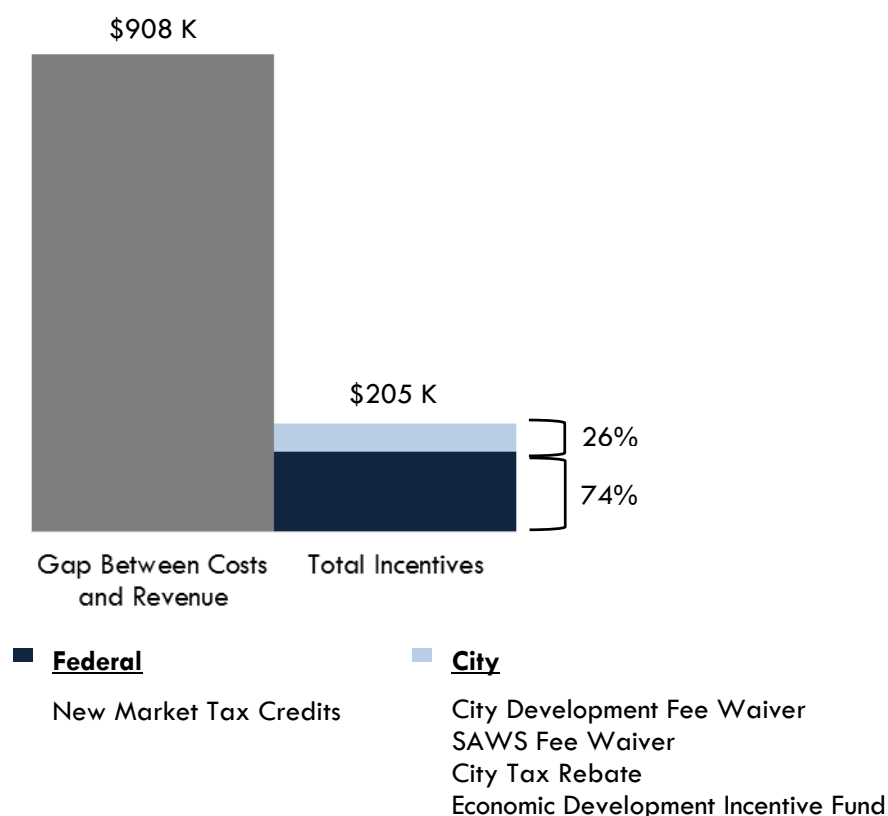
Figure 42: Net Present Value of Development by Use, Site 2C

Program Use	NPV Before Incentives	Impact of Incentives	NPV After Incentives
Neighborhood Retail	(\$195,000)	\$186,000	(\$9,000)
Low-Scale Residential Rental	(\$630,000)	\$19,000	(\$611,000)
Surface Parking	(\$83,000)		(\$83,000)
Total	(\$908,000)	\$205,000	(\$703,000)*

**Additionally, the City, SAGE or another entity may provide land or other direct assistance to support project feasibility.*

The New Market Tax Credits are the primary boost to incentivize retail development, making up 74% of the subsidy package. Because the small size of the overall development, the ten-year City tax rebate also has a substantial impact on feasibility. Unfortunately, incentives are not enough to make the entire program feasible, only the retail component. Retail would not generate enough revenue to support the upfront cost of parking. As a stand-alone product after incentives, the student housing is not feasible with only the applicable fee waivers and tax abatements. If the development were affordable housing that was not reserved for students, the additional applicable affordable housing incentives would close the remaining \$703 thousand gap after incentives.

Figure 43: Impact of Incentives, Site 2C



Zone #3: Far Eastside

Site 3A – 333 Roland

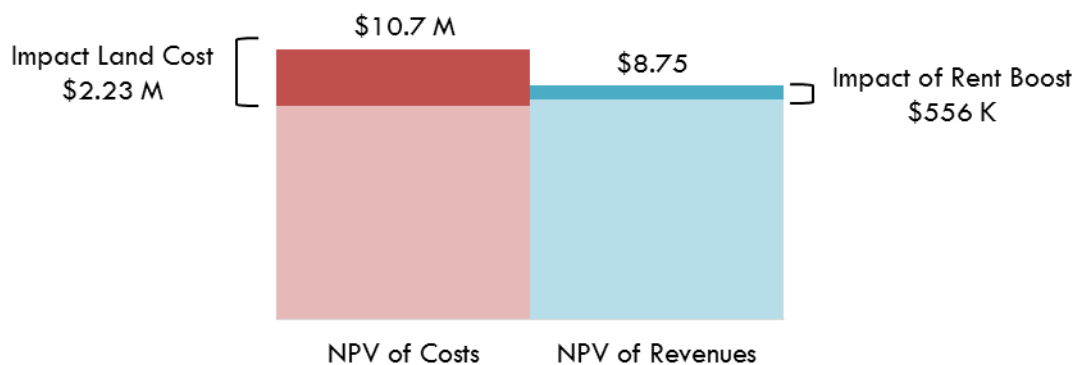
The program for Site 3A would be a single-story retail center.

Figure 44: Gross Square Footages of Program Uses, Site 3A

Program Use	GSF
Large-Format Retail	43,500
Neighborhood Retail	4,500
Surface Parking	87,500
Total	135,500

This is the smallest of the proposed retail developments, but it is likely to be the easiest to implement. The gap for the credit union portion of the Site is less than \$300,000, and the overall gap is just over \$2.5M. Because neither use has a positive value, the program cannot support the parking costs without incentives. However, removing the cost of land, which represents about \$2.3 million of the development costs, makes this program feasible. A rent premium of 5% creates more value for the developer, though it would not close the gap without reduction in the land price.

Figure 45: Net Present Value (NPV) of Development Program, Site 3A



Of the Sites in Zone 3, Site 3A is unique because it falls within ICRIIP area. Like the sites in Zone 2, we assume ten-year tax abatements, development fee waivers, and water/sewer waivers. Like the other Zone 3 Sites, the retail program uses Economic Development Fund (EDF) awards, New Market Tax Credits, and we assume an Enterprise Zone Designation.

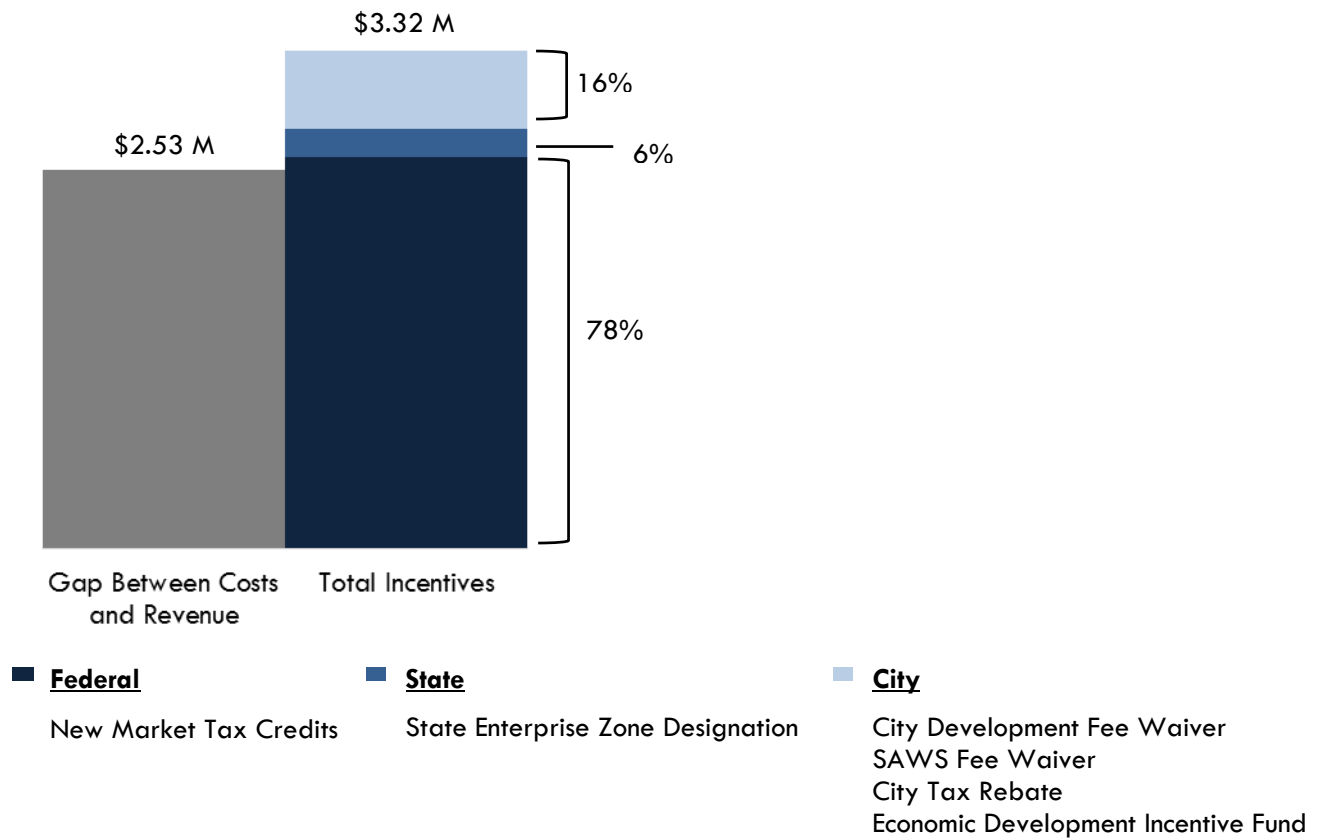
Figure 46: Net Present Value of Development by Use, Site 3A

Program Use	NPV Before Incentives	Impact of Incentives	NPV After Incentives
Large-Format Retail	(\$1,249,000)	\$3,044,000	\$1,795,000
Neighborhood Retail	(\$289,000)	\$274,000	(\$15,000)
Surface Parking	(\$988,000)	\$0	(\$988,000)
Total	(\$2,526,000)	\$3,840,000	\$1,314,000

Incentives, largely driven by the New Market Tax Credits, City tax rebate, and economic development incentive funding, make the present value of the overall program positive. The Mercantile Retail center, which

could also be big box retail, and the neighborhood credit union generate revenues that produce more than the typical developer return. The smaller scale of Site 3A makes it the easiest of the three Sites to quickly incentivize retail for the community.

Figure 47: Impact of Incentives, Site 3A



Site 3B – IH 10 Assemblage

Site 3B would be a large, single-story retail power center development with accompanying pad sites.

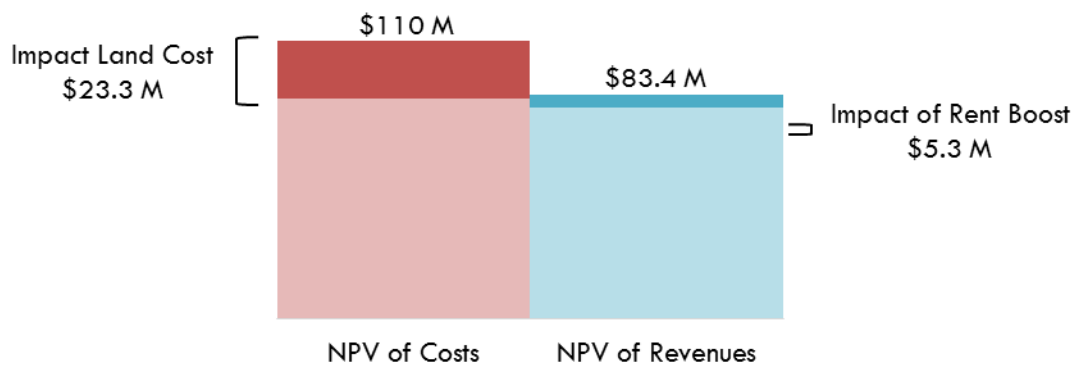
Figure 48: Gross Square Footages of Program Uses, Site 3B

Program Use	GSF
Large-Format Retail	185,000
Neighborhood Retail	365,500
Surface Parking	304,500
Total	855,000

Site 3B is not feasible without incentives, with a gap of \$32 million between costs and revenue. Almost 85% of the gap is generated by neighborhood retail on surrounding pad sites and on-site surface parking, while only a small portion is attributable to the big box retail use. Parking makes up 3% of the overall development costs and takes up a substantial portion of the Site. Because the big box and neighborhood retail are not profit-able on their own, they cannot support the parking. Land values are a significant part

of the site cost, making up over \$23 million of the net present cost. If a developer were to receive the land for free through a mechanism such as a land bank, the development would be feasible. Adding a 5% rent premium would further benefit the developer.

Figure 49: Net Present Value (NPV) of Development Program, Site 3B



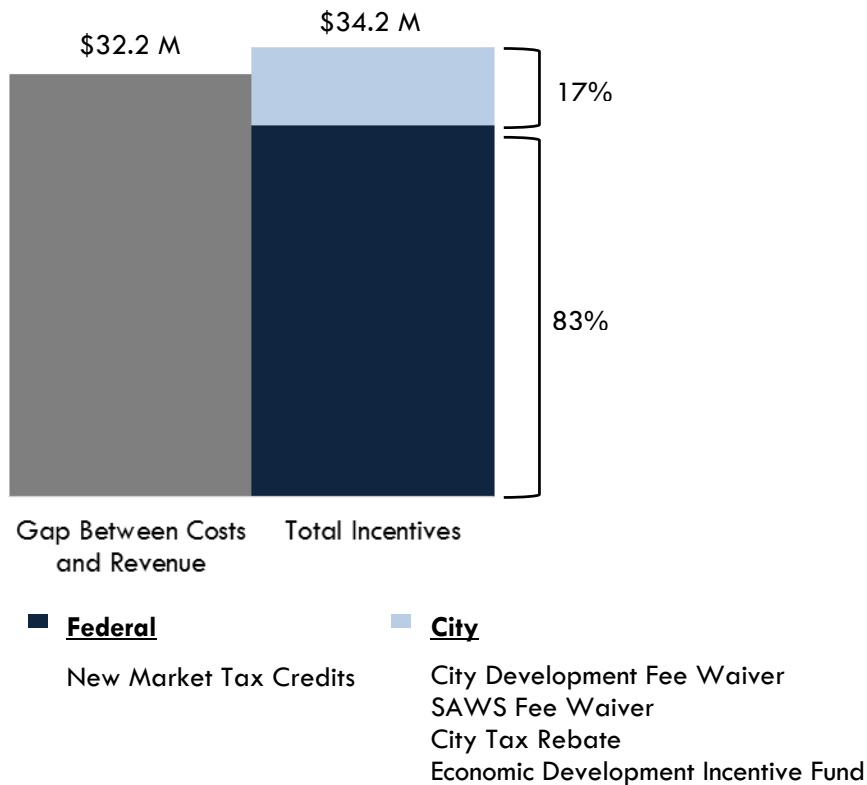
While subsidy may close the feasibility gap, the Site is not well-positioned to access incentives. The IH assemblage is not in the ICRIP, so it does not have priority for many of the City incentives. For instance, it would only receive a six year abatement rather than the ten year abatement applied to the other two Far Eastside Sites. The award for economic development funding per job created is \$3,000 rather than \$5,000 for retail within the ICRIP. We apply New Market Tax Credits to the neighborhood retail and big box uses, though caution that big box may not be competitive in a New Market Tax Credit application. We also include a possible State Enterprise Zone Designation, which would make the Sites eligible for additional State funding if the City elected to name them as Enterprise Zones.

Figure 50: Net Present Value of Development by Use, Site 3B

Program Use	NPV Before Incentives	Impact of Incentives	NPV After Incentives
Large-Format Retail	(\$5,311,000)	\$12,244,000	\$6,933,000
Neighborhood Retail	(\$23,478,000)	\$21,943,000	(\$1,535,000)
Surface Parking	(\$3,439,000)		(\$3,439,000)
Total	(\$32,228,000)	\$34,187,000	\$1,959,000

The addition of incentives is critical to making this a profitable deal though reduction of costs to the retail. New Market Tax Credits are 82% of the incentive package, and they create a positive net present value for the big box and significantly close the gap for neighborhood retail. The pad sites would not be profitable in the current market. However, an initial investment in Eastside big box may change the market dynamics and increase rent potential for the pad sites. Increased revenue and longer phasing would have varying impacts on the net present value. The net impact on feasibility is uncertain because it would depend on the magnitude of the rent increase and the length of construction and sale. Regardless, incentives for the big box use are a clear first step.

Figure 51: Impact of Incentives, Site 3B



Site 3C – 750 SE Loop 410

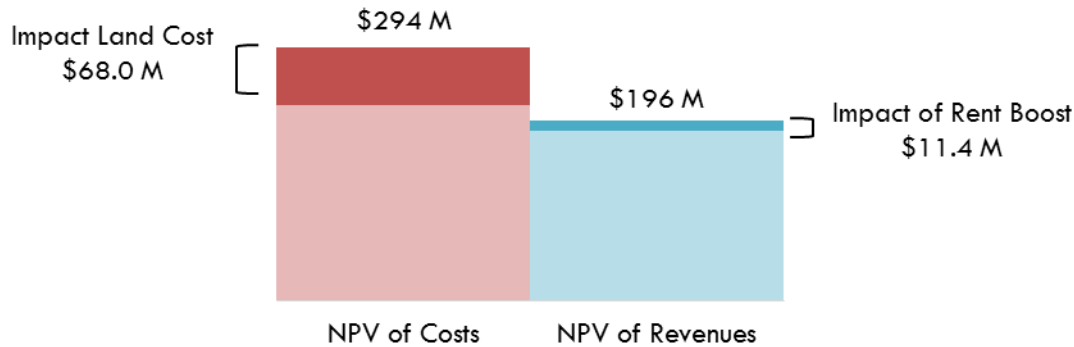
Site 3C would offer a large multifamily and single-story retail power center development with accompanying pad sites.

Figure 52: Gross Square Footages of Program Uses, Site 3C

Program Use	GSF
Large-Format Retail	350,000
Neighborhood Retail	470,500
Low-Scale Residential Rental	775,000
Surface Parking	658,000
Total	2,253,500

The program at 3C is the largest and creates the opportunity to realize the highest value, but it requires incentives to make the development feasible. The existing gap for the overall program is over \$106,000, due to the size of the development (almost \$1.9M built square feet) and the costs of each individual components. None of the program pieces – big box retail, neighborhood retail, or rental – are viable prior to incentives. Land is a major component of the costs, but assuming that a developer does not pay for land and is able to attract rents 5% higher than the market, the result costs and revenues only narrow the gap to \$29 million.

Figure 53: Net Present Value (NPV) of Development Program, Site 3C



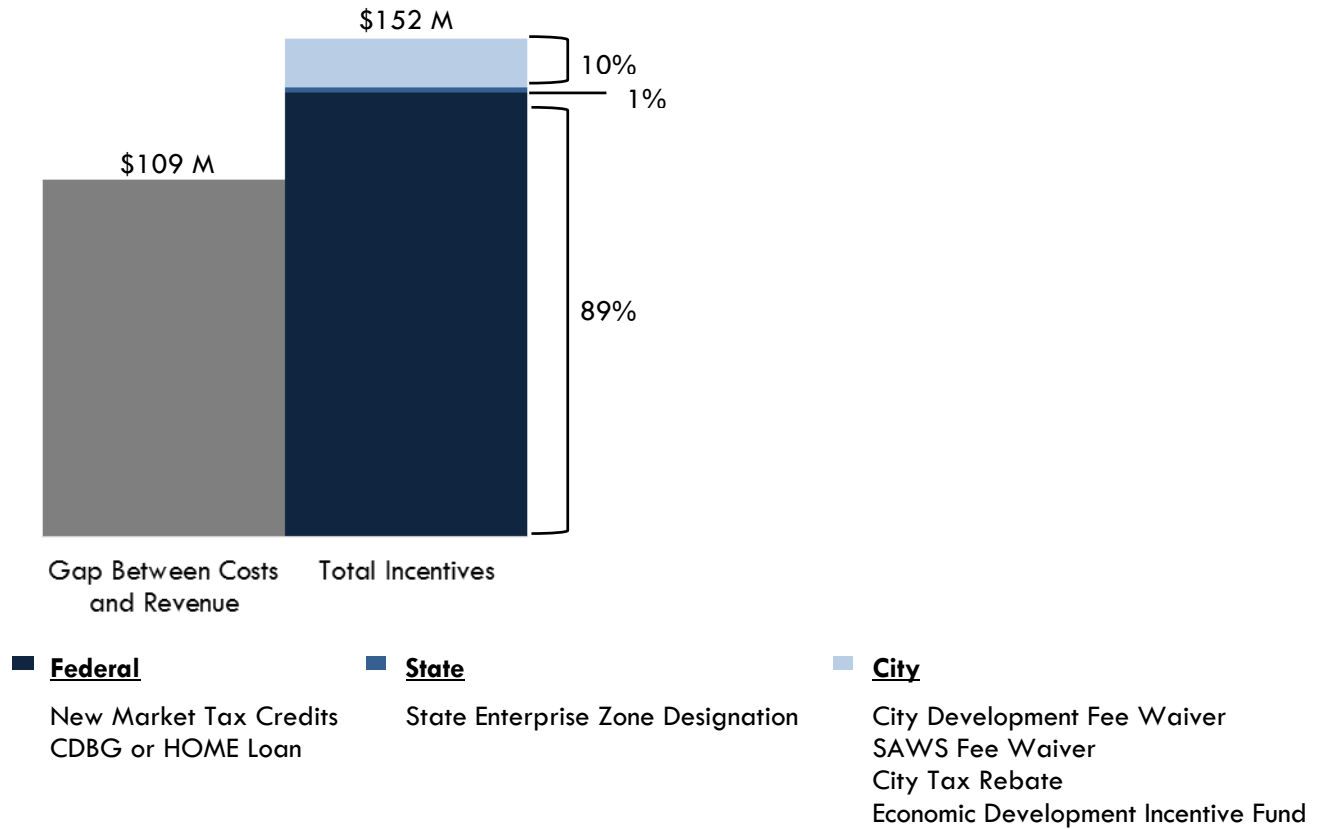
Like the IH assemblage, Site 3C is not in the ICRIP. We assume a six-year abatement for all uses. The retail has economic development fund money and New Market Tax Credits, as well as an Enterprise Zone Designation. Rental proposed at the Site would have access to Low Income Housing Tax Credits and a HOME or CDBG loan.

Figure 54: Net Present Value of Development by Use, Site 3C

Program Use	NPV Before Incentives	Impact of Incentives	NPV After Incentives
Large-Format Retail	(\$10,049,000)	\$25,974,000	\$15,925,000
Neighborhood Retail	(\$30,222,000)	\$30,134,000	(\$88,000)
Low-Scale Residential Rental	(\$61,024,000)	\$93,570,000	\$32,546,000
Surface Parking	(\$7,432,000)		(\$7,432,000)
Total	(\$108,727,000)	\$149,678,000	\$40,951,000

The residential and retail portions carry positive net present value after incentives as individual uses, so this project could be developed by separate entities or by a single master developer. Low Income Housing Tax Credits and New Market Tax Credits drive the positive values by providing construction capital that reduces required developer investment. The available subsidy large enough that the development could afford to support up to 70% market units that do need Low Income Tax Credit or HOME/CDBG Loan subsidies. Because this is a significant amount of additional retail to the area, there is a risk of longer absorption periods that could decrease feasibility. The large incentive boost may be required to mitigate risk and induce a developer to the table.

Figure 55: Impact of Incentives, Site 3C



NEXT STEPS AND IMPLEMENTATION

Drawing upon the findings of its analyses, HR&A has identified the following key interventions that can yield significant and/or near-term benefits for the Eastside. These recommendations are based on our research of the context of San Antonio and the Eastside Promise Zone as well as our analyses of underutilized land parcels and recommended program developments in key sites on the Eastside. Our recommendations area categorized into five overarching action items:

- Increase access to incentives through public sector engagement.
- Build a public-coalition to support SAGE initiatives.
- Deliver new/enhanced initiatives to support retail and business development on the Eastside.
- Support office and residential investment.
- Build long-term capacity through short-term focus

1. SAGE can increase access to public incentives on the Eastside by pursuing competitively-allocated incentives and advocating for policy changes that can benefit development on the East Side. Specifically, we recommend that SAGE:

1.1 Reach out to relevant Federal agencies, including HUD, EDA, FTA and others, to advocate for greater access to competitively-allocated grants and tax credit programs such as NMTC and LIHTC. SAGE's capacity for intergovernmental relations is unparalleled on the Eastside, and it may therefore help to bring new resources and investment into Eastside over and above baseline levels of incentives. The Federal government has already demonstrated a commitment to the Eastside through the Promise Zone designation, and SAGE can leverage that commitment for further improvements in the Study Area.

1.2 Collaborate with the Center City Development Office (CCDO) and other relevant City Partners to advocate for additional incentives for Eastside development, especially incentives focused on market-rate housing. This may include expansion of the CCHIP programs to the Eastside and/or enhanced incentives for market rate housing development in mixed-income communities, consistent with the Mayor's priority for mixed-income communities. Additionally, the market-rate development community (i.e., the likely developer for development concept 1A and similar) is familiar with CCDO and CCHIP, and the extension of CCHIP or a similar program may streamline the market rate development process over the mid- to long-term. Also, there are TIRZs on the Eastside but they do not cover the entire area. Because of this, it may be useful to create a new TIRZ for the Far Eastside. One strategy used in Dallas directs TIRZ revenue towards neighborhoods requiring additional support. Victory Park in downtown Dallas directs 10% of all revenues towards infrastructure and improvements in West Dallas. In a similar way, SAGE can advocate for a potential subsidy between downtown TIRZs and Eastside TIRZs to draw more revenue towards the Eastside.

1.3 Serve as a resource for available incentives to the development community for local projects. Working in tandem with CCDO and other City departments, SAGE can supplement their work by being knowledgeable about available incentives for the Eastside, using the land database tool to review parcel information, and connecting local developers to potential incentives as described in this report.

1.4 Advocate for City capital improvements that support investment on the Eastside, particularly street and sidewalk improvements along major thoroughfares. Additionally, it will be important to align development opportunities with the City's streetscaping projects and infrastructure improvements. The local development community has sometimes struggled with beginning a new project and then having to work around City streetscaping work. SAGE can support communication and coordination efforts

between the City and developers in regards to the timing of capital improvements. SAGE may also seek direct investment in key development projects, such as development concept 2a, through land acquisition or direct investment.

- 1.5 Coordinate opportunities to leverage the City's land bank.** The City presently manages a land bank of vacant and underutilized properties in its ownership that could support new development. Integration of SAGE's efforts with the land bank can allow potential Eastside developers and investors to access development sites at below-market cost, increasing development feasibility.



CASE STUDY

Cleveland's land bank removes blight from neighborhoods and inspires new development

PROBLEM: Cleveland has experienced aggressive blight and still has almost 8,000 empty homes in need of demolition.

SOLUTION: The Cuyahoga land bank was established to aggregate and manage the abandoned properties while allowing them to focus on areas with the most potential.

IMPACT: Since its inception, the land bank has demolished 2,401 properties and facilitated the rehabilitation of 796 properties. With blight subsiding, the City is encouraging reinvestment and property values are becoming more stabilized. Additionally, the land bank has established creative partnerships with nonprofit organizations to take on new projects, including: housing refugees and artists, renovating homes for veterans and disability groups, and turning demolished lots into parks.

2. SAGE can build support for its initiatives by enhancing partnerships on the Eastside, both through informal outreach and by formalizing its collaborative efforts through a new “Friends” group.

- 2.1 In the near-term, reach out to multiple Eastside stakeholders** to share the report and advance community aspirations for Eastside development planning. This may include direct outreach to key stakeholders; roundtables and community forums; an “unveiling” to the private sector at SAGE's spring developer forum; and publication on the SAGE website. Direct outreach to key public and institutional stakeholders (e.g Amtrak, VIA, and St. Phillips) can support specific development opportunities outlined in this report.

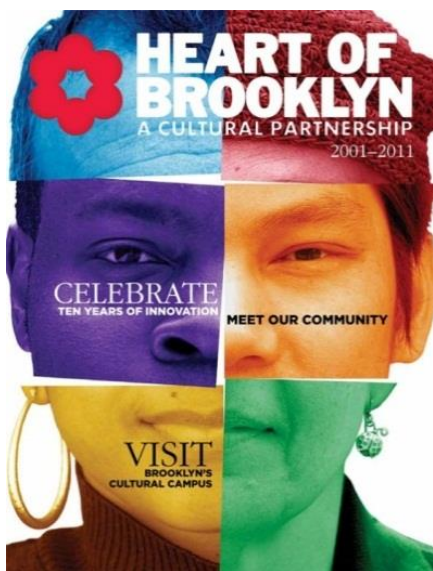
2.2 Leverage inter-organizational collaboration through the SAGE board and existing coordination activities networks.

SAGE currently participates in a range of formal and informal partnerships to share information among organizations active on the Eastside. SAGE can continue to leverage these networks to build support for and participation in its initiatives. This may include:

- Community outreach and engagement
- Provision of / referral to mutually-supportive community development services (e.g. workforce training, social services)
- Support and advocacy for SAGE's policy priorities

- Over time, SAGE and its collaborators may wish to pursue shared administration and/or fundraising for select initiatives as a way to manage costs and maze

SAGE's board, which includes representatives from the community, local institutions, and partners in the public sector, may also be called upon to provide the functions described above. In addition, this Board may be called upon to increase its fundraising efforts for SAGE as the Boards of many peer organizations do. This may require some combination of outreach to attract new Board member that can be fundraising leaders and/or providing fundraising targets and a strategy for existing Board members (or at least those from the private sector) specific to priority SAGE initiatives.



Heart of Brooklyn unites Brooklyn's anchor institutions to increase collaboration and programming offerings for the community

PROBLEM: In the late 1990s, six anchor cultural institutions of Central Brooklyn (the Brooklyn Botanic Garden, Brooklyn Children's Museum, Brooklyn Museum of Art, Brooklyn Public Library, Prospect Park Alliance and Prospect Park Zoo) had an informal relationship but no unified leadership structure or business plan.

SOLUTION: The six institutions developed a vision to create a new organization, the Heart of Brooklyn with the goal of coordinating more closely and increasing the number of collaborative programming opportunities in the community.

IMPACT: Heart of Brooklyn recently celebrated its 10th anniversary. This partnership has fueled the success of a dynamic set of projects that have accomplished multiple goals: increasing the visibility and accessibility of the public institutions; strengthening local businesses and attracting new entrepreneurs; fostering children's intellectual and emotional development; and conducting essential community and consumer research. In 2010, First Lady Michelle Obama honored Heart of Brooklyn's signature youth development initiative with a National Arts and Humanities Youth Program Award. In 2011, Heart of Brooklyn was named a Semifinalist in the New York Times Company's Non-Profit Excellence Awards.

2.3 Encourage companies to provide employee incentives for those employees who live in/relocate to the Eastside. For example, the San Antonio Spurs provide cash incentives for rent payments to those employees living in the ICRIP in order to encourage more company employees to live downtown.⁵¹ These types of incentive programs may attract new residents to the Eastside and foster diversity while contributing towards increased demand for housing.

⁵¹ "Spurs' incentives promote city living":

<http://www.mysanantonio.com/opinion/editorials/article/Spurs-incentives-promote-city-living-5318701.php>

2.4 Engage potential partners in both the public and private sectors with its new tools: the GIS Database and Website and the Incentive Table, to educate and encourage potential investors.

- Train SAGE staff on how to use the land database tool and incentive table. Staff members can become more knowledgeable about land and incentive opportunities on the Eastside and serve as advocates for SAGE's work with the database within the Eastside and the San Antonio community at large.
- Train relevant City Partners to use the land database tool and ensure that they are informed about this new resource.
- Publish the GIS Website on SAGE's website and allow public use. Similar to the point above with City Partners, as more people in the San Antonio community are aware of this tool and the Eastside's landscape, it may be easier to generate larger community buy-in and support for development. SAGE may also wish to pursue a broader announcement and dissemination strategy for this tool.

2.5 Partner with San Antonio Economic Development Foundation (SAEDF) and the Greater San Antonio Chamber to support business attraction and retention efforts on the Eastside. As these two partners work on bringing new businesses to San Antonio, it will be important to highlight the Eastside's potential office and industrial spaces as well as opportunities for new companies to have their employees live in or near the Eastside.

3. Cultivate a local retailer base to enhance jobs, local amenities, and community pride on the Eastside.

3.1 Identify local entrepreneurs and artists currently managing small businesses by partnering with community groups and arts organizations with the goal of encouraging those retailers to open a store or share a storefront on the Eastside. If possible, those community organizations may also be tied into the "Friends of SAGE" program to provide ongoing support to Eastside business planning.

3.2 Provide collective marketing support for existing businesses and neighborhoods to draw additional consumers. Well-publicized and -executed public programs and events (e.g. street fairs) may also enhance visitation to the Eastside. For example, "First Friday" events in Southtown have been a successful draw for both tourists and San Antonio residents, which ultimately benefits the surrounding neighborhood. SAGE can partner with the City and community partners to develop new initiatives to bolster Eastside economic growth through highlighting Eastside businesses, art, historic districts, and other amenities.

3.3 Expand SAGE's existing façade improvement program. SAGE's façade improvement offers modest support for a handful of retailers. More significant enhancements to each property and/or to a larger number of properties could be supported through an increase in the size and scope of this program. SAGE may opt to prioritize improvements in key corridors (e.g. New Braunfels).

3.4 Actively acquire and curate retail space as a landlord. By acquiring a few retail properties along key corridors (e.g. New Braunfels), SAGE can take a leadership role in creating retail opportunities for the community. SAGE's return requirements are likely to be lower than a typical developer, and SAGE can be more flexible in accommodating unproven tenants. Short-term or "pop-up" tenants should rotate through a predictable schedule (6 months), providing a changing set of attractions to draw repeat visitors from the region. SAGE may choose to begin this curation effort with the properties it owns or occupies (e.g. development concept 2a). This model has proven successful in other communities; for example, Yale University currently owns multiple retail properties in New Haven, Connecticut. Yale has taken an active role in renewing surrounding buildings and bringing in a variety of retail businesses (both chain stores and independent businesses).

CASE STUDY

Dallas restaurateurs and developers unite to create restaurant incubator in Trinity Groves



PROBLEM: Trinity Groves, a section of west Dallas on the opposite side of the Margaret Hunt Hill Bridge from downtown, was a forgotten and isolated area of Dallas that was left out of the economic boom.

SOLUTION: A group of Dallas developers and Phil Romano (founder of several successful restaurant chains) partnered to create a restaurant incubator in the area that would create an attractive cluster of new spots to make the place a destination again. Restaurants go through a shark tank process and then receive space, funding and mentoring to get their concept off the ground in exchange for revenue sharing of the profits.

IMPACT: Since it opened in 2013, there are current nine restaurants with nine more on the way. The development has also made Trinity Groves into a Dallas hotspot and new developments are booming in the area.

4. Support office and residential investment to support a stable, diverse population on the Eastside.

These investments are also critical to the success of new retail as described above.

4.1 Support home ownership and investment with new homeownership and home investment incentives administered by the City or SAGE. For example, the City might offer a tax credit to homeowners that invest in their properties (as Plano, TX does), or a down payment assistance program to encourage homeownership (as Dallas, TX does). Home ownership and investment can improve living conditions and wealth for existing residents, as well as bring new mixed-income residents to the Eastside.

SAGE may also find support for this type of initiative from local employers; for example, the University of Pennsylvania (UPenn), in an effort to contribute positively to the surrounding West Philadelphia community, implemented multiple strategies including a concentrated Home Improvement Program to provide funding for housing rehabilitation, an Enhanced Mortgage Program to encourage UPenn employees to become local homeowners, and a Neighborhood Housing and Development Fund to acquire and renovate rental housing.⁵²

Although SAGE may not have the capacity to manage a range of home ownership initiatives, concentrating on rehabilitation and home ownership efforts for a small number of Eastside homes may be valuable in jumpstarting greater home ownership plans. We suggest that SAGE focus these interventions in a minimum of 6-8 homes on a key corridor or area (e.g., New Braunfels) to start.

4.2 Support new office development. The above development feasibility analysis shows that office development poses the largest challenge under existing market and policy conditions; however, new

⁵² University of Pennsylvania. "West Philadelphia Initiatives: A Case Study in Urban Revitalization":

<https://www.fels.upenn.edu/news/new-report-urban-revitalization-1>

Homeownership information on page 25, Rental information on page 30.

office development can attract jobs and enhance the retail base on the Eastside. To that end, SAGE can actively support development of new office by taking an active role in the development of its new office building, and by offering additional office and retail tenant space in this facility. Once completed, this facility could provide an ongoing income stream to SAGE and might set the stage for similar investments in the future.

- 4.3 Support arts and culture on the Eastside,** which can attract creative tenants to office, retail, and housing uses and support community pride. This might include facilitating live/work housing for artists (e.g. in development concept 2b), supporting public art in collaboration with the City or cultural nonprofits, or developing an Eastside gallery as a ground floor amenity in a new development project (e.g. development concept 2a or 1b).



CASE STUDY

University of Chicago starts arts incubator to revitalize Washington Park

PROBLEM: The Washington Park neighborhood in South Side Chicago is one of the oldest communities in the city and yet, had become virtually abandoned.

SOLUTION: The University of Chicago created an arts incubator, Arts & Public Life, in the neighborhood and encouraged the artists to leverage art to revitalize the surrounding community and create a sense of place.

IMPACT: In its first year, the neighborhood was transformed and showcased the culture of Washington Park. This transformation inspired the opening of the Currency Exchange Café as well as several other retail establishments.

5. Develop long-term capacity through near-term focus. The 17 recommendations above will require a sustained effort over many years, as well as capacities and resources beyond SAGE's existing means. To that end, we recommend a focused approach in the near term (1-3 years) to create community benefits in a specific geographic area and to secure key resources and partnerships to support future initiatives.

5.1 Prioritize Zone 2 development in the near term. Concentrating development in a small, but noticeable, area can provide a visible change for Eastside residents and signal new development potential for local developers. Zone 2 is at the heart of the existing Eastside community, and is the area that faces the most significant real estate market challenges alongside the strongest economic and community benefit opportunities. An intact, historic neighborhood grid and building stock will enable small-scale infill interventions to generate significant positive reverberations for their neighbors. Improvements to Zone 2 will also benefit Zones 1— by bracketing this area between Center City and a fabulous new destination. Finally, many of the Zone 1 interventions require public sector leadership outside of SAGE's control, whereas SAGE's leadership can support near-term transformation in Zone 2.

5.2 Develop a neighborhood/corridor master plan for near-term capital improvements in tandem with the City's comprehensive plan. This plan can identify key physical interventions required in the first investment area (e.g. the New Braunfels corridor in Zone 2) and begin to identify resources to make these

investments. It might also allow specific detail on programs above, such as design guidelines for façade improvements or identification of key parcels/zones to target for homeownership incentives.

5.3 Develop an independent funding stream(s). Earned income from office or retail leasing can sustain and increase SAGE's long-term commitment to the community; SAGE should make immediate efforts to pursue a development/acquisition strategy for office and retail space (consistent with development concept 2a and recommendation 3.4)

5.4 Leverage inter-organizational collaboration (2.2) to streamline organizational focus on core activities: Developer outreach and engagement, public sector engagement, business district activation and marketing, and related activities. Friends can focus on community outreach, community development, and support services, all of which are supportive of SAGE's mission. The Friends may also be called upon to reinforce SAGE's advocacy and fundraising efforts. This will allow SAGE to focus on economic development initiatives beyond the capacity/focus of other organizations and stakeholders in the district.

APPENDICES

Appendix A: Eastside Study Zones Map

Appendix B: Resident Employment by Industry

Appendix C: Downtown Workers' Place of Residence

Appendix D: Northern Suburban Office Clusters' Workers' Place of Residence

Appendix E: Fort Sam Houston Non-Military Dependents' School District

Appendix F: Breakdown of Military Dependents' School District

Appendix G: Internet Availability

Appendix H: Inner City Reinvestment Infill Policy (ICRIP) Map

Appendix I: Detailed Incentives Description

Appendix J: Alamo Architects Site Diagrams

Appendix K: Model Assumptions

Appendix L: Code Violations Descriptions for Land Database Tool

Appendix M: Parcel Data Field Descriptions for Land Database Tool

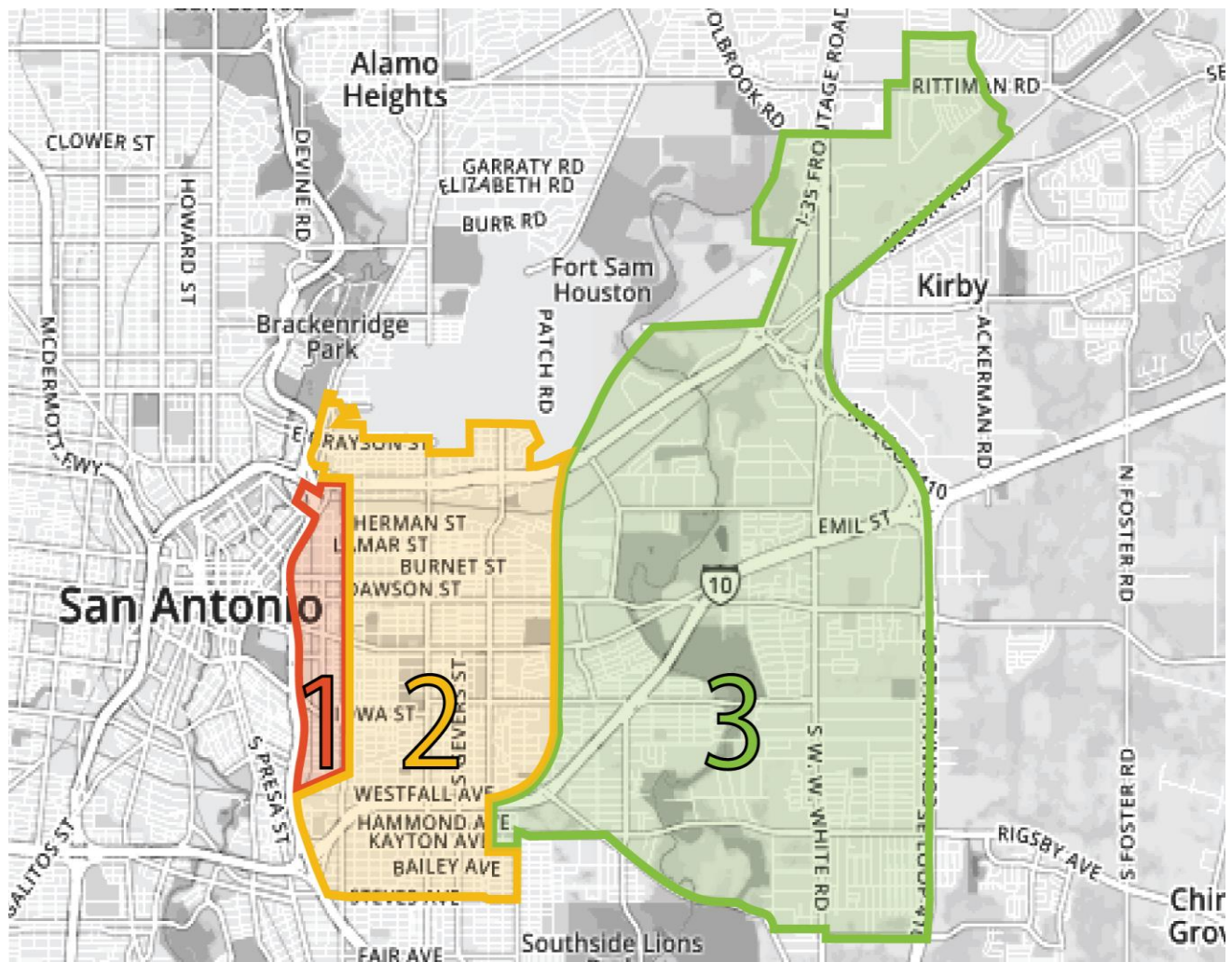
Appendix N: List of Data Sources Used for Land Database Tool

Appendix O: Project Kickoff (Previously submitted on May 15, 2015)

Appendix P: Land Database Methodology (Previously submitted on June 22, 2016)

Appendix Q: Map of Eastside Promise Zone and Categorized Land Parcels

APPENDIX A: EASTSIDE STUDY ZONES MAP⁵³



Zone #1: Thompson Transit Center

Zone #2: Near Eastside

Zone #3: Far Eastside

⁵³ Created by Alamo Architects

APPENDIX B: RESIDENT EMPLOYMENT BY INDUSTRY

(Sources: US Census Bureau; LEHD On The Map)

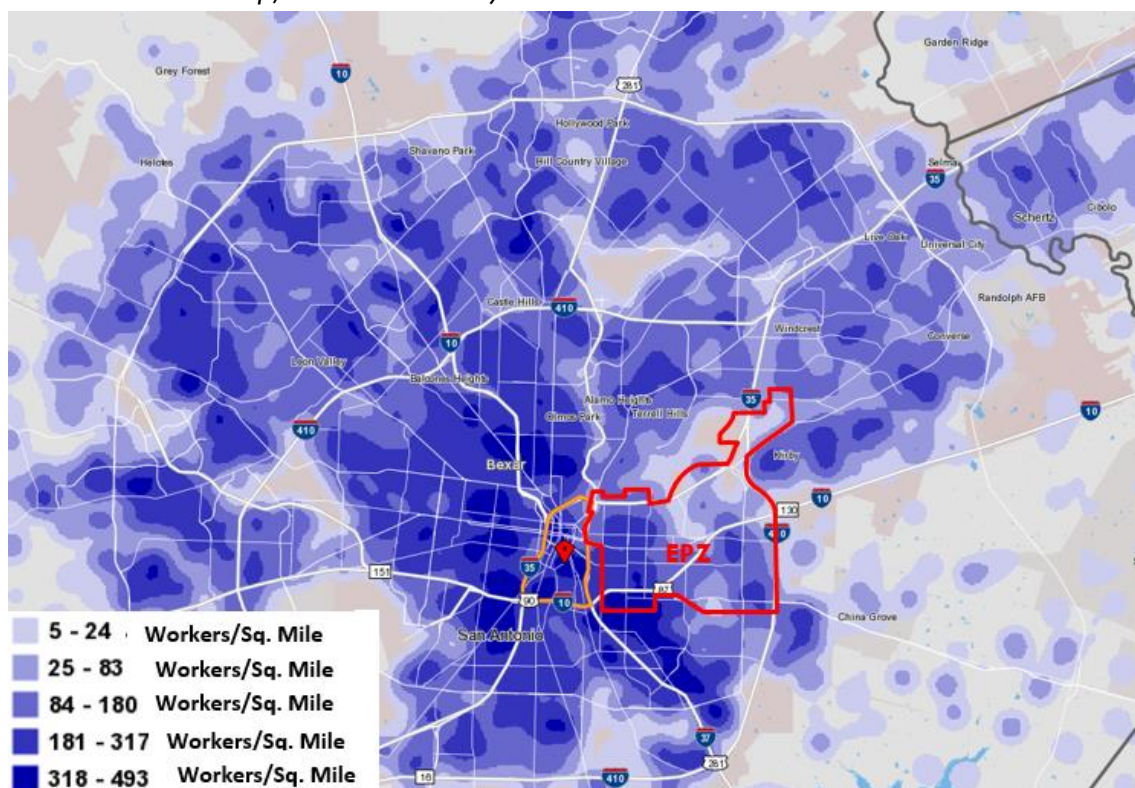
Industry	San Antonio	EPZ	Difference
Agriculture, Forestry, Fishing and Hunting	0.2%	0.2%	0.1%
Mining, Quarrying, and Oil and Gas Extraction	0.4%	0.3%	-0.1%
Utilities	0.8%	1.1%	0.2%
Construction	4.9%	5.5%	0.6%
Manufacturing	5.4%	6.9%	1.4%
Wholesale Trade	3.8%	3.6%	-0.2%
Retail Trade	11.1%	9.9%	-1.2%
Transportation and Warehousing	2.7%	3.4%	0.7%
Information	2.7%	1.7%	-1.0%
Finance and Insurance	7.5%	4.4%	-3.1%
Real Estate and Rental and Leasing	1.8%	1.7%	-0.1%
Professional, Scientific, and Technical Services	5.4%	3.5%	-2.0%
Management of Companies and Enterprises	1.2%	0.9%	-0.3%
Administration & Support, Waste Management and Remediation	7.1%	8.6%	1.5%
Educational Services	10.7%	8.0%	-2.7%
Health Care and Social Assistance	15.3%	18.5%	3.1%
Arts, Entertainment, and Recreation	1.4%	1.1%	-0.3%
Accommodation and Food Services	11.4%	14.1%	2.7%
Other Services (excluding Public Administration)	3.1%	3.7%	0.6%
Public Administration	2.9%	2.9%	0.0%

(From page 24) EPZ residents are generally underemployed and work in low-skill industries when compared to the broader City of San Antonio. EPZ residents who are employed often work in low-skill, labor-intensive industries; the largest industries of EPZ resident employment are health care and social assistance (~18.5%), accommodation and food services (~14%), retail trade (~10%), waste management (~8.5%), and educational services (~8%).⁵⁴ Less than 5% of the EPZ's population works in each of a number of professional industries such as finance and insurance, real estate, and information.

⁵⁴ US Census Bureau; LEHD On The Map

APPENDIX C: DOWNTOWN WORKERS' PLACE OF RESIDENCE

(Source: LEHD On The Map, US Census Bureau)

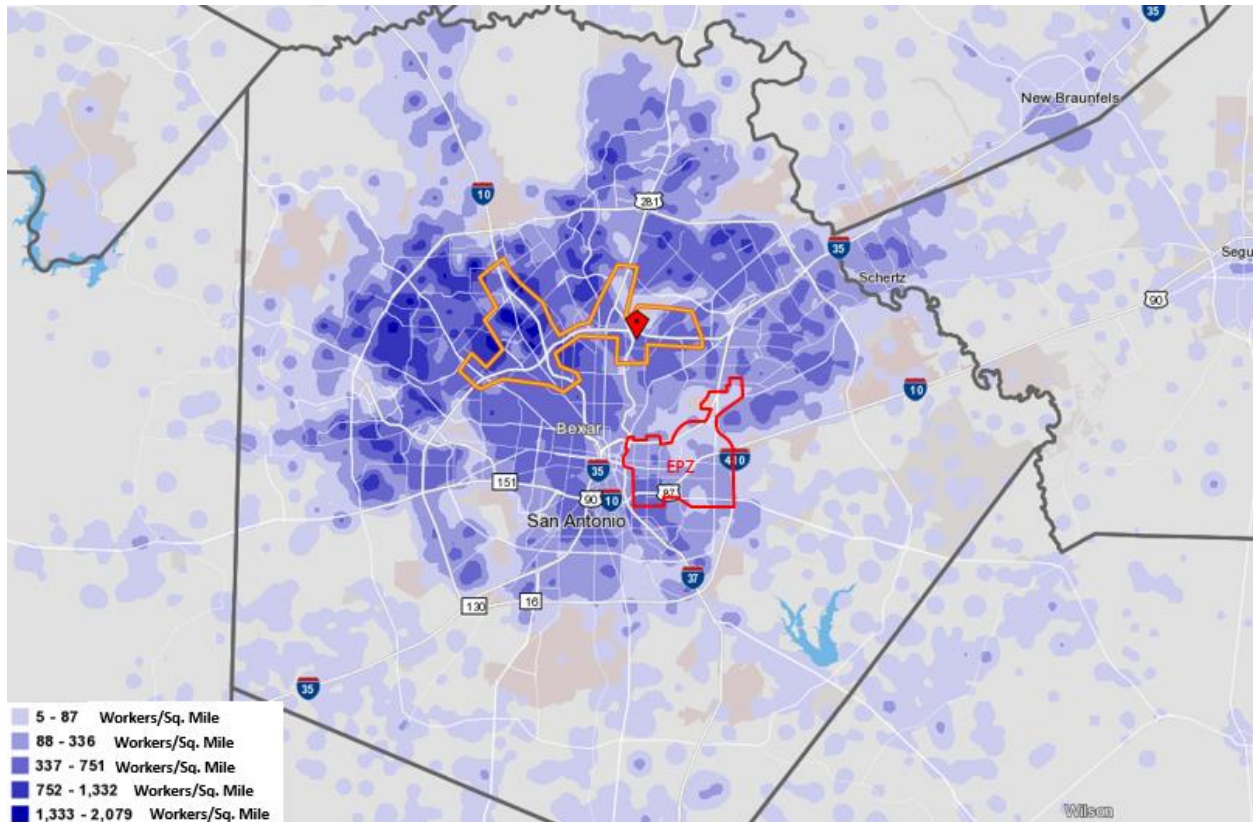


(From page 30) **Downtown San Antonio is a dense cluster of over 77,000 jobs across a broad range of industries but has experienced limited growth in recent years.** The largest industries by employment in Downtown are educational services (~16%), public administration (~14%), accommodation and food services (~14%), and health care and social assistance (~13%). Workers in Downtown San Antonio have relatively strong incomes, with nearly 50% of workers earning above \$40,000 per year.⁵⁵ Downtown workers commute from across the City, with notable concentrations coming from the northwest, southwest, and southeast corners of the city.

⁵⁵ US Census Bureau; LEHD On The Map

APPENDIX D: NORTHERN SUBURBAN OFFICE CLUSTERS' WORKERS' PLACE OF RESIDENCE

(Source: LEHD On The Map, US Census Bureau)

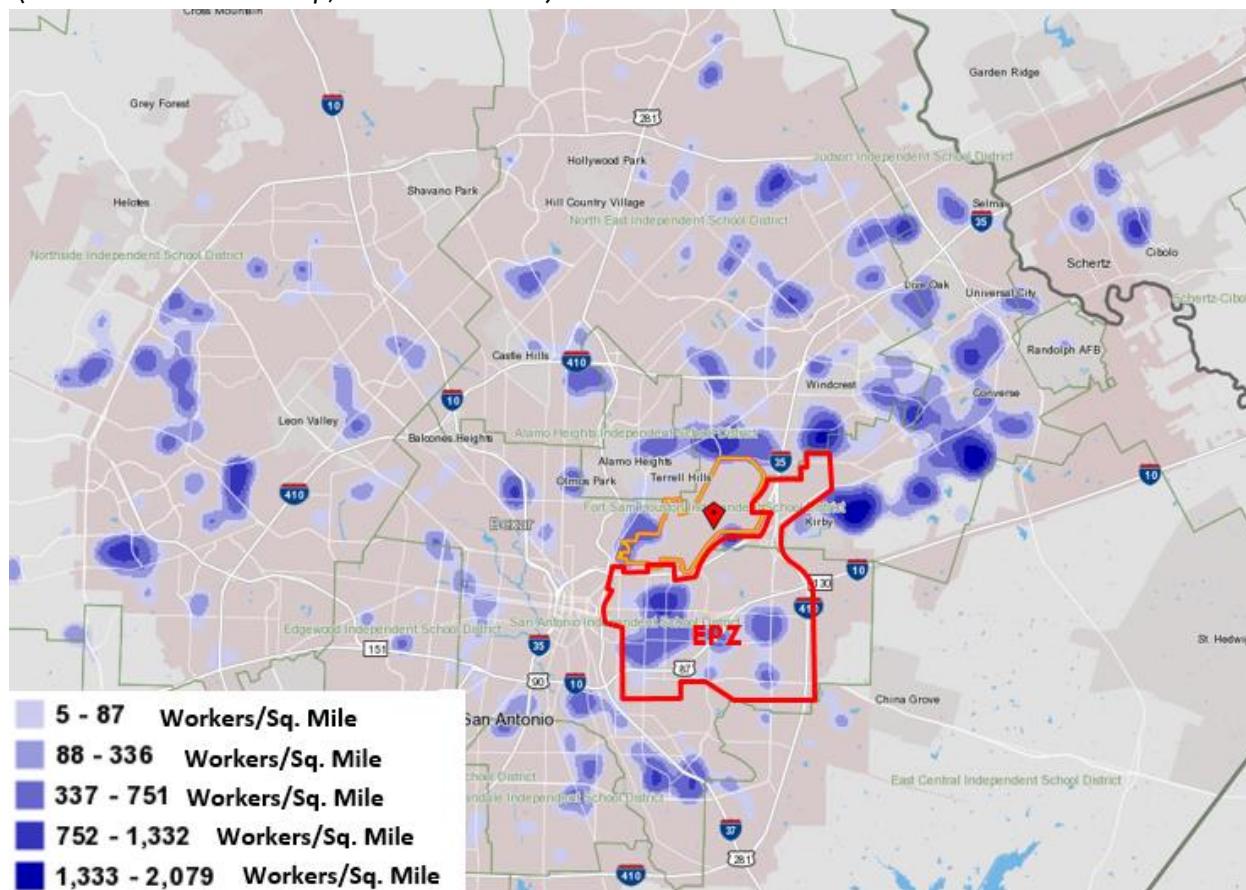


(From page 30) The Northern Suburban Office Clusters represent a 34 square mile area encompassing approximately 226,000 jobs with higher concentrations of jobs in professional service industries than in other geographies. The largest industries by employment in the Clusters are health care and social assistance (~24%), educational services (~16%), finance and insurance (~13%), waste management (~9%), and retail trade (~8%).⁵⁶ Workers in these office clusters generally reside on the north side of San Antonio, close to their jobs and in relatively affluent parts of the city.

⁵⁶ US Census Bureau; LEHD On The Map

APPENDIX E: FORT SAM HOUSTON NON-MILITARY WORKERS' PLACE OF RESIDENCE

(Source: LEHD On The Map; US Census Bureau)



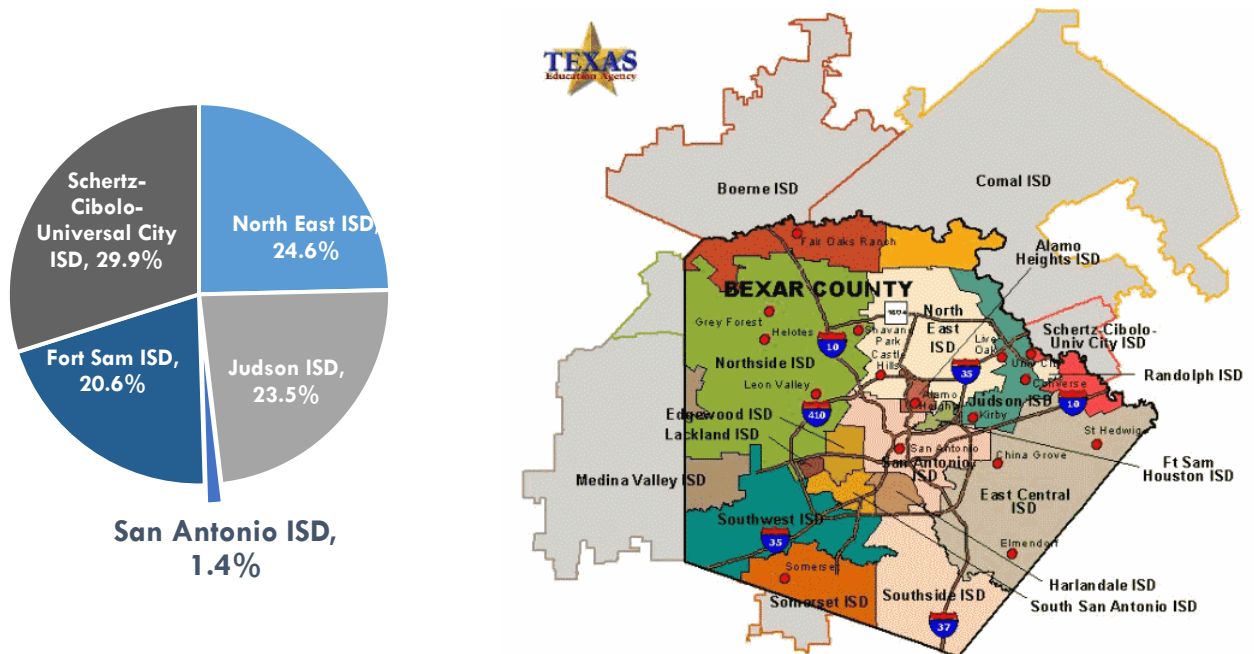
(From page 30) Fort Sam Houston, also known as Joint Base San Antonio after combining with Lackland and Randolph Air Force Bases, is a major center of economic activity in San Antonio. Though the exact number of military personnel is constantly evolving, the base employs approximately 32,000 workers, of which at least 2,000 are non-military. The military campus is also home to the Army Medical Department and School, an academic medical facility where 25,000 students train each year. The five largest non-military sectors of employment at Fort Sam Houston are waste management and remediation (~28%); accommodation and food services (~27%); professional, scientific, and technical services (~18%); construction (~7%); and healthcare and social assistance (~7%).⁵⁷ Among the non-military workers at Fort Sam Houston, a large number live in distant suburban and rural clusters north and east of the base, and a measurable number of workers live within the EPZ.

⁵⁷ LEHD On the Map; US Census Bureau

APPENDIX F: BREAKDOWN OF MILITARY DEPENDENTS' SCHOOL DISTRICT

By Place of Residence and Map of School Districts in Bexar County, TX

(Sources: US Department of Education Impact Aid Program; HR&A Advisors; Texas Education Agency)



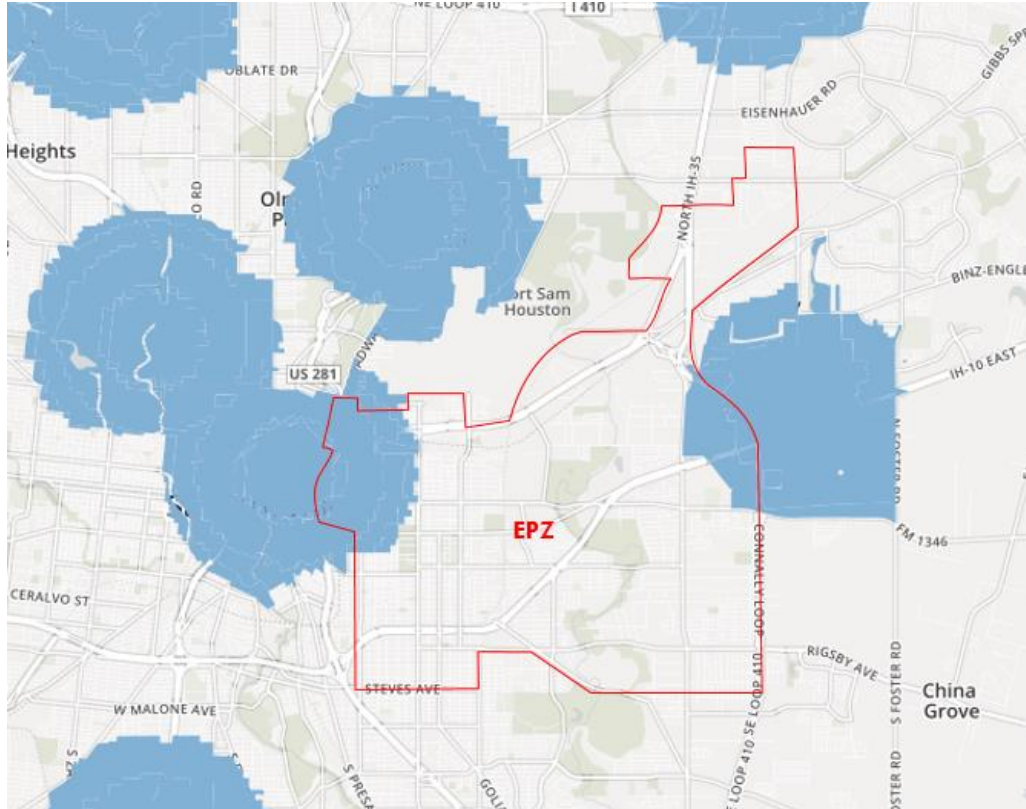
Note: Not all school districts near Fort Sam Houston applied for DOE Impact Aid assistance, and are therefore not included in this dataset.

(From page 31) Data on the place of residence of military personnel is not publicly available. An extrapolation of military dependents' school district assignments may serve as a proxy for the general areas where military personnel reside. The data indicates that only 1.2% of military personnel reside in the San Antonio Independent School District, which is comprised of the EPZ and much of central San Antonio.

APPENDIX G: INTERNET AVAILABILITY

Availability of Symmetric DSL Internet in the EPZ (download and upload speeds match; most appropriate for business users)

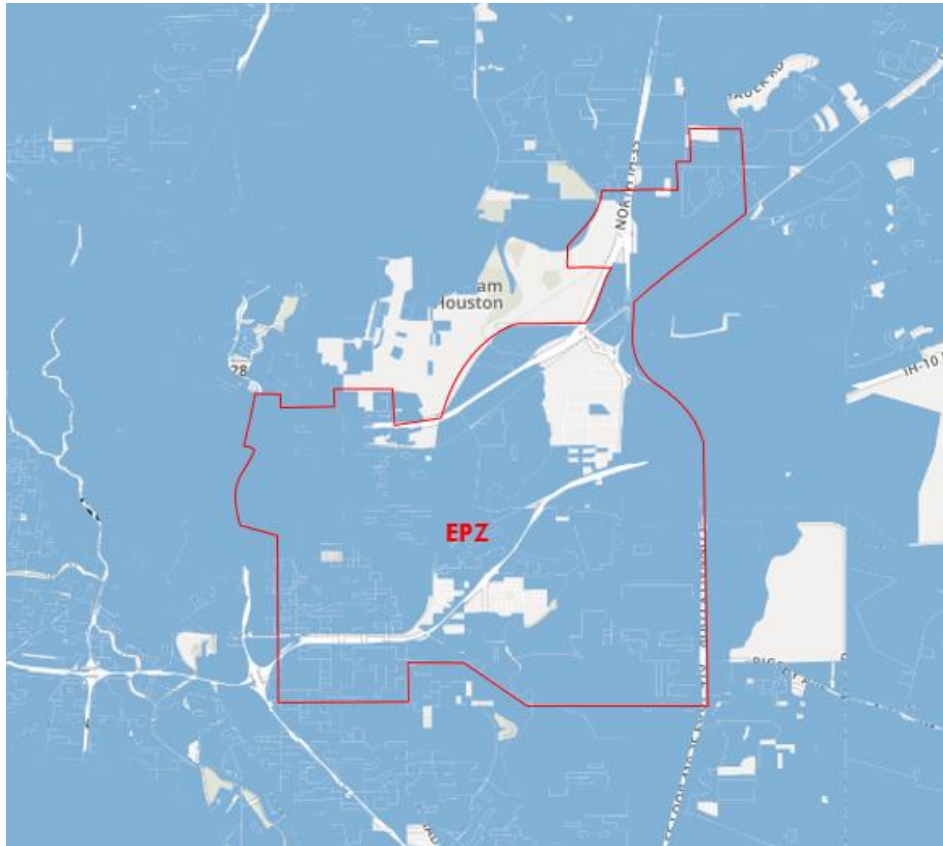
(Source: National Broadband Map)



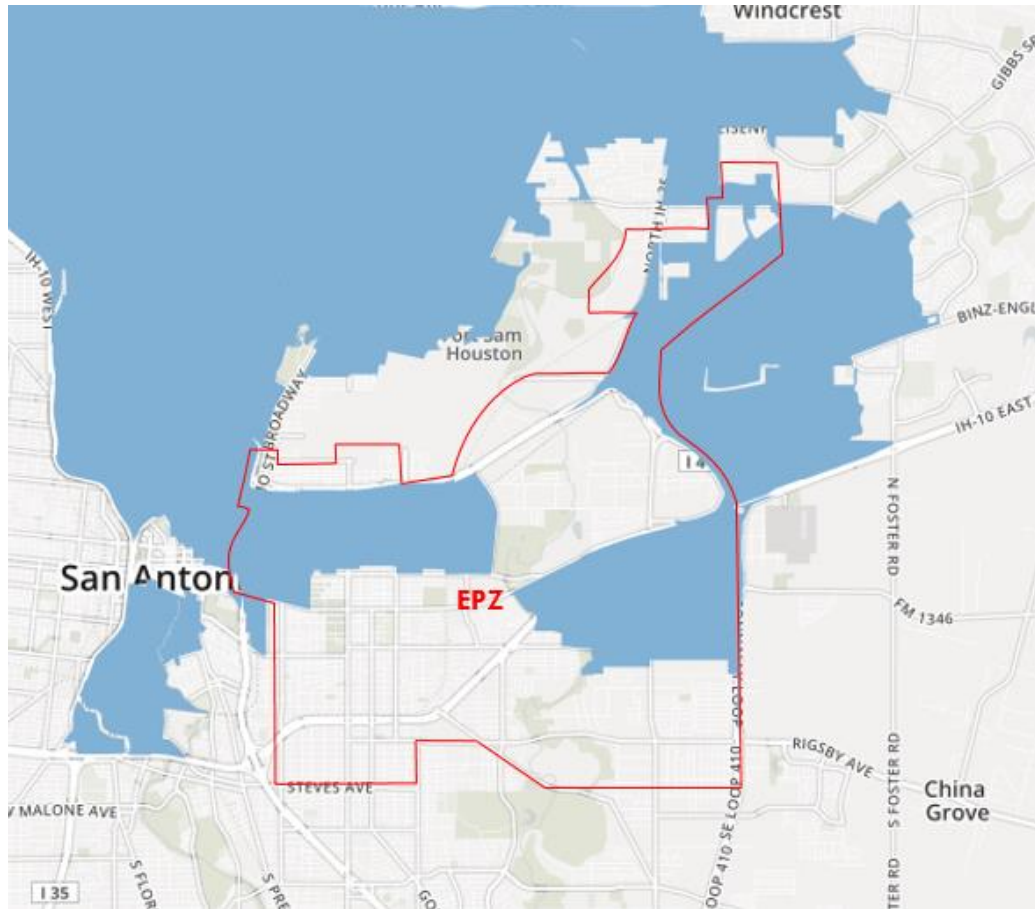
(From page 40) Though technology infrastructure across San Antonio generally lags the rest of the nation, pockets of the EPZ lag further behind city. There are large swaths of the EPZ which lack high-speed internet entirely, with much of the EPZ limited to slower DSL infrastructure, as opposed to high speed internet access, which is more prevalent in urban areas around the country.

On July 15, 2015, The Department of Housing and Urban Development announced the ConnectHome initiative, an effort to bring broadband internet to low-income households in 27 cities across the US. San Antonio is among these cities, and the EPZ may experience a boost in its internet capacities in the near term as a result of this program.

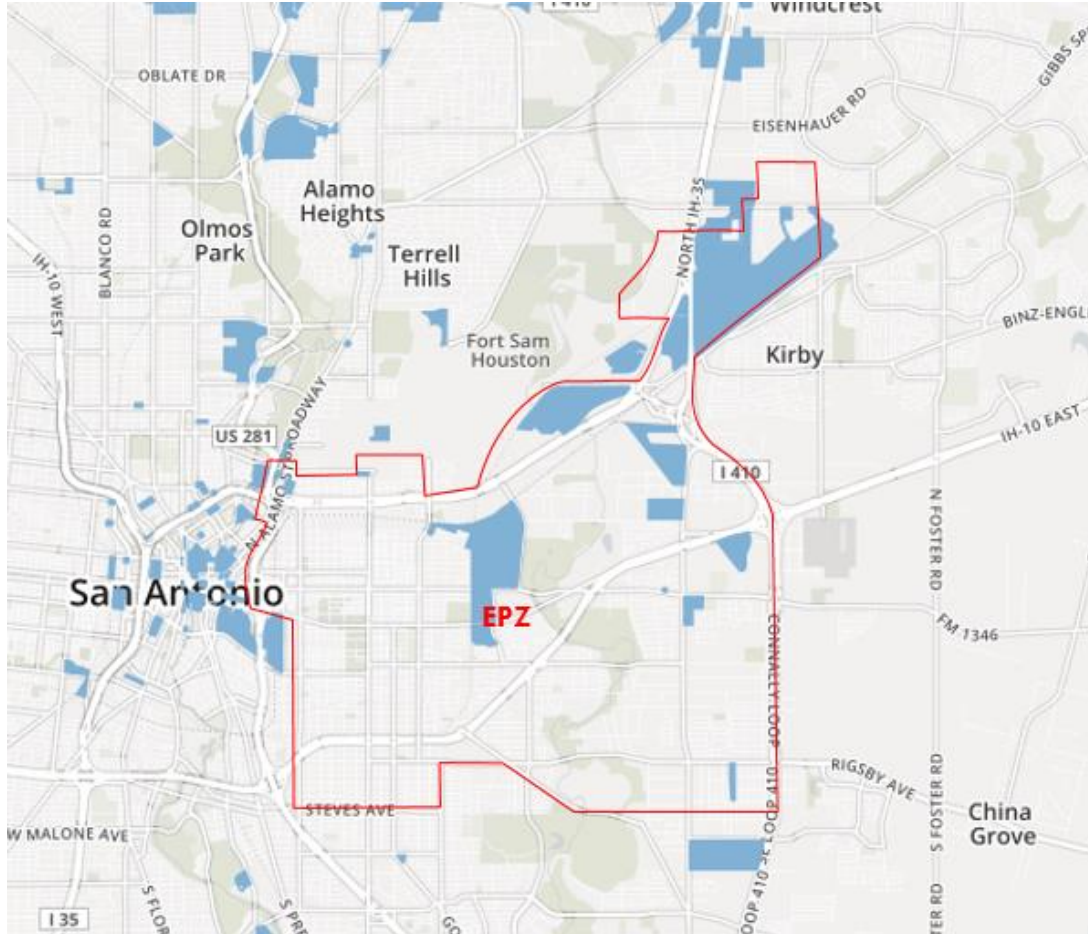
Availability of Asymmetric DSL Internet in the EPZ (download speeds and upload speeds do not match, with downloads usually faster than uploads; most appropriate for residential users)
(Source: National Broadband Map)



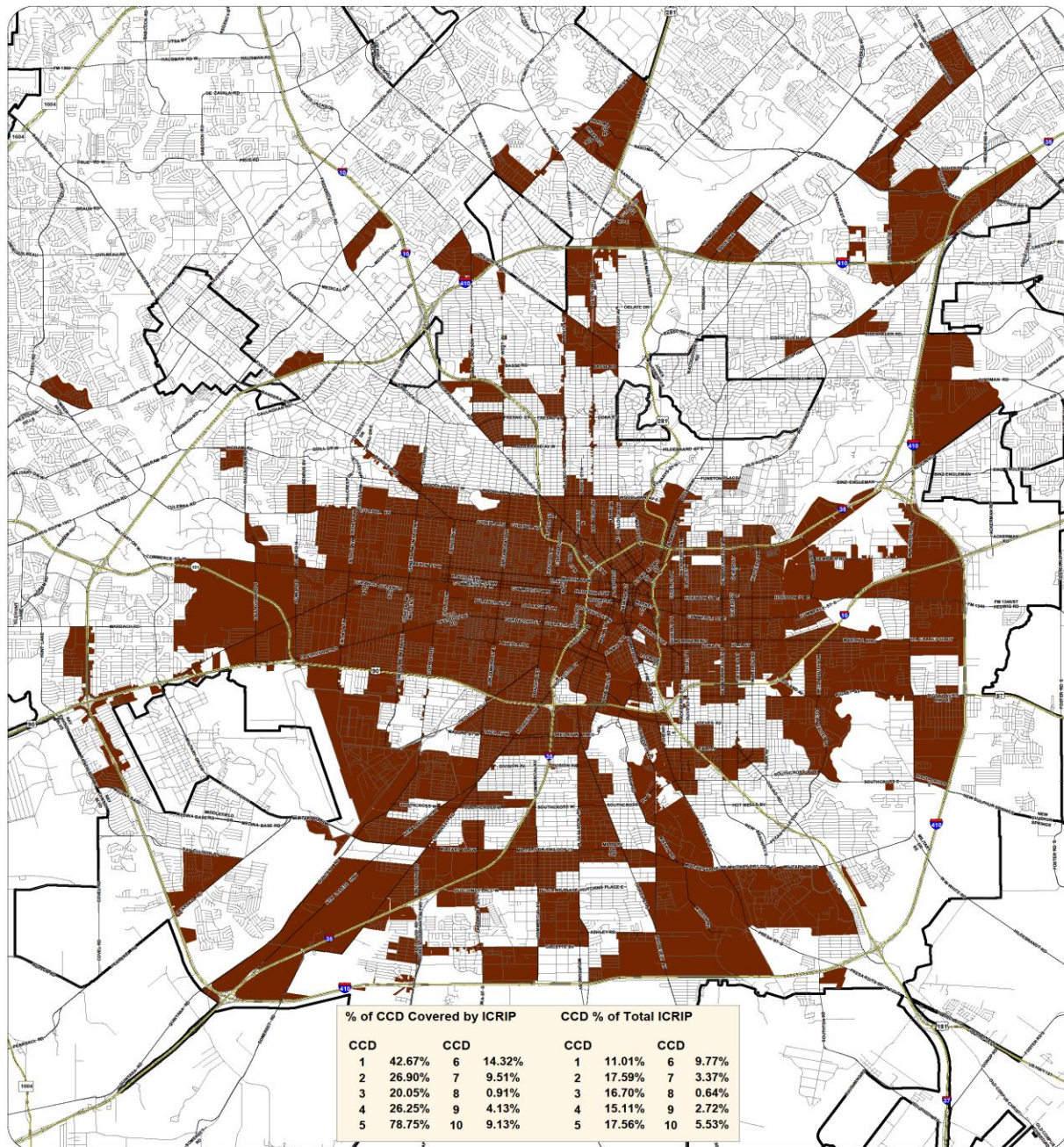
Availability of Cable Internet in the EPZ
(Source: National Broadband Map)



Availability of Fiber Internet in the EPZ
(Source: National Broadband Map)




APPENDIX H: INNER CITY REINVESTMENT INFILL POLICY (ICRIP) MAP⁵⁸





ICRIP, as Amended 1/10/2013

18.02% or 84.08 Sq. Mi. of CoSA

Data Source: City of San Antonio Enterprise GIS, Source: MRS 2011, Source: Regional Council
Map Date: 1/10/2013
Map Title: ICRIP, as Amended 1/10/2013
Map Author: City of San Antonio
Map Reviewer: City of San Antonio
Map Date: 1/10/2013
Map Title: ICRIP, as Amended 1/10/2013
Map Author: City of San Antonio
Map Reviewer: City of San Antonio

⁵⁸ City of San Antonio: Inner City Reinvestment Infill Policy Map (ICRIP):
<http://www.sanantonio.gov/CCDO/Resources/ICRIPMap.aspx>

APPENDIX I: DETAILED INCENTIVES DESCRIPTION

Federal Incentives

The federal government offers at least six incentive programs through various department that can support development across a variety of uses, locations, and programs. The strongest incentives focus on the development of affordable housing, such as Community Development Block Grants (CDBG) and Low-Income Housing Tax Credits (LIHTC), and typically require collaborative partnerships with State entities to receive benefits. Additional federal programs, notably New Market Tax Credits, provide incentives for large development projects in order to encourage economic growth and job creation in low-income areas; these incentives are awarded sparingly through a very competitive process. Upon review, there are no federal incentives provided for transit-focused projects. The Eastside's Promise Zone designation may offer the opportunity to strengthen federal support of economic development goals on the Eastside.

- **New Market Tax Credit (NMTC):** This program provides federal tax credits to investors that make new capital investments into underserved communities via designated Community Development Entities (CDEs).⁵⁹
- **Community Development Block Grant (CDBG):** States receive grants from the U.S. Department of Housing and Urban Development (HUD) and may be used for a wide range of housing and economic opportunity activities, including housing rehabilitation, wastewater system assistance, and parking, among others.
- **HOME Investment Partnerships Program (HOME):** States and localities receive grants from the U.S. Department of Housing and Urban Development (HUD) to help expand the supply of decent, affordable housing for low- and very low-income families. Participating jurisdictions may use their HOME funds to help renters, new homebuyers, or existing homeowners through grants, direct loans, loan guarantees or other forms of credit enhancement, rental assistance, or security deposits.
- **Low-Income Housing Tax Credits (LIHTC):** Administered by the IRS with support from HUD and the U.S. Department of Justice (DOJ), this program provides a dollar-for-dollar reduction in federal income tax liability for project owners who develop rental housing for low-income households.
- **EB-5 Immigrant Investor Visa Program:** This program is managed by U.S. Citizenship and Immigration Services (USCIS) in coordination with local governments and directs foreign investment in real estate projects to spur job creation in areas of high unemployment.
- **Federal Historic Preservation Tax Incentives Program:** The U.S. Department of the Interior-National Park Service and the IRS administer this program in coordination with State Historic Preservation office to support the rehabilitation of historic buildings across the country.

⁵⁹ Underserved communities are defined as Census Tracts where median family income does not exceed 80% of the local median income.

State and County Incentives

The State of Texas and Bexar County offer two main incentives to spur new business development and job growth. These are:

- **State Enterprise Zone Project Designation:** Administered by the Office of the Governor-Economic Development and Tourism Division, the goal of designating Enterprise Zone projects is to create jobs and new investments in economically distressed areas.
- **County Tax Abatement (Chapter 381 Program):** The Bexar County Economic Development department offers tax abatement on County-level property taxes for job-creating industries. San Antonio's Eastside falls within the area that is eligible for a 10-year abatement.

City of San Antonio Incentives

The City of San Antonio offers the largest range of incentive programs with opportunities for fee waivers, funding, loans, tax abatements, and tax exemptions, among others. The City has designated the Inner City Reinvestment Infill Policy (ICRIP) area, approximately 84 miles of central San Antonio, in order to channel additional economic development support into distressed areas of San Antonio. The majority of the Eastside falls within the ICRIP area and may be eligible for multiple incentives. These programs are concentrated on housing and job creation with the majority of incentives managed by the Center City Development Office (CCDO). For a detailed ICRIP map, see Appendix B: Inner City Reinvestment Infill Policy (ICRIP) Map.

Fee Waivers

- City of San Antonio Fee Waivers: Administered by the Center City Development Office, the City may waive fees for eligible development projects.
- San Antonio Water System (SAWS) Fee Waivers: Administered by the San Antonio Water System, the department may waive fees for eligible development projects.

Loans and Additional Funding

- Economic Development Incentive Fund (EDIF): The City's Economic Development Department manages this fund in order to support new businesses and private investments. Funds may be disbursed via grants or loans for job retention, expansion or creation projects, and project-focused expenditures.
- Mixed Use Forgivable Loans: The Center City Development Office provides loans to support inner-city development projects with retail/commercial space on the ground floor and residential space above.

- City Property Tax Abatement (Chapter 380 Program): Administered by the City's Economic Development Department, projects within specified industries may receive a 6- or 10-year tax abatement on real and/or personal property taxes.
- General Obligation (GO) Bonds: In support of neighborhood investments or catalytic development projects, the City could dedicate future bond funding to priority investments in the Eastside.

Tax Benefits

- Historic Preservation Tax Exemptions and Grants: The Office of Historic Preservation offers tax exemptions for development projects prioritizing historic preservation. The San Antonio Conservation Society awards grants for restoration/rehabilitation of certain older buildings.
- Tax Increment Reinvestment Zone (TIRZ): Tax Increment Reinvestment Zones may be created by property owners via petition to the City or directly by the City. Although there are TIRZs on the Eastside, they do not cover the entire area. . These zones are structured to direct a portion of property taxes towards subsidizing economic development projects and/or funding public infrastructure. Note that tax abatements reduce the funding available to a TIRZ.

Additional City Support

- Land Bank Program: In order to reduce the number of vacant properties and reuse City-owned land, the Inner City Reinvestment Infill Policy (ICRIP) established a land bank to support new residential development.
- Cooperative Parking Agreements: Two or more business owners may enter into a cooperative parking agreement to share parking facilities to reduce parking needs and related costs. The Development Services Department oversees the application process and parking code enforcement.
- Infrastructure Investments: The City may develop or improve infrastructure, such as roads and sewer systems, in order to attract new development. Different City departments will lead these investments based on the type of project.
- Public Land Disposition: The City owns underutilized parcels, which it may choose to and sell or lease at below market rates in order to catalyze new development.

Other Incentives

We reviewed a number of other incentives that may be available for addressing Eastside community outcomes. These funding and programmatic opportunities will likely be directed towards workforce development and community-focused interventions rather than development projects. Not-for-profit organizations may offer the majority of these differentiated supports. For example, the San Antonio

Economic Development Foundation offers market research services, community partner connections, and other assistance for companies considering relocation to San Antonio.⁶⁰ The majority of options listed below rely on partnership building with local non-profit organizations, businesses, and educational institutions.

- **SAGE Store-Front Grant:** San Antonio for Growth on the Eastside (SAGE) manages a matching grant program (up to \$10,000) for businesses to fund external improvements.
- **SAGE Grow Eastside Fund:** San Antonio for Growth on the Eastside (SAGE) offers financial support (ranging from \$250,000 to \$500,000) for small businesses that are moving to or growing on the Eastside. Funds can cover building and renovation costs as well as equipment costs, among others.
- **Self Sufficiency Fund for Employers:** The Texas Workforce Commission awards grants to higher learning institutions or community organizations to build customized training programs for low-income individuals, especially those currently receiving welfare benefits.

⁶⁰ San Antonio Economic Development Foundation: About SAEDF. <http://www.sanantonioedf.com/saedf/>

Incentives Reference Table

Incentive Program	Administered By	Program Description	Eligible Activities & Program Details	Additional Notes
Federal				
New Market Tax Credits (NMTC)	Internal Revenue Service (IRS)	<p>This federal tax credit program is meant to attract new capital investments into underserved communities (where median family income does not exceed 80% of the local median income) by awarding a federal tax credit to private investors when creating new businesses and development opportunities.</p> <p>Community Development Financial Institutions (CDFI) receive funds and verify Qualified Community Development Entities (CDEs). Funds from investment in the tax credit must be passed through verified Community Development Entities (CDEs) and then on to businesses.</p>	<p>Program Structure:</p> <ol style="list-style-type: none"> 1) Investor receives 39% of total Qualified Equity Investment made in the community as a tax credit over a seven year term 2) The tax credit is realized over a period of seven years (5% for years 1-3 and 6% in years 4-7) 	<p>Internal Revenue Service (IRS) New Market Tax Credit Guide</p> <p>New Markets Tax Credit Coalition: Fact Sheet</p>
Community Development Block Grants (CDBG)	States receive funding from the U.S. Department of Housing and Urban Development (HUD)	<p>CDBG funding can be used for a wide range of activities. Projects must meet the primary objective: to develop viable communities by providing decent housing and a suitable living environment by expanding economic opportunities, primarily for low to moderate income individuals. Projects must also meet one of three national objectives:</p> <ol style="list-style-type: none"> 1) benefits low-income persons 2) prevent urban slums and blight; or 3) address an urgent community development need. <p>CDBG funding is shared between states and local communities defined as “entitlement” and “non-entitlement” communities. San Antonio is categorized as an entitlement city and Bexar County is categorized as an entitlement county (both eligible for CDBG funding).</p> <p>Planning must also include citizen participation with an emphasis on participation of low- or moderate-income community residents.</p>	<p>Examples of eligible projects:</p> <ol style="list-style-type: none"> 1) Housing rehabilitation 2) Homeownership 3) Wastewater system assistance 4) Flood control and storm water drainage 5) Parking 6) Streetscaping 	<p>Department of Housing and Urban Development: CDBG Information</p> <p>Affordable Housing Policies: City of San Antonio</p> <p><u>CDBG San Antonio Contact Information:</u> Mr. Thomas Morgan, Grants Administrator Grants Monitoring and Administration 1400 South Flores St, Unit 3 San Antonio, TX 78204 p. (210) 207-6600 f. (210) 207-5480 e. tmorgan@sanantonio.gov</p> <p><u>County of Bexar Contact Information:</u> Mr. Andrew Alva, CDBG Manager Community Development and Housing Division 233 North Pecos Street, Suite 590 San Antonio, TX 78207-3180</p>

Incentive Program	Administered By	Program Description	Eligible Activities & Program Details	Additional Notes
				<p>p. (210) 335-3742 f. (210) 335-6755 e. aalva@bexar.org</p>
HOME Investment Partnerships Program (HOME)	States and localities receive grants from the U.S Department of Housing and Urban Development (HUD)	<p>HOME funds are allocated to both state and local government entities through formula funding. This grant program helps to expand the supply of decent, affordable housing for low- and very low-income families by providing grants to states and local governments called participating jurisdictions or "PJs". Grants are formula-funded and awarded annually to PJs.</p> <p>PJs use their HOME grants to fund housing programs that meet local needs and priorities. PJs have a great deal of flexibility in designing their local HOME programs within the guidelines established by the HOME program statute.</p>	PJs may use their HOME funds to help renters, new homebuyers, or existing homeowners through grants, direct loans, loan guarantees or other forms of credit enhancement, rental assistance, or security deposits.	<p>Department of Housing and Urban Development: HOME Investment Partnerships Program</p> <p>Department of Housing and Urban Development: HOME Investment Partnerships Program Overview</p> <p>HUD Local Contact Information: Texas</p> <p>Affordable Housing Policies: City of San Antonio</p> <p>San Antonio Field Office Contact Information: Hipolito Garcia Federal Building 615 East Houston St., Suite 347 San Antonio, TX 78205-2001 p. (210) 475-6806 e. TX_Webmanager@hud.gov f. (210) 472-6804 TTY. (800) 877-8339</p> <p>Jurisdiction: Richard Lopez, Field Office Director</p>
Low-Income Housing Tax Credits (LIHTC)	Internal Revenue Service (IRS) with support from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Justice (DOJ)	<p>This federal program provides a dollar-for-dollar reduction in federal income tax liability for project owners who develop rental housing that services low-income households, defined as households with incomes up to 60% of area median income.</p> <p>The LIHTC dollar amount is based on capital costs (exclusive of land costs) of acquiring, developing or rehabilitating low-income housing units. Tax credits may be offered at 4% or 9% with the larger credit being highly competitive and requiring City support.</p>	Tax credits given for three main objectives: 1) acquisition, 2) rehabilitation, or 3) new construction of rental housing for low-income households	<p>Low Income Housing Tax Credit Memorandum of Understanding on HUD website</p> <p>Enterprise Community: LIHTC 101</p> <p>LIHTC Project Database</p>

Incentive Program	Administered By	Program Description	Eligible Activities & Program Details	Additional Notes
				Basic Affordable Housing Finance and Low-Income Housing Tax Credits: Presentation
EB-5 Immigrant Investor Visa Program	U.S. Citizenship and Immigration Services (USCIS) in coordination with local governments where proposed projects may be situated	<p>The EB-5 investment visa program directs foreign investment in real estate projects to spur job creation in areas of high unemployment. Investments must be channeled through federally approved entities.</p> <p>The EB-5 program provides green cards to foreign nationals that invest between \$500,000 and \$1 million in new commercial developments. The proposed investment must also incorporate the creation or preservation of 10 permanent full-time jobs. If the investor locates their new enterprise within a Targeted Employment Area (TEA), the investment requirement drops from \$1 million to \$500,000. TEAs are specified census tracts with average unemployment rates of 150% of the national average rate and investors must apply for TEA designation through the City of San Antonio.</p>	Eligible projects include those development projects that benefit the local community and develop job growth.	EB-5 Immigrant Investor Program EB-5 Immigrant Investor Process Immigrant Investor Regional Centers City of San Antonio EB-5 Immigrant Investor Program
Federal Historic Preservation Tax Incentives Program	U.S. Department of the Interior- National Park Service and the Internal Revenue Service (IRS) in coordination with State Historic Preservation Offices	This program supports the rehabilitation of historic buildings across the country. There are two main tax credits for rehabilitation projects: 20% or 10%. The tax credit benefits differ between projects with certified historic building status receiving the 20% tax credit and older, non-historic buildings receiving the 10% tax credit. Certified historic buildings are included as part of the National Register of Historic Places (or within a Historic District) and designated as such by the National Park Service.	<p>The 20% tax credit applies to rehabilitation projects of certified historic structures. Properties may be commercial, industrial, or rental residential.</p> <p>The 10% tax credit is directed towards the rehabilitation of buildings built prior to 1936. Properties must be non-historic, non-residential entities.</p>	Tax Incentives for Preserving Historic Properties Historic Preservation Tax Incentives Brochure
<i>Transit Incentives</i>		<i>Upon further research, there are no federal transit incentives available.</i>		
State				
State Enterprise Zone Project Designation	Office of the Governor- Economic Development and	The goal of the Enterprise Zone project is the create jobs and new investments in economically distressed areas. Communities propose specific businesses to apply for Enterprise project	The potential refund benefits are based on the amount of capital investment and	Texas Comptroller of Public Accounts: Enterprise Zone Overview and Benefits

Incentive Program	Administered By	Program Description	Eligible Activities & Program Details	Additional Notes
	Tourism Division; administered by the Economic Development Bank	designation. Projects must be located within the community. If accepted, those businesses are eligible for State sales and tax refunds and certain expenditures.	number of jobs created. For example, the first tier of investment from \$40,000-\$399,999 with 10 jobs allocated allows for a \$25,000 refund (maximum of \$2,500 refund per job).	Texas Business Incentives and Programs Overview State Enterprise Zone Map Enterprise Project Application Contact Information: Economic Development Bank p. (512) 936-0100
County				
Tax Abatement: 10-year and 6- year terms (Chapter 381 Program)	Bexar County Economic Development	<p>Texas local government code permits municipalities (Chapter 380) and counties (Chapter 381) to offer incentives such as loans, grants, and other local support to cultivate new business investments and economic development. Projects within specified industries may receive a tax abatement on real and/or personal property taxes.</p> <p>Bexar County offers tax abatement incentives on County-level taxes. San Antonio's Eastside falls within the area that is eligible for a 10-year abatement term. There is a potential 40% real and personal property tax abatement with a \$1 million investment and creation of 25 full-time jobs.</p>	Eligible projects include investments that create jobs, especially high-wage jobs. Certain projects such as hotel/motel facilities, multi-family housing and mixed use projects and retail stores do not qualify for tax abatement benefits.	Bexar County Tax Abatement Guidelines Bexar County Economic Development Contact Information: 101 W. Nueva, Suite 944 San Antonio, TX 78205 p. (210) 335-0667
City of San Antonio Fee Waiver	City of San Antonio- Center City Development Office	The Inner City Reinvestment and Infill Policy (ICRIP) strives to target development in specific areas of San Antonio's Center City and surrounding areas. In order to stimulate development, the City may waive fees for eligible projects. Fee waivers may be awarded from multiple City departments including Development Services, Public Works, and Capital Improvements Management Services for Center City projects.	Fee waivers based on individual department and project expectations	ICRIP Fee Waiver Program Overview Fee Waiver Application City of San Antonio Fee Schedule and list of development fees eligible to be waived
Economic Development Incentive Fund (EDIF)	City of San Antonio- Economic Development Department	The City has approved funding for economic development incentives and the primary purpose of these funds is to attract new businesses and investment in San Antonio, especially in the ICRIP area, State Enterprise Zone census tracts, and the City's Reinvestment Plan areas.	Projects within City limits may receive up to 1% of investment and up to \$3,000 per job created. Projects within the ICRIP area may receive up to 1.5% of	City of San Antonio: Economic Development Incentive Fund Overview

Incentive Program	Administered By	Program Description	Eligible Activities & Program Details	Additional Notes
		Eligible projects for grant or loan support include job retention, expansion/creation projects, and project-focused expenditures.	investment and up to \$5,000 per job. Corporate Headquarters located anywhere within the City may receive up to 1.5% of investment and up to \$10,000 per job.	City of San Antonio Economic Development Incentive Fund (EDIF) Guidelines <u>Contact Information:</u> Economic Development Dept. Frost Bank Tower 100 W. Houston St, 19 th Floor San Antonio, TX 78205 p. (210) 207-8080
Mixed Use Forgivable Loans	City of San Antonio- Center City Development Office	These loans aim to support inner-city development projects. Loans are forgivable after five years, as long as the project maintains at least 80% occupancy.	Projects must incorporate retail and/or commercial space on the ground floor with residential space in levels above.	Center City Housing Policy Program Manual CCHIP Incentive Qualifications <u>Contact Information:</u> Ramiro Gonzales Special Projects Manager e. ramiro.gonzales@sanantonio.gov
San Antonio Water System (SAWS) Fee Waivers	City of San Antonio- Center City Development Office	The Inner City Reinvestment and Infill Policy strives to target development in specific areas of San Antonio's Center City and surrounding areas. In order to stimulate development, the City may waive fees for eligible projects. A project can receive SAWS fee waivers in addition to other city development waivers up to 1% of the total project cost.	Eligible projects include targeted development in Center City/ICRIP areas	ICRIP Fee Waiver Program Overview Fee Waiver Application City of San Antonio Fee Schedule and list of development fees eligible to be waived
Tax Abatement: 10-year or 6-year (Chapter 380 Program)	City of San Antonio- Economic Development Department	Texas local government code permits municipalities (Chapter 380) and counties (Chapter 381) to offer incentives such as loans, grants, and other local support to cultivate new business investments and economic development. Projects within specified industries may receive a tax abatement or real and/or personal property taxes. The majority of Eastside Sites fall within the designated investment area that is eligible for the 10-year tax abatement	Eligible projects include investments that create jobs, especially high-wage jobs. Certain projects such as hotel/motel facilities, multi-family housing and mixed use projects and retail stores do not qualify for tax abatement benefits.	Chapter 380/381 Economic Development Agreements Texas Business Incentives and Programs Overview San Antonio Incentives

Incentive Program	Administered By	Program Description	Eligible Activities & Program Details	Additional Notes
		<p>term. Site 3A- IH 10 Assemblage falls outside of this area and therefore, is eligible for a 6-year tax abatement term.</p> <p>For the 10-year abatement, there must be at least \$1 million combined real and personal property investment and 25 new full-time jobs created. Recipients may receive a potential tax abatement of 40% real and personal property.</p>		<p>City of San Antonio Tax Abatement Guidelines</p> <p>Tax Abatement Application</p> <p><u>Contact Information:</u> Economic Development Dept. Frost Bank Tower 100 W. Houston St, 19th Floor San Antonio, TX 78205 p. (210) 207-8080</p>
Land Bank Program	City of San Antonio- Office of Urban Redevelopment; Land Bank activities are managed by San Antonio Affordable Housing (SAAH)	In order to reduce the number of vacant properties and reuse City-owned land, the Inner City Reinvestment Infill Policy (ICRIP) established a land bank to support new residential development.	Land Bank activities include acquisition, maintenance, and disposal of properties in certain areas.	<p>San Antonio Land Bank Activities</p> <p><u>Contact Information:</u> Scott Price (210) 207-6357 e. scott.price@sanantonio.gov</p> <p><u>Office of Urban Redevelopment San Antonio</u> PO Box 839966 San Antonio, TX 78283 p. (210) 207-3677</p>
Historic Preservation Tax Exemptions and Grants	City of San Antonio- Office of Historic Preservation; San Antonio Conservation Society	There are tax exemptions available for development projects that prioritize historic preservation. The San Antonio Conservation Society also administers a grant program for restoration or rehabilitation of residential or commercial buildings in the City (50 years old or more).	<p>Eligible projects include:</p> <p>1) Tax exemptions for substantial residential property and landmark rehabilitation (City property taxes may be frozen for up to 10 years)</p> <p>2) San Antonio Conservation Society awards grants for restoration/rehabilitation of roofs, foundations, windows, front doors, and more.</p>	<p>City of San Antonio: Office of Historic Preservation Financial Incentives</p> <p>Office of Historic Preservation: Tax Incentive Brochure</p> <p>Office of Historic Preservation: Forms and Applications</p> <p>San Antonio Conservation Society: Community Grants</p> <p><u>Office of Historic Preservation Contact Information</u></p>

Incentive Program	Administered By	Program Description	Eligible Activities & Program Details	Additional Notes
				e. ohp@sanantonio.gov p. (210) 215-9274
Cooperative Parking Agreements	City of San Antonio-Development Services Department	Two or more business owners may enter into a cooperative parking agreement to share parking facilities to reduce parking needs and related costs.	Each business must meet minimum off-site parking requirements (including correct building materials, ample space, and proximate location). Participating businesses may need to create a schedule of parking times to demonstrate that space is available for every business during operating hours.	Development Services Department <u>Contact Information:</u> Cliff Morton Development and Business Services Center 1901 South Alamo Street San Antonio, TX 78204 p. (210) 207-1111
Infrastructure Investment	City of San Antonio	City may develop or improve infrastructure in order to attract new development. With infrastructure systems in place, development projects become more feasible. While this is not a structured program, it may be valuable to communicate with City staff to review opportunities.	Infrastructure projects may vary based on the context and City capacity.	Transportation & Capital Improvements (TCI) Department <u>Contact Information:</u> Municipal Plaza Building 114 W. Commerce, 6 th Floor San Antonio, TX 78205 p. (210) 207-8022
Public Land Disposition	City of San Antonio	The City may own underutilized parcels of land and sell or lease land to developers in order to jumpstart new development projects in certain neighborhoods.	Selling or leasing public land for new development is at the City's discretion. Eligible projects may vary based on the context and City capacity.	Office of Urban Redevelopment San Antonio <u>Contact Information:</u> PO Box 839966 San Antonio, TX 78283 p. (210) 207-3677
General Obligation (GO) Bonds	City of San Antonio	In the absence of tax increment financing, the City could issue standard general obligation bonds backed by the assessed value of property, or revenue bonds could be issued if a dedicated funding source such as parking revenue or hotel or sales taxes is identified. Bonds are likely to be used for general capital investment throughout the City rather than specific investment in planned developments.	A city may issue bonds for a variety of projects.	
Other				

Incentive Program	Administered By	Program Description	Eligible Activities & Program Details	Additional Notes
Store-Front Grant	San Antonio for Growth on the Eastside (SAGE)	Matching grant program (up to \$10,000) for businesses to fund external improvements. Owners must match grant funds dollar-for-dollar.	Eligible businesses must be located within SAGE's service area.	Store-Front Grant Information
Grow Eastside Fund	San Antonio for Growth on the Eastside (SAGE)	Financial support for small businesses that are moving to or growing on the Eastside. Potential loans range from \$250,000- \$500,000 and offer lower rates and longer loan terms.	Eligible businesses must be located within SAGE's service area. Funding can be directed towards land purchases, building purchases, renovation work, and equipment purchases, among others.	SAGE Grow Eastside Fund
Tax Increment Reinvestment Zone (TIRZ)	Property owner-initiated or City-initiated	<p>Tax Increment Reinvestment Zones may be created by property owners via petitions or directly by the City. These zones are structured to direct a portion of property taxes towards subsidizing economic development projects.</p> <p>Developers may visit the TIRZ board to request additional grant or loan support on projects. There is not a formal program and the board tends to award on a custom basis. Note that a TIRZ may be created on the Eastside; however, this may conflict with other tax abatement incentives, which lower the amount of taxes collected from property value over a given period of time.</p>	Funding depends on project context and discretion of the TIRZ board.	<p>City-initiated Tax Increment Reinvestment Zone (TIRZ)</p> <p>Petition-initiated Tax Increment Reinvestment Zones</p> <p>San Antonio TIRZ Boundary Map (2015)</p>
Non-profit or other organizational support	Varies	There may be a variety of grants available from non-profit groups or other organizations to support Eastside growth. These grants will likely support programmatic endeavors to improve community outcomes on the Eastside rather than development projects and construction costs.	Varies by organization and grant goals	<p>Potential Resources:</p> <p>San Antonio Economic Development Foundation 602 E. Commerce St. San Antonio, TX 78205 e. edf@sanantonioedf.com p. (210) 226-1394</p> <p>San Antonio Chamber of Commerce 602 E. Commerce Street San Antonio, TX 78205 p. (210) 229-2100</p> <p>San Antonio Area Foundation 303 Pearl Parkway, Suite 114 San Antonio, TX 78215</p>

Incentive Program	Administered By	Program Description	Eligible Activities & Program Details	Additional Notes
				p. (210) 225-2243 e. info@saafdn.org
Self Sufficiency Fund for Employers	Texas Workforce Commission	This State-sponsored program awards grants to higher learning institutions in or community organizations to build training programs for low-income individuals, especially those currently receiving welfare benefits. The program allows employers to connect with local learning institutions/organizations to build customized training programs. Grants for training development are awarded up to \$500,000.	Businesses must partner with eligible grant applicants (higher learning institutions, community organizations, etc.) and participate in training development, among other general requirements	Self Sufficiency Fund- Program Overview Self Sufficiency Fund Guidelines from the Texas Workforce Commission

APPENDIX J: ALAMO ARCHITECTS SITE DIAGRAMS

SITE 1A - 526 E CROCKETT ST

DEVELOPMENT PROGRAM

Development of market rate residential housing is an important step in developing a strong economic base for commercial development throughout the East Side. This diagram proposes to redevelop existing public surface parking as a market-rate housing structure that envelops a parking garage within. Excess capacity could be provided within the garage to supplant the original surface lot alongside new residential needs to serve ground floor convenience retail, downtown commuters, and event overflow demands. Surrounded by new and upcoming residential development, this site also offers the opportunity to serve the surrounding residents with a public-facing ground floor amenity subsidized by the substantial development above.

TABULATIONS

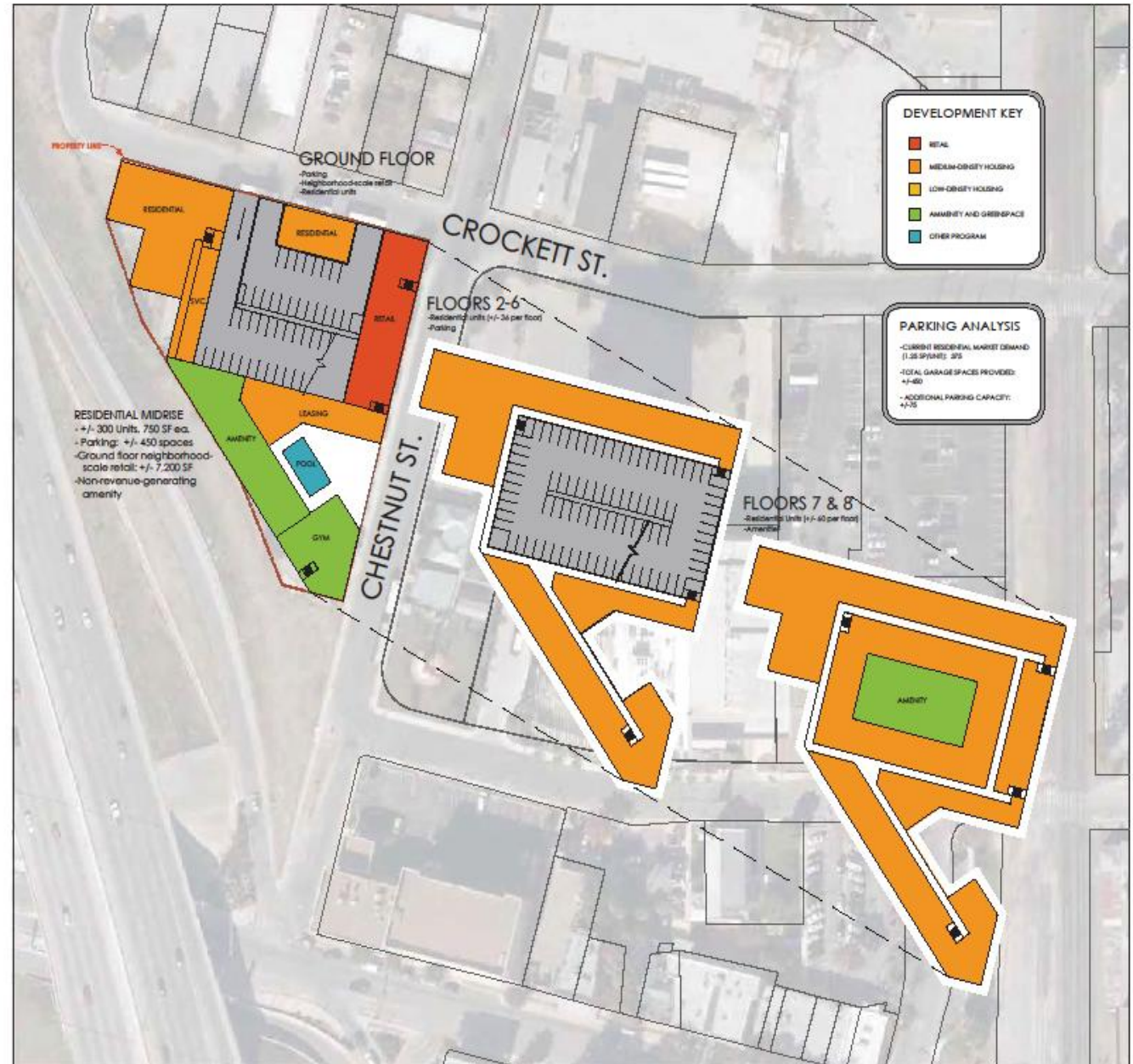
8-Story multifamily midrise development with 6-Story structured parking and VIA Park and Ride facility

Multifamily Units:	+/- 300 Units
Residential Parking:	+/- 450 Spaces
Ground Floor Retail	+/- 7000 SF

Considerations:

-Current 'D' zoning provides maximum flexibility

SCALE: 1"=100'



SITE 1B - N SWISS

DEVELOPMENT PROGRAM

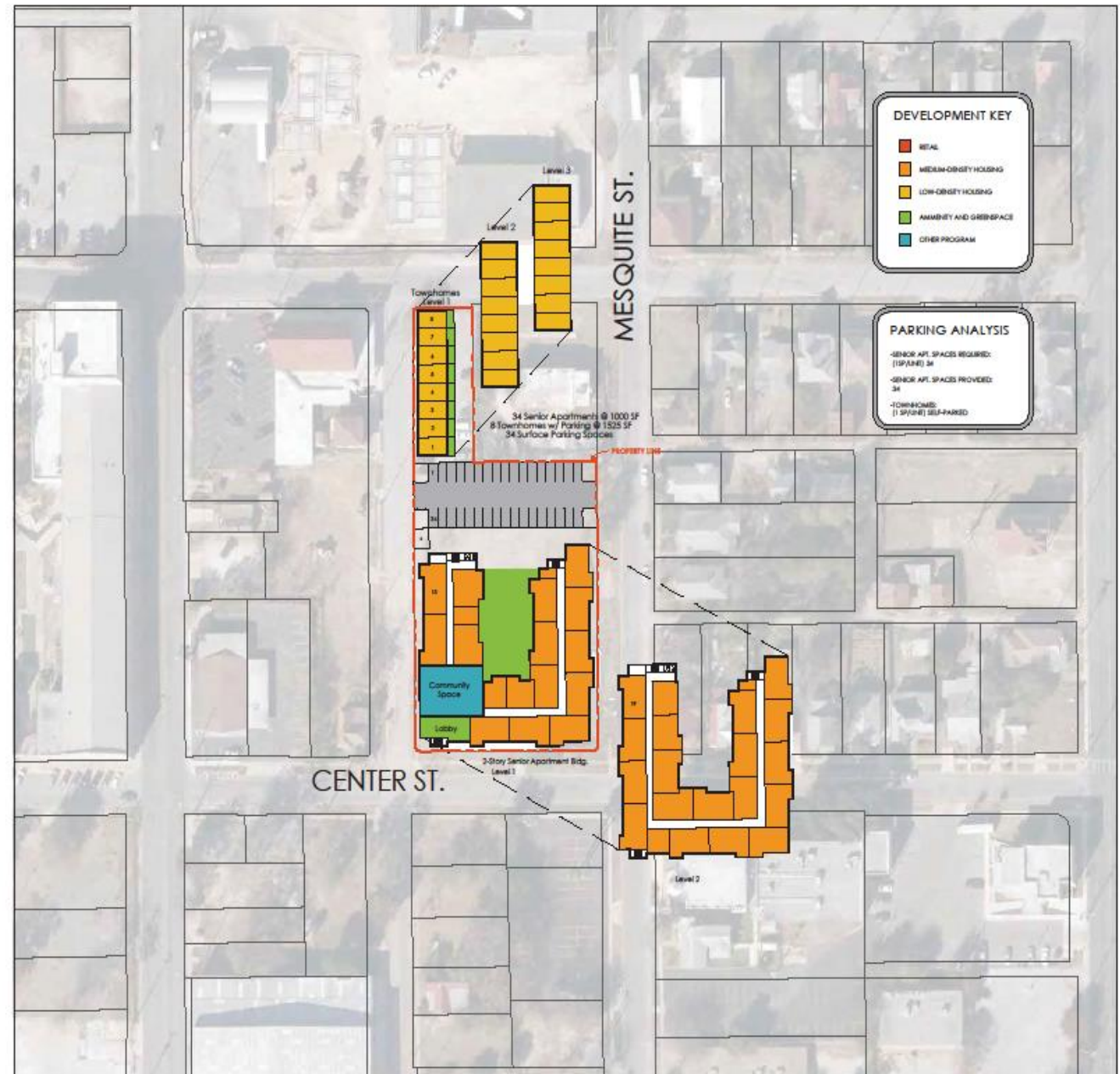
The currently undeveloped AME site at Center and Mesquite presents nearly a block for redevelopment within walking distance of Sunset Station and St. Paul Square. This site offers an excellent opportunity for blended senior-living and market rate townhomes. The development would also include an integrated community center for both public and private use programmed in coordination with the Bethel African Methodist Episcopal Church. This would help provide a strong community connection for both the development and current landowner. Displaced parking could be provided for through a variety of strategies including the creation of a district-wide shared parking network, Sunday van shuttling service, or nearby parking agreement.

TABULATIONS

2-Story senior housing development with shared community space and 3 story townhomes

Senior Units:	34 Units
Townhouse Units:	8 Units
Parking:	34 Surface Spaces 8 Townhouse
Considerations:	-Redevelopment agreement with AME church to west - Existing residential 'RM-4 H' zoning does not currently allow for the density shown here

SCALE: 1"=100'



SITE 1C - 223 S CHERRY ST

DEVELOPMENT PROGRAM

The current Amtrak station is located to the west of the tracks to take advantage of the existing rail siding. This proposal sites the new transportation hub above the rail line to take advantage of the City-owned redevelopment site to the west of the tracks and avoid acquisition of additional right of way for siding modifications. This new facility will have a strong impact on public perception of rail travel in celebrating the importance of the station as a gateway to San Antonio. The redevelopment of this site would allow for residential and commercial program to be created in coordination with the new station as a truly transit-oriented mixed-use development. Additionally, there is further TOD opportunity present through integration with the Thompson Transit Center RFQ.

TABULATIONS

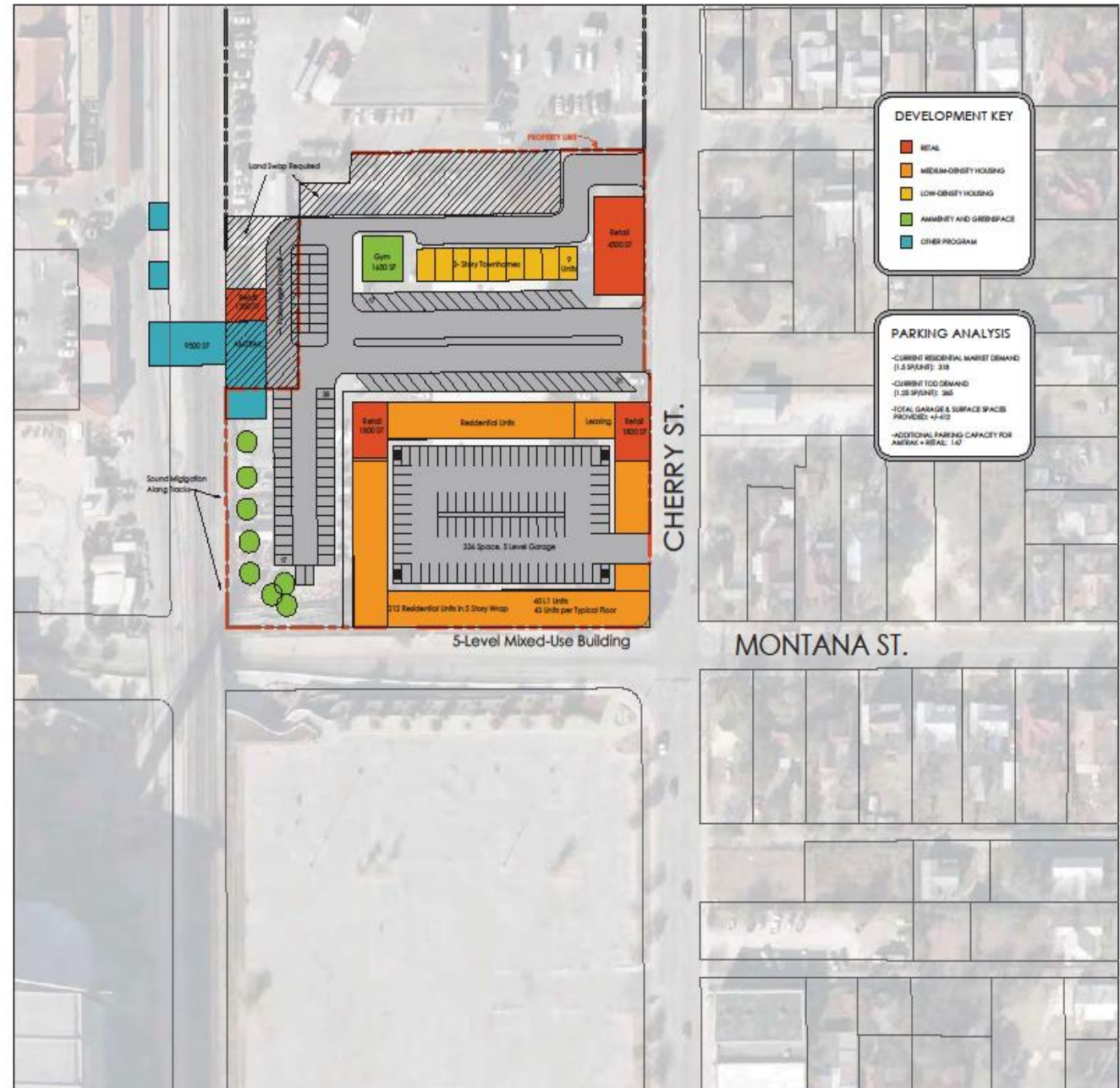
Mixed Use TOD Development with retail, 5-story multifamily, townhouses and Amtrak station

Residential Units:	212 Units
Retail:	9300 SF
Amtrak:	9500 SF
Total Shared Parking:	412 Spaces

Considerations:

- Redevelopment agreement with COSA
- Land swap shown with RK Group to north
- Adjacent Thompson Transit Center RFQ

SCALE: 1"=100'



SITE 2A - EAST POINT OFFICE DEVELOPMENT

DEVELOPMENT PROGRAM

This proposal presents a diverse development opportunity on an aggregation of smaller available and underutilized sites at a critical juncture in the New Braunfels corridor. The project is located at a high-visibility intersection for motorists headed from Government Hill south across the New Braunfels bridge to serve as a gateway into the community and a beacon of corridor improvements to come. The East Point office development would do well to house SAGE's new office, a Café Commerce-type program and co-work office space to help pull the creative class into the neighborhood. The office building could be developed in conjunction with new live-work units to create a vibrant neighborhood hub that utilizes shared-parking to minimize surface lot space counts and maintain an appropriate neighborhood scale.

TABULATIONS

3-Story office +retail development with 2-story live-work residential spaces and shared surface parking

Retail:	3000 SF
Office:	13500 SF
Live/ Work Spaces:	6 Units
Total Parking:	42 Spaces

Considerations:

-13 required shared-use parking stalls OR
COSA-approved parking reduction for this scenario

SCALE: 1"=60'



SITE 2B - ADAPTIVE REUSE

DEVELOPMENT PROGRAM

Again, minimum parking requirements play a critical role in the redevelopment potential of sites on neighborhood-scale commercial corridors throughout the near east side. This proposal demonstrates the ability to mix compatible uses within a single development to minimize parking requirements and maximize development potential. The historic buildings are adapted for creative office space to pull in a strong neighborhood base and help support some small corner retail. Live-work units are also located on the site to create a clustering of creative-class professionals that could begin to seed a larger progressive growth. These redevelopment sites are also at a critical gateway to the new Choice Neighborhood development formerly known as Wheatley Courts to the east. This project would help meaningfully connect their community by symbolizing the growing network of opportunity throughout the district.

TABULATIONS

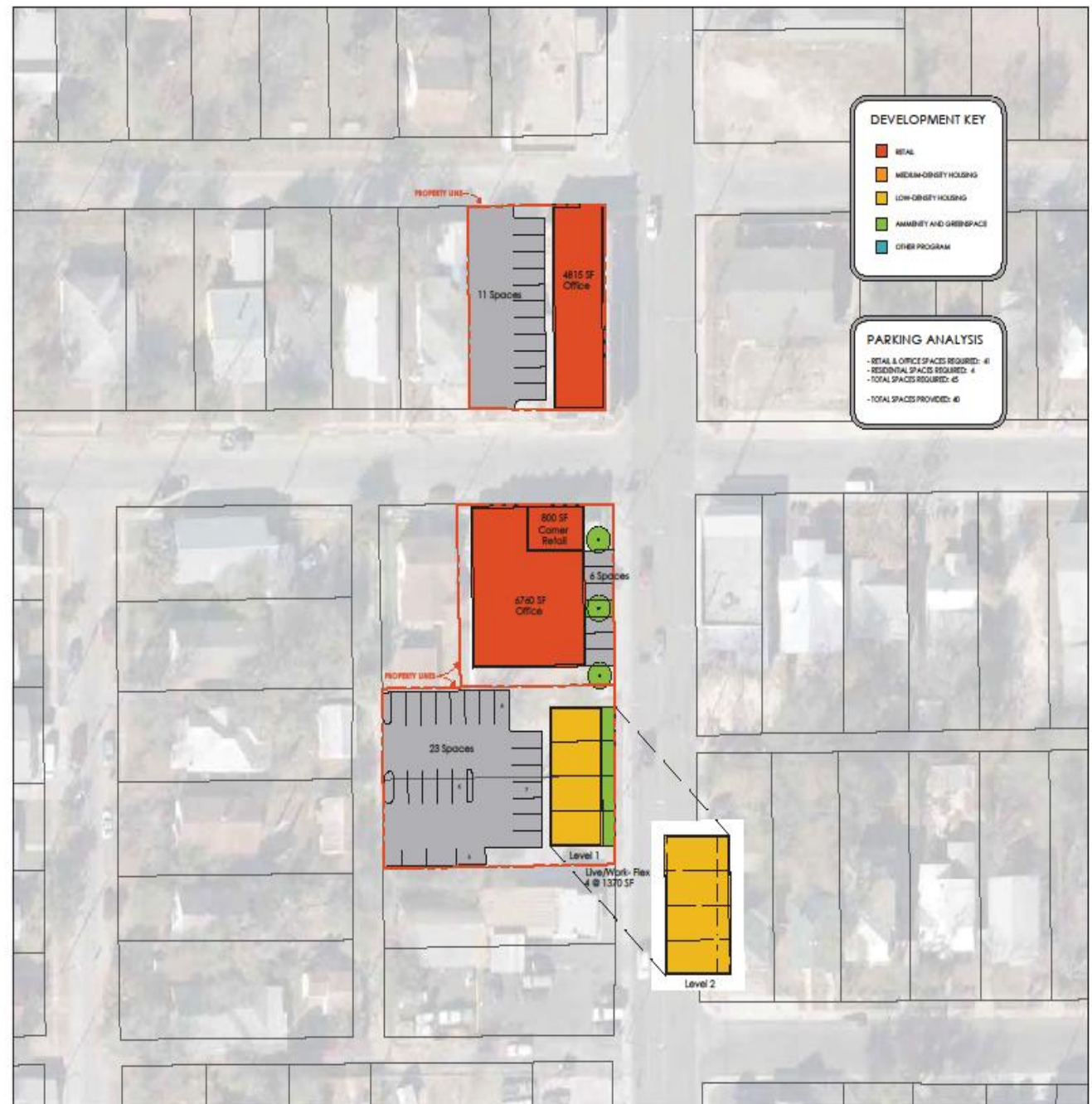
Adaptation of existing historic buildings with new 2-story live/work units and shared surface parking

Office Space:	11575 SF
Corner Retail:	800 SF
Live/ Work Units:	4 Units
Total Parking:	40 Spaces

Considerations:

- 5 required shared-use parking stalls OR COSA-approved parking reduction for this scenario
- COSA approval of existing head-in parking off New Braunfels Required

SCALE: 1"=60'



SITE 2C - URBAN INFILL

DEVELOPMENT PROGRAM

St. Phillips College is an important anchor centering the East Side and has expressed strong interest in their Commerce St presence for the connectivity to downtown and the city beyond. This site near Walters and Commerce is ideally located to make a statement for St. Phillips and UIW while also testing the viability of a new building typology in this area. Retail use on the site could have great potential as a family-operated community-oriented restaurant such as Pancake Joes to help tie the adjacent student populations in with other surrounding community patrons. This use could be combined with a small amount of student housing to incubate the idea of non-commuting students and help minimize the amount of parking required for the development.

TABULATIONS

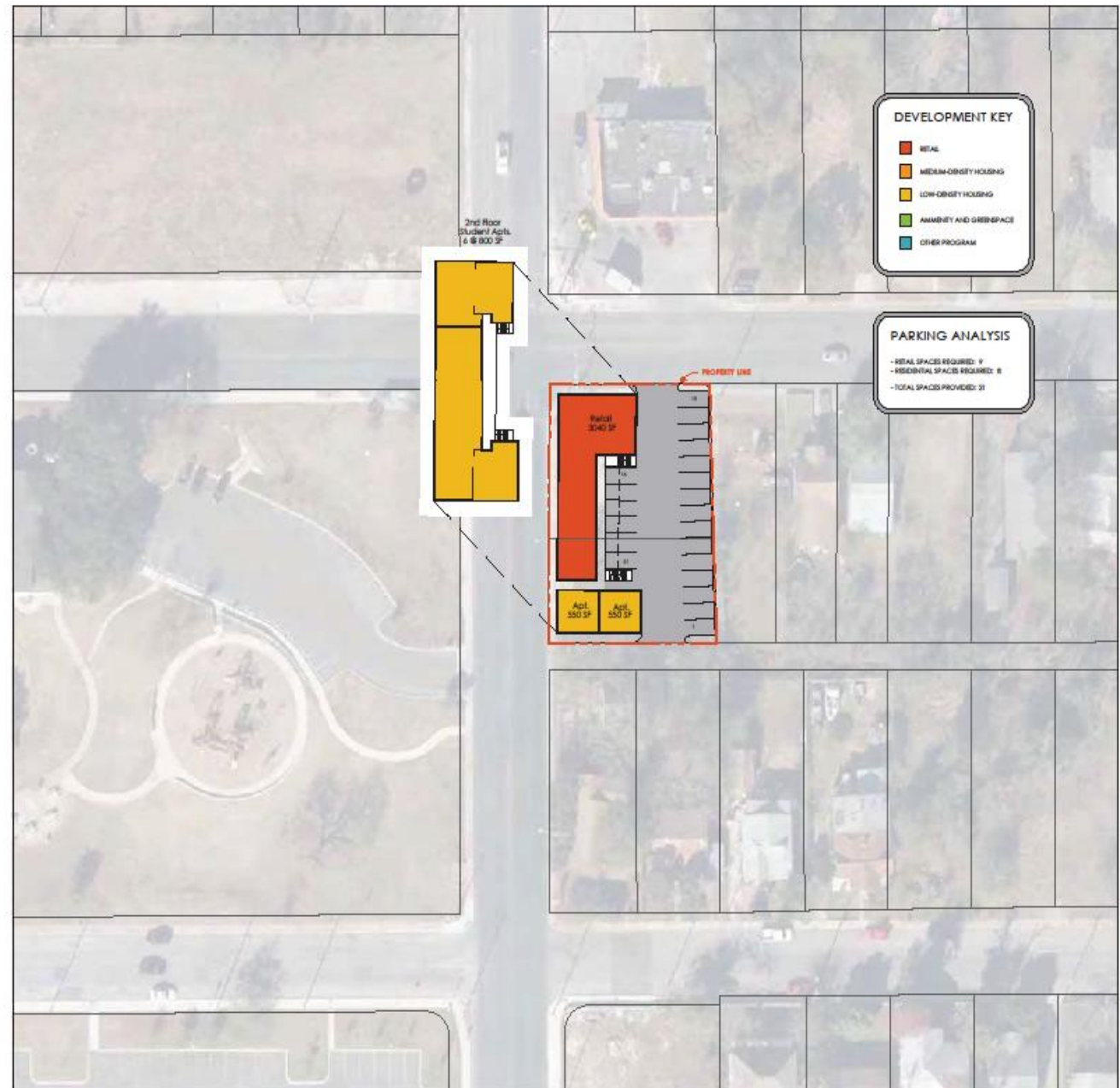
2-Story retail and student housing development with shared surface parking

Retail:	3040 SF
Residential:	8 Units
Total Parking:	21 Spaces

Considerations:

- Accessible units required for 2- Story development
- Shared parking with nearby St. Phillips surface lot may be possible for additional Retail

SCALE: 1"=60'



SITE 3A - NEIGHBORHOOD COMMERCIAL CENTER

DEVELOPMENT PROGRAM

Although smaller than the other sites identified within this sub-area, the site presents a very straight-forward development opportunity along IH10 between the city center and East Side communities. Ideal programming for this type of site would include a medium-scaled community market in combination with a flagship credit union. Both of these typologies would help improve under-served community access to high-quality services.

TABULATIONS

Small single-story community retail center

Mercantile Retail: +/- 43,500 SF

Feature Pad Sites: 1

Considerations:

- Additional opportunities immediately surrounding IH-10 may be possible
- Consider proposal of development agreement with COSA for IH-10 intersection

SCALE: 1"=100'



SITE 3B - LARGE SCALE COMMERCIAL CENTER

DEVELOPMENT PROGRAM

This site is located at a highly-trafficked intersection along IH-10 and a major cross street that offers a premium large-scale retail development opportunity. With 50+ acres of land located on a primary highway corridor into the city, this would be an ideal candidate for development at the nexus of downtown, the surrounding neighborhood and rural users. A small-scale, carefully curated theater could help anchor the center and provide a community hub.

TABULATIONS

Large single-story retail power center development with accompanying pad sites

Retail & Entertainment: 185,000 + SF

Pad Sites: 8

Considerations:

- Northern triangular portion of site as first phase with southern triangle to follow as phase II may help implementation.
- Flood Plain Constraints

SCALE: 1"=500'



SITE 3C - LARGE SCALE MIXED USE DEVELOPMENT

DEVELOPMENT PROGRAM

A substantial amount of greenfield development area is present between Loop 410 and nearby commercial corridors. These areas are also located at the mouth of the ever-expanding IH35 corridor which serves as a critical entry point to San Antonio from a range of nearby cities to the North. With the expansive development opportunity comes a range of possible programs with likely candidates in retail, single-family residential and multi-family communities. The project could be easily phased to include a first wave of residential development to create a strong base for phase-2 retail.

TABULATIONS

Large Multifamily and single-story retail power center development with accompanying pad sites

Retail: 350000+ SF

Pad Sites: 10

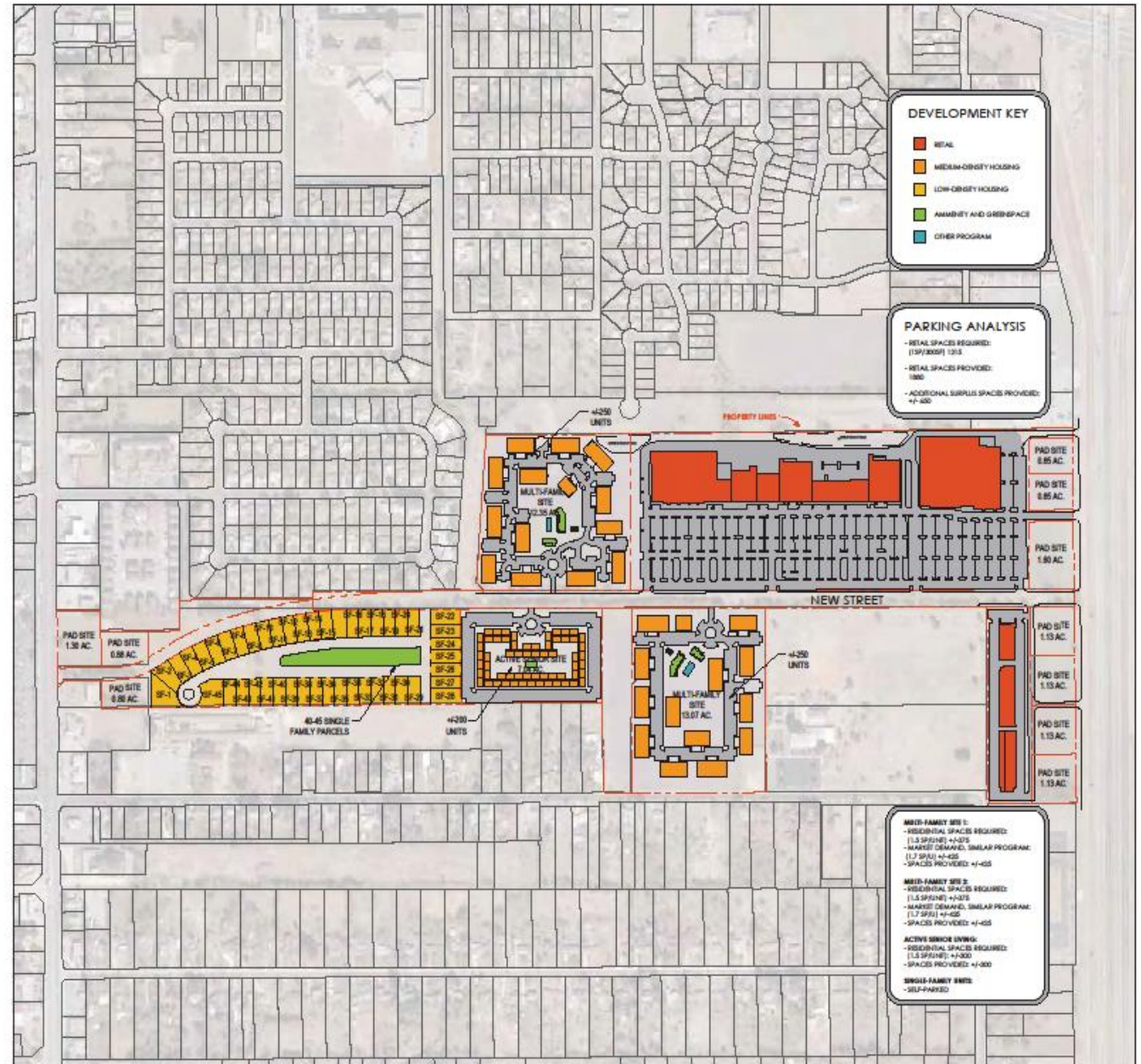
Residential: +/- 600 Units

Senior Housing: +/- 175 Units

- Considerations:

- Highly varied ownership of many parcels
- Phase I multifamily and small retail development with large retail phase II
- Copernicus Park proximity + improvement

SCALE: 1"=500'



APPENDIX K: MODEL ASSUMPTIONS

Construction Cost Assumptions

Program Use	Office	Large-Format Retail	Neighb. Retail	TOD Resi. Rental	Low-Scale Resi. Rental	Resi. Condo
Construction Costs						
Hard Costs	\$120	\$120	\$110	\$150	\$100	\$115
Soft Costs	\$24	\$24	\$22	\$30	\$20	\$23
Total Construction Costs	\$144	\$144	\$132	\$180	\$120	\$138
Land Costs	\$30	\$35	\$30	\$35	\$35	\$35
Gross-to-Net SF Ratio	0.85	0.85	0.85	0.85	0.85	0.85

Cost Sources: Conversations with local developers and government officials, CoStar, HR&A analysis of precedent deals

Development Market Assumptions

Program Use	Office	Large-Format Retail	Neighb. Retail	TOD Resi. Rental	Low-Scale Resi. Rental	Resi. Condo
Revenues						
Rent (PSF/Yr)	\$23	\$25	\$18	\$14	\$13	N/A
Sale Price (PSF)	N/A	N/A	N/A	N/A	N/A	\$944
Vacancy Cntgcy.	15%	10%	10%	5%	5%	N/A
Operating Costs (for Gross Rev. Uses)						
RE Taxes (\$ PSF)	\$4	\$6	\$4	\$2.25	\$1.80	N/A
Other Operating	\$9	\$12	\$9	\$1.91	\$2.14	N/A
Total Operating Costs	\$13	\$17	\$13	\$4.16	\$3.94	N/A
Timing						
Lease-Up/Sale Period	16 Mo.	12 Mo.	12 Mo.	9 Mo.	9 Mo.	18 Mo.
Stabilization	Mo. 36	Mo. 36	Mo. 36	Mo. 36	Mo. 36	Mo. 42
Leasing Costs						
T/Is	\$35	\$45	\$35	N/A	N/A	N/A
Exit Assumptions						
Exit Month	Mo. 120	Mo. 120	Mo. 120	Mo. 120	Mo. 120	Mo. 120
Exit Sale Costs	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Market Sources: Conversations with local developers and government officials, CoStar

Loan Assumptions

Category	Construction	Permanent
Loan-to-Cost	60.00%	65.00%
Lender's Points	1.00%	1.00%
Loan Closing Costs	1.00%	1.00%
Interest Rate	6.00%	6.00%

Loan Sources: HR&A analysis of industry standard financing

APPENDIX L: CODE VIOLATION DESCRIPTIONS FOR LAND DATABASE TOOL⁶¹

Code Violation Descriptions

- Large Chronic Dump Sites
- Absentee Property Assessment/Posting
- Small Isolated Dump Sites
- Dangerous Premises
- Certificates of Occupancy
- Permits, Building
- DART Preliminary Inspection
- No Sewer Connections
- ADA Obstructions
- Zoning Business in Resident Area
- Zoning District Requirement
- Zoning: Illumination
- Zoning: Mobile Homes
- Zoning: Multi.-Fam. In Single Zone
- Zoning: Outside Storage
- Zoning: Oversized Vehicles
- Zoning: Salvage Yards
- Zoning: Setbacks
- Zoning: Vehicles over $\frac{3}{4}$ Ton
- Zoning: Visual Obstructions

⁶¹ Courtesy of MIG

APPENDIX M: PARCEL DATA FIELD DESCRIPTIONS FOR LAND DATABASE TOOL⁶²

Parcel Data Fields

Filter Category: Vacant, Neglected, and Underutilized

Fieldname: VACANT

Description: Parcels with nonzero assessed land value and zero assessed structure value (excluding parks, right of ways, and some exempt property identified by HR&A such as property owned by community groups).

Fieldname: UNDERUTILIZ

Description: Underutilized (Improvement Value / Land Value <1

Fieldname: VACBLDG

Description: Vacant building violation

Fieldname: VIOVACLOT

Description: Parcel that has received a serious code violation in the past 5 years. See Appendix L for full list of code violations

Filter Category: Zoning

Fieldname: BASEZONE

Description: Zoning of the parcel

Calculated by: Spatial Join in ArcGIS (ArcToolbox->Analysis Tools->Overlay->Spatial Join)

Inputs:

Target Feature: Parcel shapefile

Join Feature: Zoning shapefile

Parameters:

Join Operation: JOIN_ONE_TO_ONE

Match Option: HAVE_THEIR_CENTER_IN

Additional Information:

<http://docsonline.sanantonio.gov/FileUploads/dsd/Examplespermitteduses.pdf>

Source: <http://www.sanantonio.gov/GIS/GISdata>

Fieldname: ANA_ZONE

Description: Summary of BASEZONE

Inputs: BASEZONE Field

Values:

'Arts and Entertainment District' IF BASEZONE in ('AE-1' 'AE-2' 'AE-3' 'AE-4')

Commercial IF BASEZONE in ('C1' 'C2' 'C2NA' 'C2P' 'C3' 'C3NA' 'C3R')

'Office' IF BASEZONE in ('D' 'O1' 'O2')

'Other (NC, FBZ)' IF BASEZONE in ('FBZ T6-1' 'NC')

'Industrial' IF BASEZONE in ('I1' 'I2' 'L')

⁶² Courtesy of MIG

'Residential' if BASEZONE in ('IDZ' 'MF18' 'MF25' 'MF33' 'MH' 'R20' 'R4' 'R5' 'R6' 'RE' 'RM4' 'RM5' 'RM6')

'Neighborhood Preservation' if BASEZONE in ('NP-10' 'NP-15')

'UZROW' if BASEZONE in ('UZROW')

Fieldname: RES_ZONE

Description: Summary of BASEZONE. A subset of residential zoning for purposes of parcel selection

Inputs: BASEZONE Field

Values:

'Residential' if BASEZONE in (R20, R4, R5, R6, RM4, RM6)

'Other' if BASEZONE NOT in (R20, R4, R5, R6, RM4, RM6)

Fieldname: Residential

Description: Summary of BASEZONE

Inputs: BASEZONE Field. A subset of residential zoning for purposes of parcel selection

Values:

1 if BASEZONE in (R20, R4, R5, R6, RM4, RM6)

0 if BASEZONE NOT in (R20, R4, R5, R6, RM4, RM6)

Filter Category: Historic District

Fieldname: INHISTORIC

Description: Equals 1 if the parcel is in an historic district

Calculated by: Spatial Join in ArcGIS (ArcToolbox->Analysis Tools->Overlay->Spatial Join)

Inputs:

Target Feature: Parcel shapefile

Join Feature: Historic District Shapefile

Parameters:

Join Operation: JOIN_ONE_TO_ONE

Match Option: HAVE_THEIR_CENTER_IN

Source: <http://www.sanantonio.gov/GIS/GISdata>

Filter Category: Income

Fieldname: AMI60

Description: Average Median for the San Antonio-New Braunfels MSA is \$63,400 (see source below). This field equals 1 if the AMI of the Census Block Group is 60% or less of the MSA average ($60\% * \$63,400 = \$38,040$) and 0 otherwise.

Source:

http://www.huduser.gov/portal/datasets/il/il15/IncomeLimitsBriefingMaterial_FY15_Rev_2.pdf

Filter Category: Size

Fieldname: Acres

Description: Parcel Acres

Source: Bexar County Appraisal District parcel data

APPENDIX N: LIST OF DATA SOURCES USED FOR LAND DATABASE TOOL⁶³

In order to build a current land database tool for SAGE, MIG used the following data resources:

Zoning

Original Filename: Zone.zip

Description: Dataset depicting the Zoning Information in the City of San Antonio. Example permitted uses by zoning code can be found here:

<http://docsonline.sanantonio.gov/FileUploads/dsd/Examplespermitteduses.pdf>

Source: <http://www.sanantonio.gov/GIS/GISdata>

Income By Census Block Group

Description: Median household income in the past 12 months (In 2013 inflation-adjusted dollars)

Source: http://factfinder.census.gov/faces/nav/jsf/pages/download_center.xhtml

Dataset: 2013 ACS 5-year estimates by Block Group within Census Tract

Table: MEDIAN HOUSEHOLD INCOME IN THE PAST 12 MONTHS (IN 2013 INFLATION-ADJUSTED DOLLARS) (ID B19013)

Historic District

Original Filename: HistoricDistrict.zip

Description: Dataset depicting the Historic Districts within San Antonio.

Source: <http://www.sanantonio.gov/GIS/GISdata>

Parcel Data

Source: Bexar County File transfer site: <http://box.bcad.org/main.html>

File: 2014_GIS_Public_Data/Parcels_With_Attributes_Certification.shp

Description: Parcel level data obtained from this shapefile includes parcel size (acres), improvement value, and land value

Code Violation Data

Description: Parcels that have received a building code violation between August 2010 and July 2015.

Source: City of San Antonio Open Records Request: W084626-052715, July 23, 2015

⁶³ Courtesy of MIG



San Antonio Eastside Appendix O Project Kickoff

May 15, 2015

Note: This section was originally conceived as a separate Chapter and restructured into an Appendix for the final report.

Prepared for:
San Antonio for Growth on the Eastside (SAGE)

Prepared by:
HR&A Advisors, Inc.

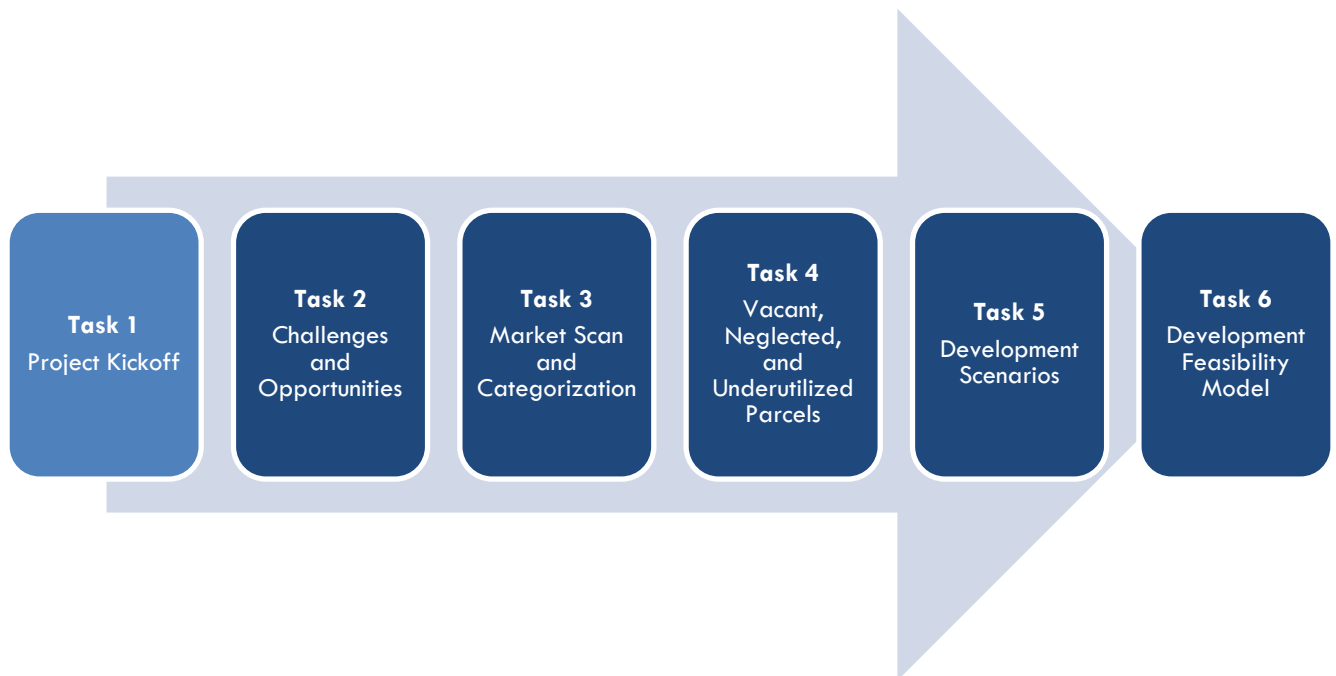
OVERVIEW

HR&A Advisors, Inc. (HR&A) has been engaged by San Antonio for Growth on the East Side (“SAGE”) to complete a 9-month study of catalytic real estate development opportunities in the East Side region of San Antonio. The engagement will result in a set of tools, including an overview of key economic development challenges and opportunities, GIS-based site selection maps, design typologies, and a financial model that will inform level of subsidy required to fill funding gaps. The HR&A Team has mapped six tasks to develop these tools.

The first of these tasks was a Project Kickoff with project stakeholders in early April, which included meetings with SAGE staff, members of the Strategy Committee, and the general public. This report corresponds to this first task.

In this report, we document preliminary findings of the assets, challenges, and opportunities in the East Side in regards to job creation and new private investment based on feedback we gathered during our Project Kickoff. In the next deliverable, we will:

- 1) Expand upon the economic development goals established by SAGE and the City of San Antonio with which we generally concur; and
- 2) Describe preliminary land uses we have identified as critical to the economic development of the EPZ.

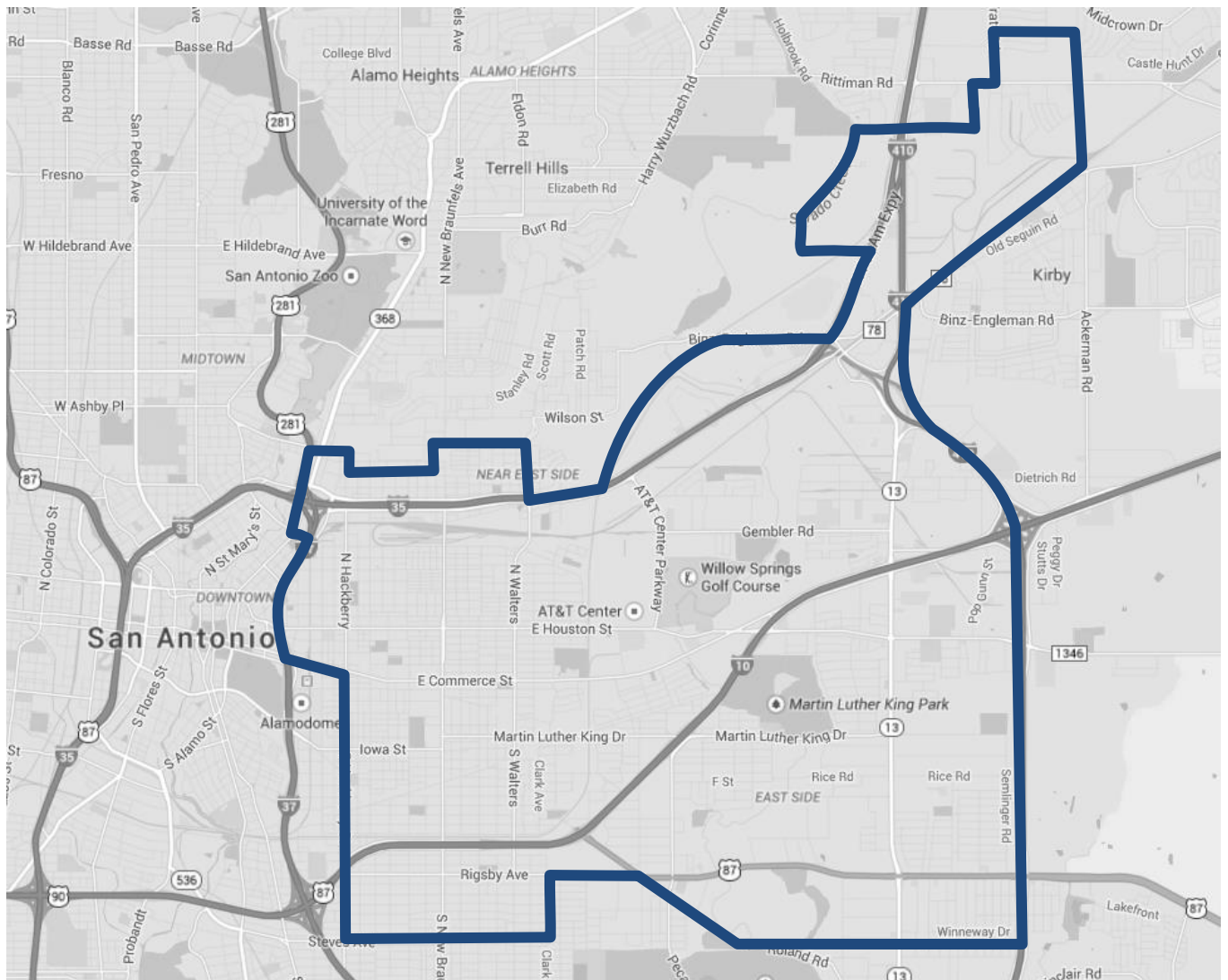


STUDY AREA

The study area for this engagement is the entirety of the Eastside Promise Zone (“EPZ”), an approximately 23-square mile area of just over 64,000 residents.

The area has been assigned multiple local and Federal designations for economic assistance, including the Eastside Promise Neighborhood (EPN) Implementation Grant, the Choice Neighborhood Initiative (CNI) Implementation Grant and two Byrne Criminal Justice Innovation Grants.

Figure 1: Map of EPZ (Source: Google Maps, HR&A)



CLIENT AND COMMUNITY INPUT ON EXISTING CONDITIONS

HR&A has outlined below summaries and conclusions about existing conditions drawn from meetings with three groups: (1) San Antonio for Growth on the Eastside; (2) the Strategy Committee (previously described in HR&A documents as “Committee Steering Committee”); and (3) the general public.

SAGE

HR&A met with Jackie Gorman and Tonya Carpenter from SAGE on April 2, 2015 to initiate the project and discuss their understanding of the challenges and opportunities in the EPZ. SAGE noted that the EPZ faced a number of challenges, but those specific to private investment and job creation include: (1) infrastructure, with particular emphasis on technology infrastructure and transportation, (2) education and workforce development, which are necessary to adequately prepare EPZ residents to pursue job opportunities, (3) an absence of market rate housing and visitation from non-local patrons, which may be necessary to support new retail amenities, and (4) appropriate amenities to support the workforce, such as expanded daycare services and access to quality food.

SAGE has identified three target geographies for new catalytic development that may lead to further private investment and job creation:

- (1) **The New Braunfels Avenue corridor**, which may be well suited for low-rise mixed-use development, including potentially Class A office, ground floor retail, and community workspace.
- (2) **The Thompson Transit Center**, which could anchor new transit-oriented development.
- (3) **The WW White Road corridor**, which may be the most appropriate location for new regional retail clusters. These clusters may need to include large national anchors to stimulate regional interest, as was the case at City Base Landing, which is shadow-anchored by a Walmart Supercenter.

Strategy Committee

HR&A met with approximately half of the Strategy Committee on April 2, 2015 to introduce the project and discuss preliminary thoughts. Committee members agreed that the most important goals for the district include: (1) job readiness and skills training to help better prepare residents and address area unemployment, (2) housing development- both market and affordable - to draw economic diversity to the community, establish a more diverse retail customer base, and offer quality housing to current residents, and (3) commercial development to bring new jobs and economic activity to the community and activate undeveloped or underutilized parcels around the EPZ.

Committee members highlighted that there was promise for many of the goals they identified for the district. The EPZ is (1) home to several impactful institutions that provide for a potentially robust vocational training infrastructure; (2) large plots of open land that are ripe for investment and development from national retailers and local developers; and (3) a high-priority funding target for many federal support programs, offering the opportunity to transform the community with the right catalytic investments.

Members of the Strategy Committee identified challenges that should be acknowledged in our analysis. They frequently referenced: (1) education as a principal challenge, noting that low levels of preparedness may be the most significant hurdle for unemployed residents of the EPZ. They also mentioned: (2) high levels of transience in the community, with families moving frequently between houses, children transferring schools, and often relying on an underground economy; (3) a notable presence of vacant land and homes within the EPZ; and (4) challenging lending requirements, with significant financing gaps across residential and commercial uses.

Public Feedback

HR&A also hosted a public session to provide the broader community with an opportunity to comment on opportunities and challenges in the EPZ. Feedback from these meetings was largely in line with feedback from SAGE and the Strategy Committee. There were a number of common strains in the hopes held for the community by local residents. Most prominently, these included: (1) attracting a more mixed income population to the district, (2) improving the physical state of the neighborhood by repairing housing stock, addressing vacancies, and improving roadways; and (3) creating greater opportunities for employment.

Community members highlighted a number of assets that offer the potential to catalyze change in the EPZ. Chief among these assets are: (1) the vibrant sense of community and well developed civic infrastructure that exists on the East side. Residents also mentioned; (2) the proximity of local job centers, including Fort Sam to the north, the industrial zone to the east, and Downtown San Antonio to the West, which are seen as largely untapped potential sources of employment for the area; and (3) the presence of major attractions across the EPZ, including the Alamodome, the historic districts in East Point, and the AT&T Center.

Despite a wealth of assets, residents feel their community is confronted by a number of pressing challenges that have constrained economic gains in the community. The most pressing concerns related to education. Residents noted: (1) low levels of educational attainment among children and adults, and indicated these issues stemmed in part from the low quality of area schools and ESL programs. There was also concern regarding: (2) social issues such as high crime rates, a tense relationship with local law enforcement, and misrepresentation of the community in the media; (3) limited and inefficient transit services, which isolate the community from the broader San Antonio region; and (4) a general lack of curb appeal in the community, which is an important obstacle to attracting new residents and private investment.

PRELIMINARY FINDINGS OF ASSETS, CHALLENGES, AND OPPORTUNITIES

HR&A has synthesized the findings from the above conversations with additional research, expert interviews, and site visits – for which details will be described in the subsequent report – and identified key assets and challenges in the EPZ and the opportunities borne out of them to catalyze economic activity. Our findings generally fall into six categories that span physical, social, and market factors. These categories include economic factors, social factors, education, housing, infrastructure, and economic development. Though these categories are intended to be considered individually, in some cases they may be linked to one another.

Key Assets

The following assets are currently existing in the EPZ and may be anchors for particular land uses proximate to their location.

- **Economics:** The EPZ is situated in close proximity to the engines of San Antonio's economy, including the Central Business District (Downtown), Fort Sam, and an industrial zone to the east. The Alamodome and AT&T Center also drive significant visitation to the EPZ.
- **Social:** The EPZ has a strong culture of cohesion and civic engagement, with strong community organizations providing leadership to the area's revitalization efforts.
- **Education:** The Alamo Colleges, specifically St. Phillips College, are a valuable resource for higher education, with promising trends in enrollment, graduation and funding across existing vocational programs.
- **Housing:** Government funding grants have been committed to support significant development of mixed-income housing in sites across the EPZ, including the Wheatley Courts and Sutton Oaks development projects.
- **Infrastructure:** Significant existing transit infrastructure is sited in or planned for the EPZ, including the multimodal Thompson Transit Center and a number of highways. Federal funding has been committed to further expand transportation infrastructure throughout the EPZ.
- **Economic Development:** Through entities such as SAGE, a number of existing development incentives and subsidies have led to new investment and helped existing businesses improve the image and productivity of the EPZ. These incentives include SAGE's Store-front Grant Program and the Center City Development Office's real property tax rebates, impact fee waivers, the Inner City Incentive Fund Loan, and environmental assessment grants.

Key Challenges

The following existing challenges may deter new investment in the EPZ.

- **Economics:** Unemployment and poverty rates are higher across the EPZ than the rest of San Antonio, and underemployment and lower incomes challenge the upward mobility of the employed.
- **Social:** Crime rates in the EPZ exceed rates in the rest of San Antonio. When coupled with a heightened public perception of criminality, they impede investment potential. The EPZ's population is also more transient than the rest of San Antonio's, and broad participation in the informal economy makes traditional business development difficult.
- **Education:** Educational attainment in the EPZ is lower than in the rest of San Antonio – 17% of the local population over the age of 25 did not graduate from high school – as are English literacy and job preparedness rates. Transience contributes to high mobility rates in schools, reinforcing the cycle of low education attainment among the youth.
- **Housing:** The housing stock is marked by vacancy rates and concentrations of blight that are higher in the EPZ than across San Antonio. Home ownership levels are lower than the national average, and the supply of quality housing does not meet demand.
- **Infrastructure:** Road networks are not maintained as well in the EPZ as in other parts of San Antonio, and water quality is a prominent concern among residents. Residents are dependent on limited, inefficient public transit systems that drastically lengthen commute times. Internet access is also generally lower in the EPZ than across San Antonio, which limits the economic dynamism that technology can introduce.
- **Economic Development:** High borrowing costs restrict residents' capacity to invest in improved housing or new business, and few incentives target small and medium businesses.

Key Opportunities

Despite the challenges the EPZ faces, its assets combined with policy initiatives and broader economic trends have fostered a number of transformative opportunities.

- **Economics:** The EPZ's proximity to multiple employment centers may offer an opportunity for it attract workers to its neighborhoods and become economically diversified.
- **Social:** Resident and business commitment to improving the EPZ may present a ripe environment for the creation of a neighborhood improvement district.
- **Education:** New charter schools are opening throughout the district, and significant grants have been planned for existing organizations to bolster educational outcomes. Higher education entities like the Bowden Eye Care and Health Institute may be seeking opportunities for expansion into the EPZ.
- **Housing:** Large vacant parcels and low land prices eliminate a traditional hurdle to new development. There is also unmet demand for both market and affordable housing, and federal funds have been committed to support construction of quality housing.
- **Infrastructure:** High-capacity roadways may permit for higher intensity uses such as industrial or regional "big-box" retail in the eastern half of the EPZ.
- **Economic Development:** Large vacant lots offer prime opportunities for national big box retailers and large scale commercial developers to make substantial investments. Low levels of mortgage debt mean that residents will be able to tap the benefit of increasing home values sparked by any successful revitalization. Economic development designations provided by the federal government

make the EPZ a candidate for funding the Ne Markets Tax Credits, the EB5 program, Living Cities, and a number of other important community investment programs.

NEXT STEPS

In our next task, currently underway, we will expand our assessment of the EPZ, develop potential measures of success for economic development goals, and define target land uses for our GIS-based analysis of every parcel in the EPZ. The GIS analysis will feature a matrix of proposed land uses and suggested criteria to identify sites for those uses. This analysis will result in a tool that SAGE can utilize to identify parcels that are well suited for targeted catalytic development.



San Antonio Eastside Appendix P Land Database Methodology

January 22, 2016

Note: This section was originally conceived as a separate Chapter and restructured into an Appendix for the final report.

Prepared for:
San Antonio for Growth on the Eastside (SAGE)

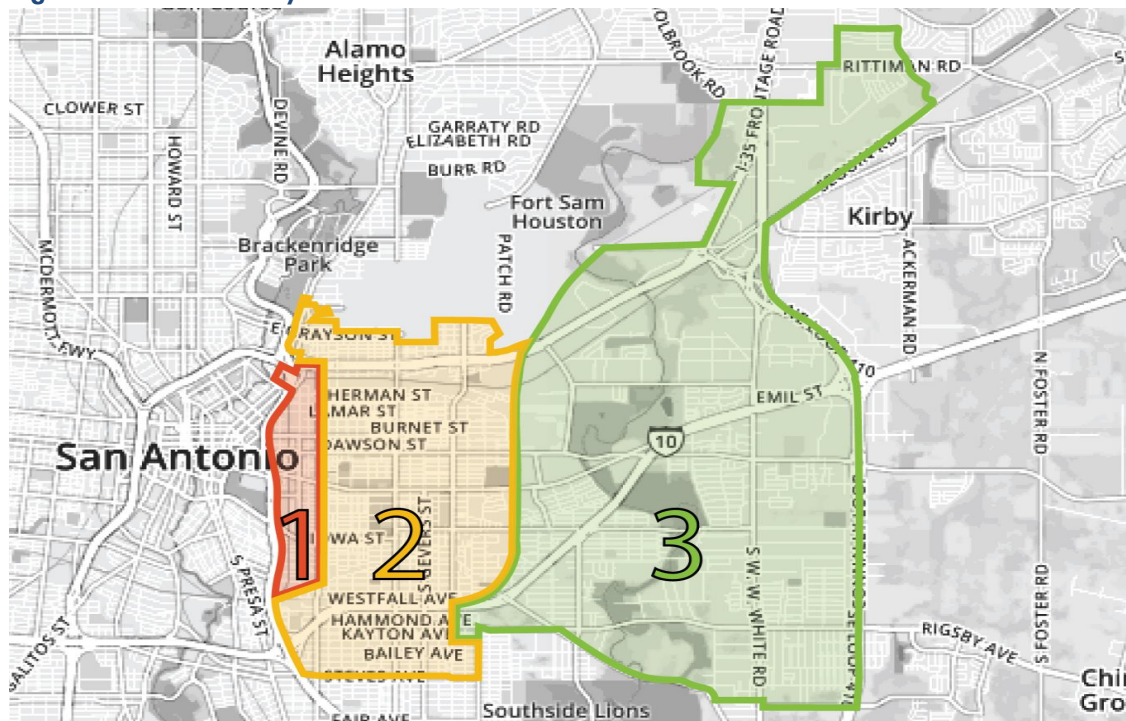
Prepared by:
HR&A Advisors, Inc.

HR&A Advisors and MIG collaborated on creating a web tool to identify vacant, neglected, and/or underutilized land on San Antonio's Eastside. This brief chapter provides information about the online database tool including background information, purpose, data sources used to build the tool, and the functionality of the website.

We have focused our real estate development study into three primary zones within the Eastside Promise Zone, which are depicted in Figure 1 below. Our three zones include the Thompson Transit Center (1), which is closest to downtown San Antonio between I-37 and Hackberry Street, the Near Eastside (2), between Hackberry Street and the rail track, and the Far Eastside (3), between the rail track and I-410.⁶⁴ The website was custom built from scratch using the PHP framework Laravel. It connects with a PostgreSQL database. The parcel data is stored in a zipped ArcGIS shapefile. This shapefile is converted to GeoJSON when the website is loaded, and the parcel data queries are performed client-side using Javascript. The benefit of storing the data in ArcGIS format is the fact that anyone with basic ArcGIS knowledge can modify and upload parcel data.

The online database tool serves as a useful resource for a variety of community members such as SAGE, potential Eastside developers, potential investors, and the general public to easily identify specific land parcels that are vacant, neglected and/or underutilized. This tool supports the initial stages of redevelopment planning and ultimately, may contribute to improved community outcomes on the Eastside.

Figure 1: Eastside Study Zones



MIG structured the website content around vacant, neglected, and underutilized land, which each have their own working definitions. We define vacant sites as parcels with nonzero assessed land value and zero assessed structure value. We have excluded parks, right of ways, and some exempt property identified

⁶⁴ The rail track separates census tracts 1305 and 1306 (to the west) from census tract 1308 (to the east).

by HR&A such as property owned by community groups. We define neglected parcels as parcels that have received a serious code violation in the past 5 years. Examples of serious code violations include chronic dump sites and dangerous premises. A complete list of code violations can be found in Appendix L. Underutilized land is defined as having a total value of less than one when dividing the assessed structure value by the assessed land value. In other words, the land value is greater than any structure currently built there. Finally, we define vacant buildings as parcels that have received a vacant building violation in the past 5 years. See Appendix Q for a map of the Eastside Promise Zone and categorized land parcels.

The website allows users to search for vacant, neglected, and/or underutilized land within the entire Eastside Promise Zone by address, property status, existing zoning, and parcel size. We have also included additional search parameters such as income status and historic district location to allow for more specified searches. We have structured the database's zoning parameters on zoning information from the City of San Antonio. Parcel size is measured by acre as provided by the Bexar Appraisal District. Database users may also choose to search by low income status, defined as the median household income of the census block group that is 60% or less than the median income of the San Antonio-New Braunfels metropolitan statistical area (MSA). For reference, the San Antonio-New Braunfels MSA per capita personal income was listed at \$41,372 in 2014.⁶⁵ One additional search parameter includes prioritizing parcels within or outside of determined historic districts, which have been outlined by the City of San Antonio. A complete list of parcel data field descriptions for the database can be found in Appendix M.

MIG developed the website to allow for a degree of flexibility for both users and administrators. Users can search Eastside land parcels using a variety of parameters while administrators can create additional search filters to allow for specified search capabilities. To allow for customized searches, MIG has created a number of tutorial videos. The tutorial videos can be found [here](#) and cover the following topics:

- Authenticating Users and Changing Access Levels
- How to Upload a Parcel File
- Creating Filter Categories to Run Queries
- Creating a Numeric Filter
- Creating a Boolean Filter⁶⁶
- Creating a Boolean Group Filter⁶⁷
- Creating a Discrete Value Filter

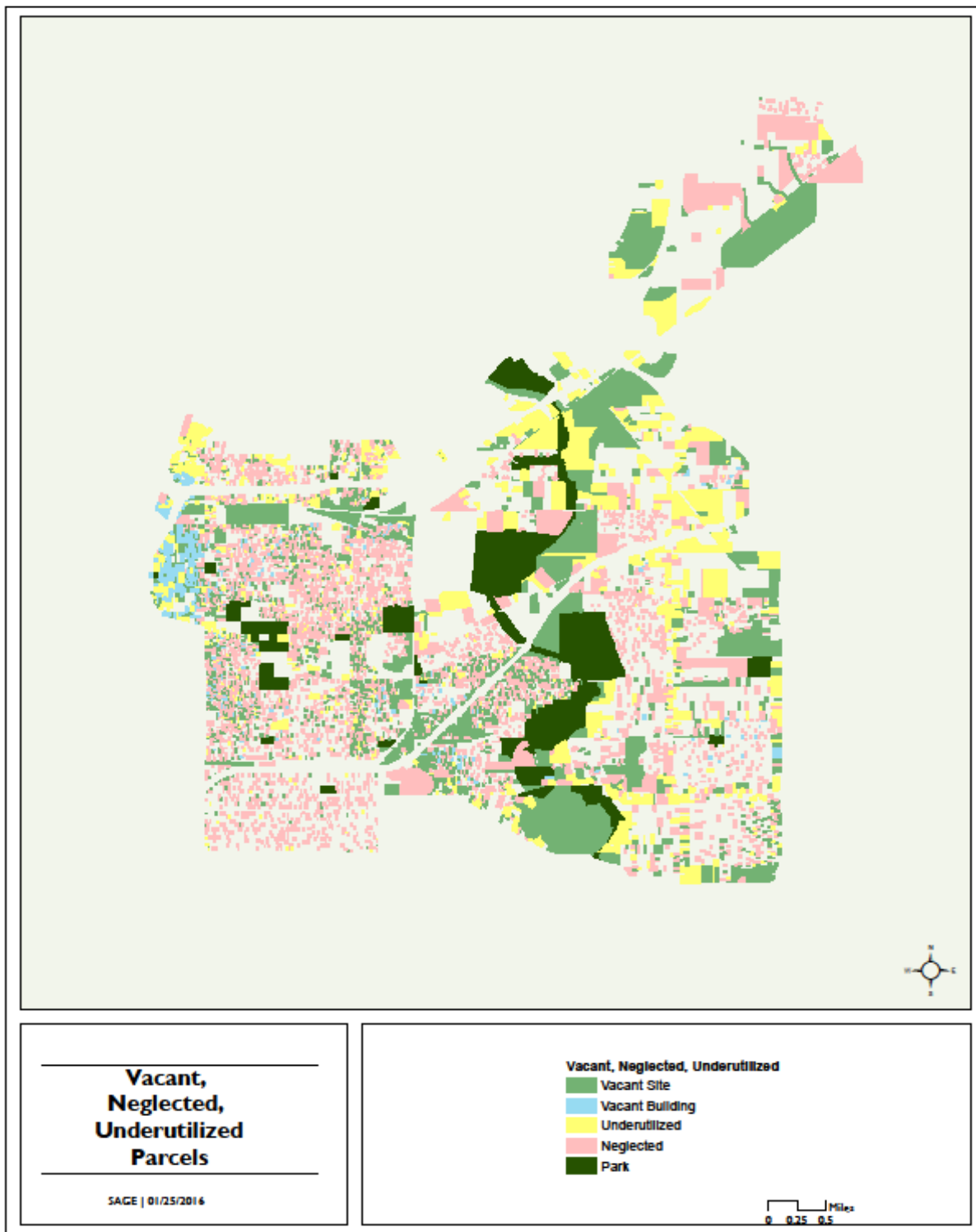
In building the database tool, MIG has incorporated data from a number of sources including the City of San Antonio, Bexar County, Bexar Appraisal District, and U.S. Census Data. See Appendix N for a full list of data sources.

⁶⁵ U.S. Department of Commerce- Bureau of Economic Analysis: San Antonio- New Braunfels, TX (MSA) Bearfacts. <https://www.bea.gov/regional/bearfacts/pdf.cfm?fips=41700&areatype=MSA&geotype=4>

⁶⁶ Boolean filters allow for users to create true/false searches or highlight yes/no attributes. For example, users may create a search filter targeted towards a specific code violation (yes, this parcel received this violation or no, this parcel has not received this violation).

⁶⁷ Within a Boolean Group search filters, a parcel must meet one of multiple chosen fields. Essentially, this sets up an "or" situation where land parcels must meet parameter X or parameter Y or parameter Z, depending on how many aspects are included in the Boolean group filter.

APPENDIX Q: MAP OF EASTSIDE PROMISE ZONE AND CATEGORIZED LAND PARCELS⁶⁸



⁶⁸ Courtesy of MIG