

.....

Tax Increment Financing

.....

Budget Worksession
Presented By: Veronica Garcia, Neighborhood
and Housing Director
September 1, 2026



Tax Increment Financing (TIF)

Authorized by Chapter 311 of the Texas Tax Code to promote economic development in a specific area (Zone)

Funding is used to finance eligible improvements and support development:

- *Capital costs (such as acquisition, public improvements, public works, remediation, and demolition)*
- *Financing & administrative costs*
- *Professional services*
- *Studies benefitting the zone*

City Council adopted the updated TIF Policy in March 2026

- *Prioritized funding to support City objectives including (but not limited to):*
 - *Housing and Affordable Housing*
 - *Transportation and Connectivity*
 - *Arts and Culture*
 - *Economic Development*
 - *Job Training and Education*
 - *Historic Preservation and Placemaking*
- *Addresses Displacement*
 - *No direct displacement*
 - *Displacement Impact Assessment (DIA)*

Tax Increment Financing

How Does TIRZ Work?

- At time of creation, the tax base is frozen
- As development occurs, property values rise and future incremental tax revenue over the tax base is captured in a TIRZ Fund, which finances eligible improvements
- Tax Increment Reinvestment Zones (TIRZ) are time-limited

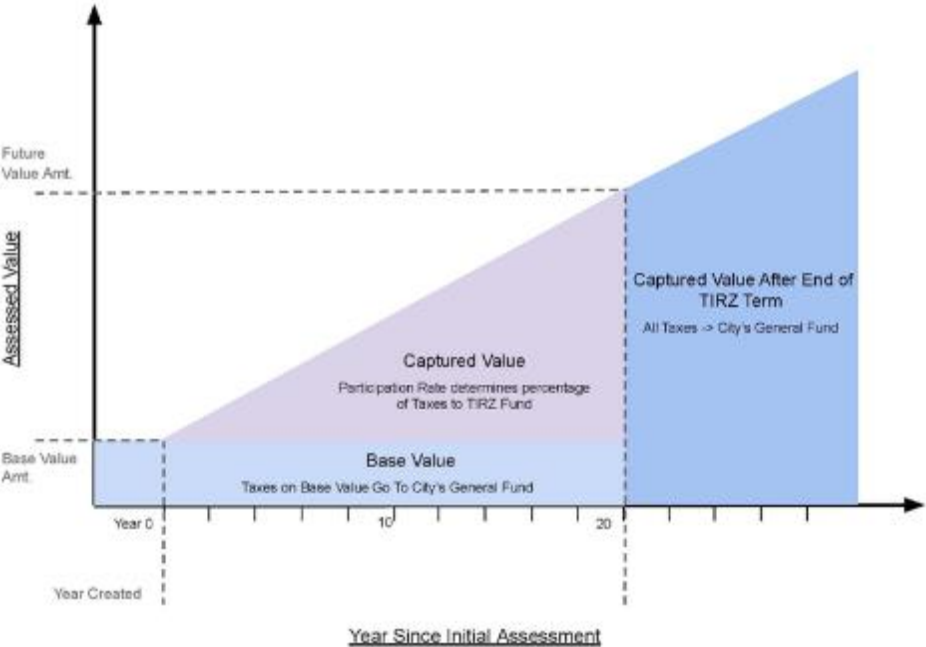
Two Types of TIRZ

- City Initiated
- Petition (Developer) Initiated

Total Property Tax Revenue Contributed To TIRZ Annually

FY 2027 City TIRZ Contribution*

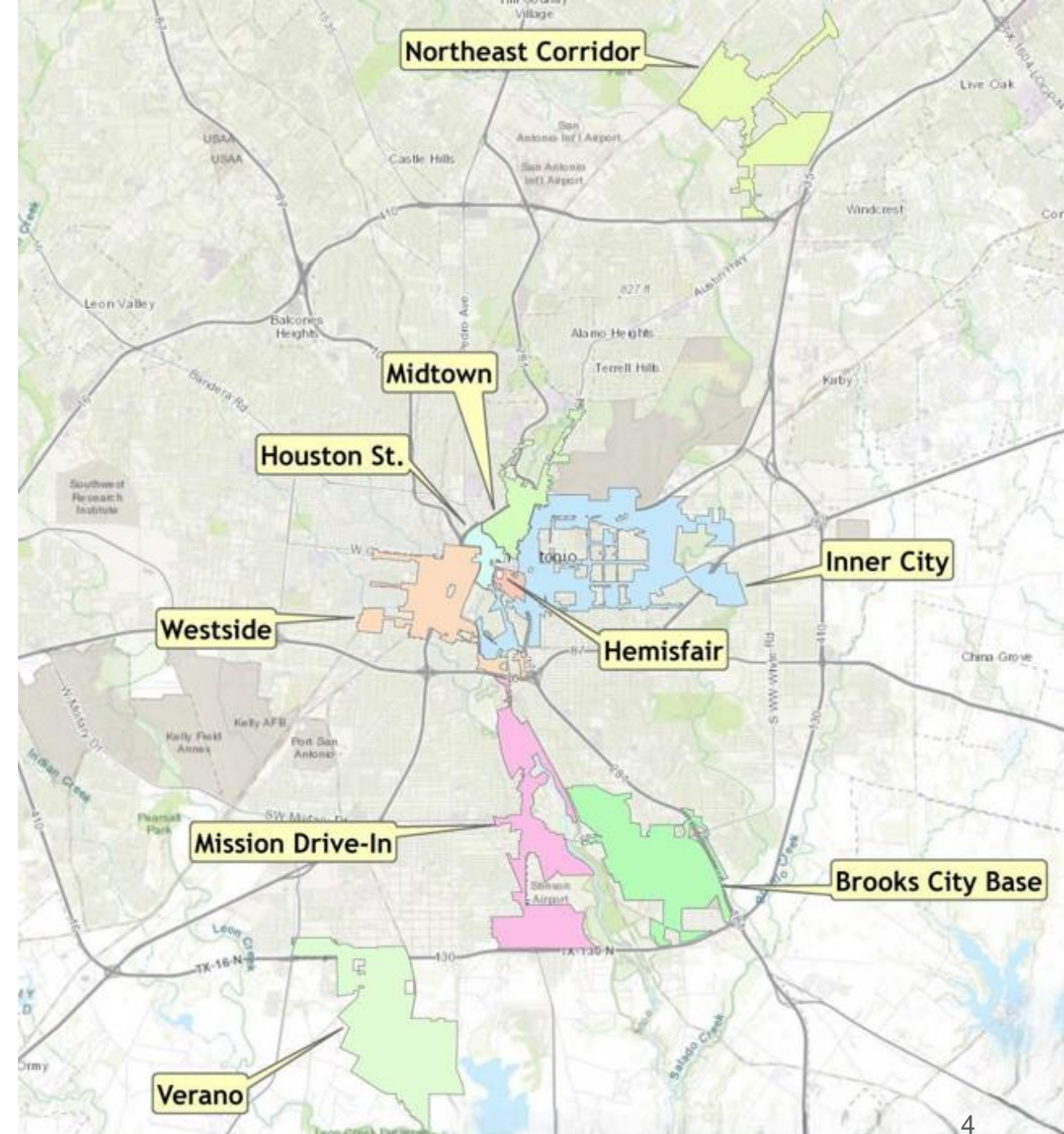
City Initiated TIRZ	Petition (Developer) Initiated TIRZ	Total TIRZ Contribution
\$40,282,038	\$6,346,583	\$46,628,621



*Based on FY 2027 Adopted Budget estimate

City Initiated TIRZ

- *Maximize the benefits of public-private collaboration*
- *Variety of projects supporting City objectives*
- *Each project is considered by the TIRZ Board and City Council*
 - *Board is no less than 7 and no more than 11 members; appointed by City Council*
 - *Each board has at least one City Council member*
- *Chapter 311 allows for funding to be used outside the zone for affordable housing and places of public assembly*



Houston St TIRZ

Term: December 1999 – September 2060

City Council District: 1

Participating Entities: City (100%); Bexar County (100% of O&M)

Approved Projects:

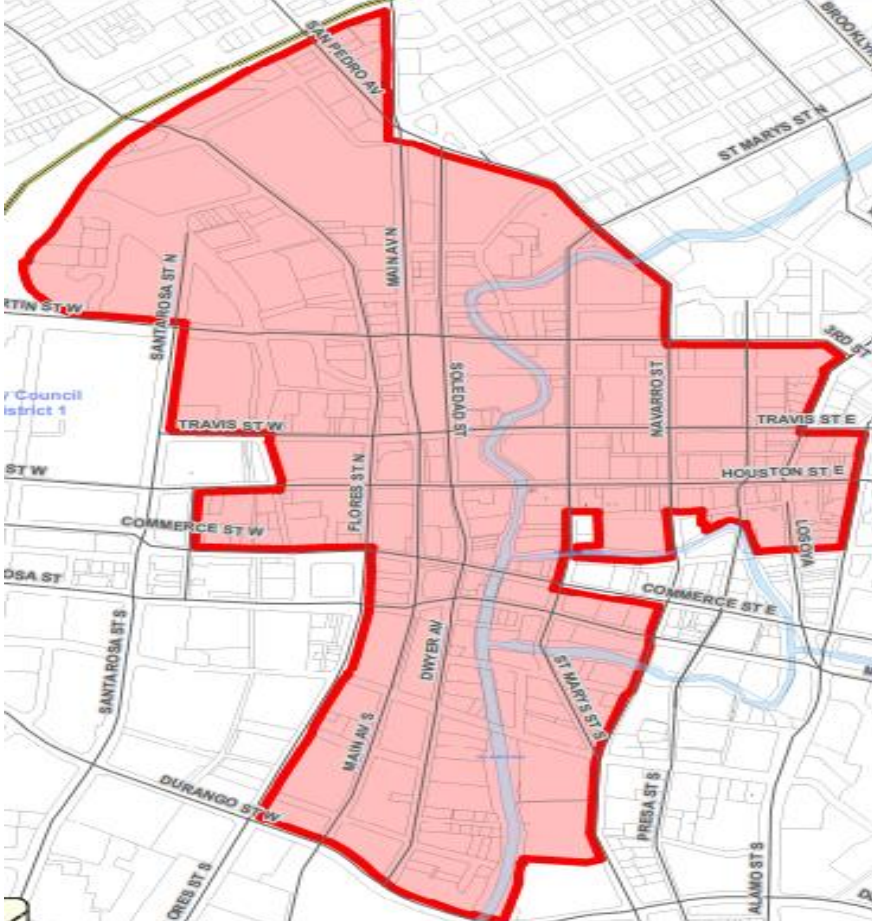
- Downtown Lighting and Activation*
- Corazon Cattleman Square Feasibility Study*
- Alameda Theatre Improvements*
- Artpace Improvements*

Actions for Council Consideration September 10:

- None*

Upcoming Project Considerations:

- Update to Finance Plan for Missions Ballpark Project in which a Non-binding Term Sheet was approved*



FY 2026 TIRZ Balance – City Only	
FY 2026 Beginning Balance	\$2,868,749
FY 2026 Projected Annual Increment & Interest	\$7,179,922
FY 2026 Expenses	\$6,224,545
FY 2026 Ending Balance	\$3,824,126

Inner City TIRZ

Term: December 2000 – September 2035

City Council District: 1, 2, 5

Participating Entities: City (100%)

Approved Projects:

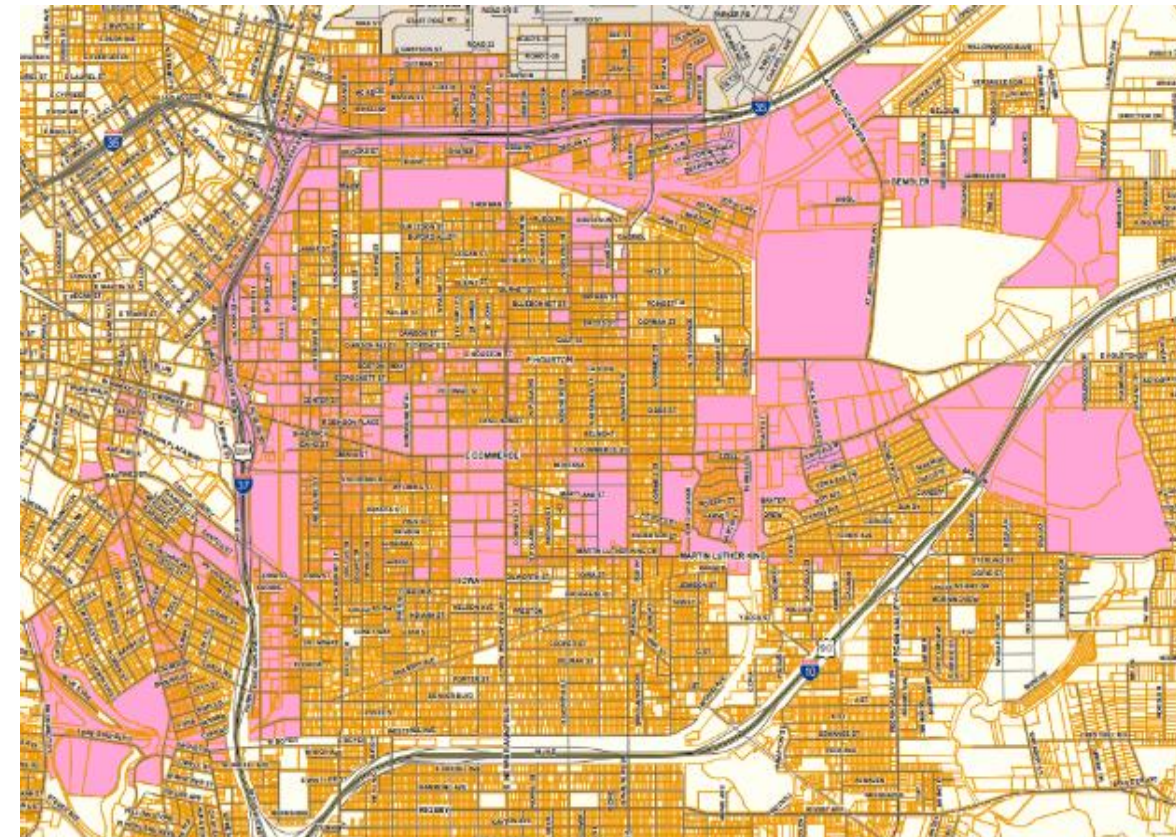
- *Ella Austin Community Center*
- *La Villita & Maverick Plaza Improvements*
- *Midcrown Land Acquisition (SA Housing Trust)*
- *Mahncke Park Improvements and Programming*

Actions for Council Consideration September 10:

- *Extension of term to 2060*
- *District 2 Senior Center and Aquatics Center*

Upcoming Project Considerations:

- *Lonestar*
- *Copernicus Park Design*



FY 2026 TIRZ Balance

FY 2026 Beginning Balance	\$20,755,887
FY 2026 Projected Annual Increment & Interest	\$10,991,779
FY 2026 Expenses	\$27,056,790
FY 2026 Ending Balance	\$4,690,876

Brooks City Base TIRZ

Term: December 2004 – September 2039

City Council District: 3

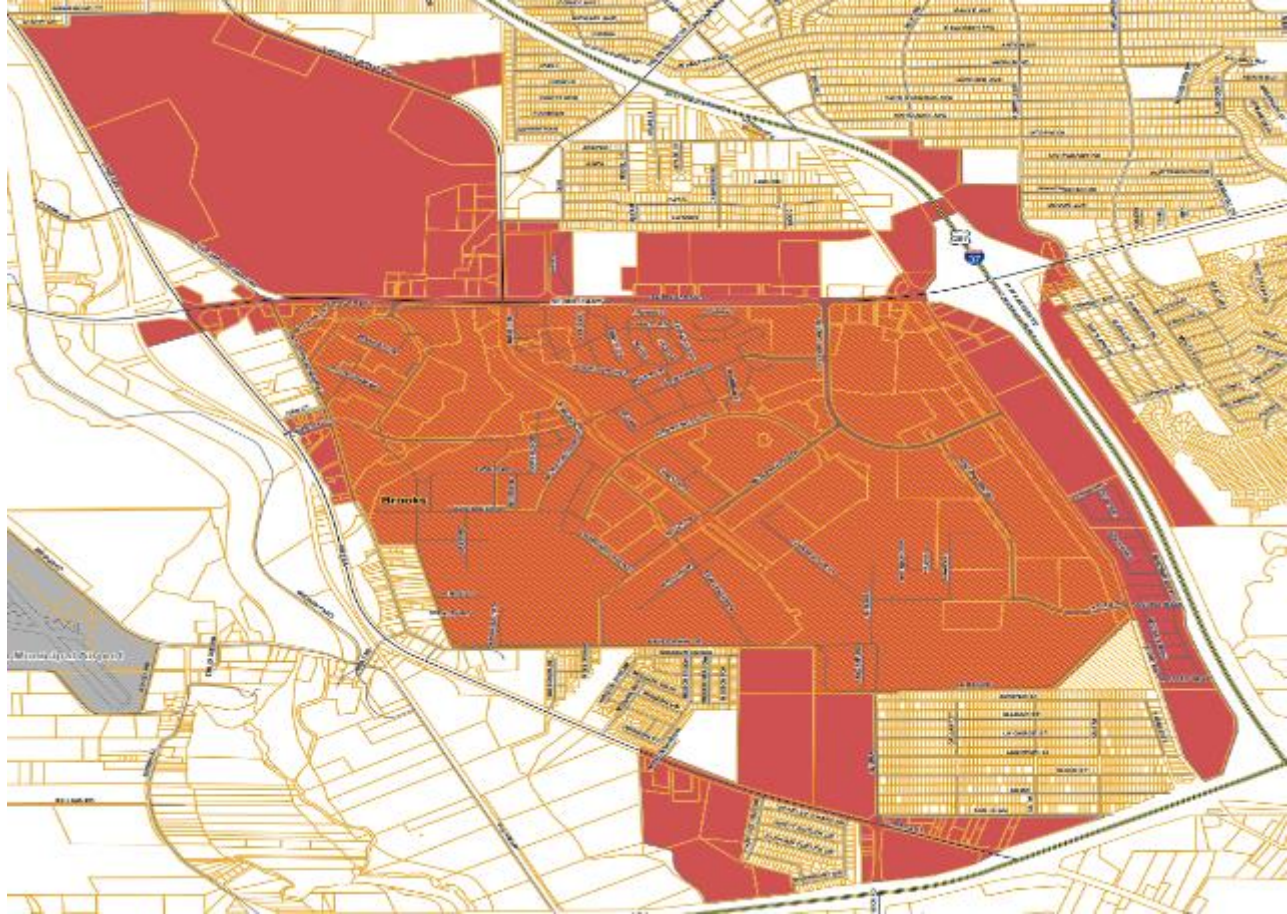
Participating Entities: City (85%)

Approved Projects:

- *Brooks City Base Street Improvements – New Braunfels, Challenger Drive, and Kennedy Hill Drive*
- *Buildings #167 & #176*
- *Support debt used for public improvements to include park and streets*

Actions for Council Consideration September 10:

- *None*



FY 2026 TIRZ Balance	
FY 2026 Beginning Balance	\$432,211
FY 2026 Projected Annual Increment & Interest	\$3,069,697
FY 2026 Expenses	\$3,501,908
FY 2026 Ending Balance	\$0

Verano TIRZ

Term: December 2007 – September 2045

City Council District: 3, 4

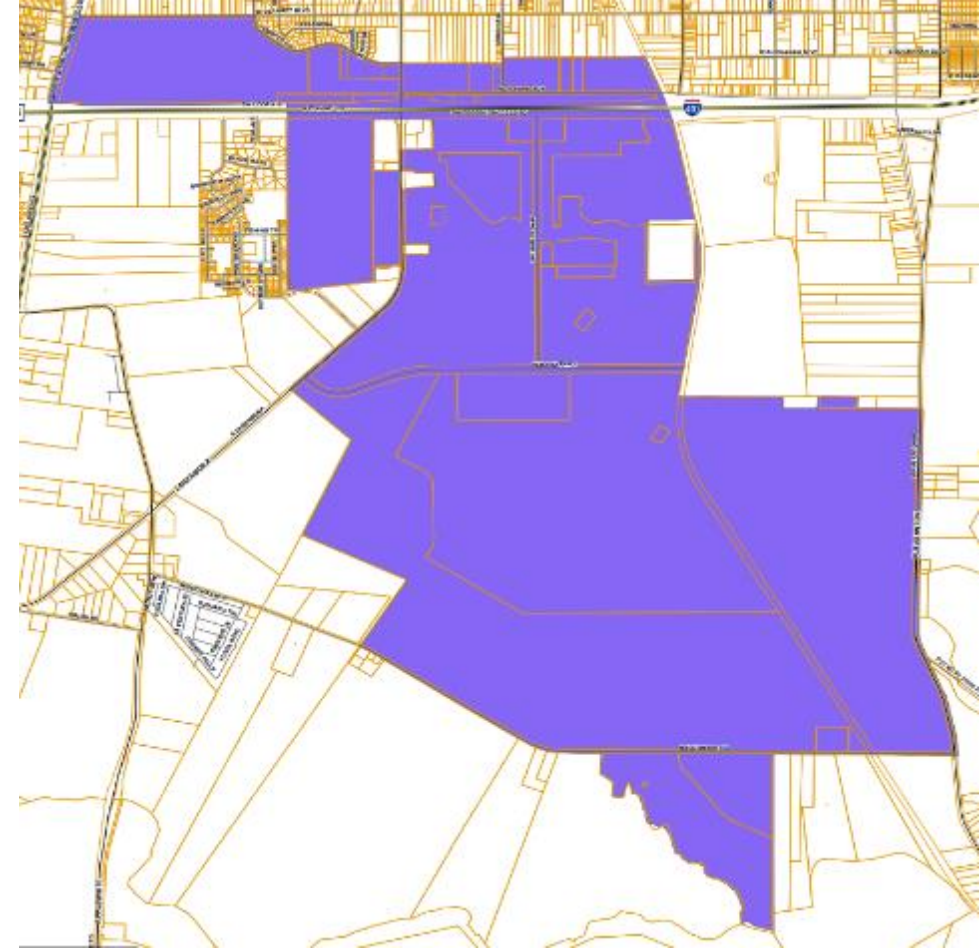
Participating Entities: City (75%); Bexar County (70% of O&M); ACCD (50% of O&M); SARA (60%)

Approved Projects:

- *Public Improvements to support development around Palo Alto and Texas A&M San Antonio*
- *Projects Include: Streets, Drainage, Water, Sewage, Public Infrastructure for Housing and Commercial Development*

Actions for Council Consideration September 10:

- *None*



FY 2026 TIRZ Balance	
FY 2026 Beginning Balance	\$44,713
FY 2026 Projected Annual Increment & Interest	\$795,479
FY 2026 Expenses	\$840,192
FY 2026 Ending Balance	\$0

Mission Drive In TIRZ

Term: December 2008 – September 2027

City Council District: 3

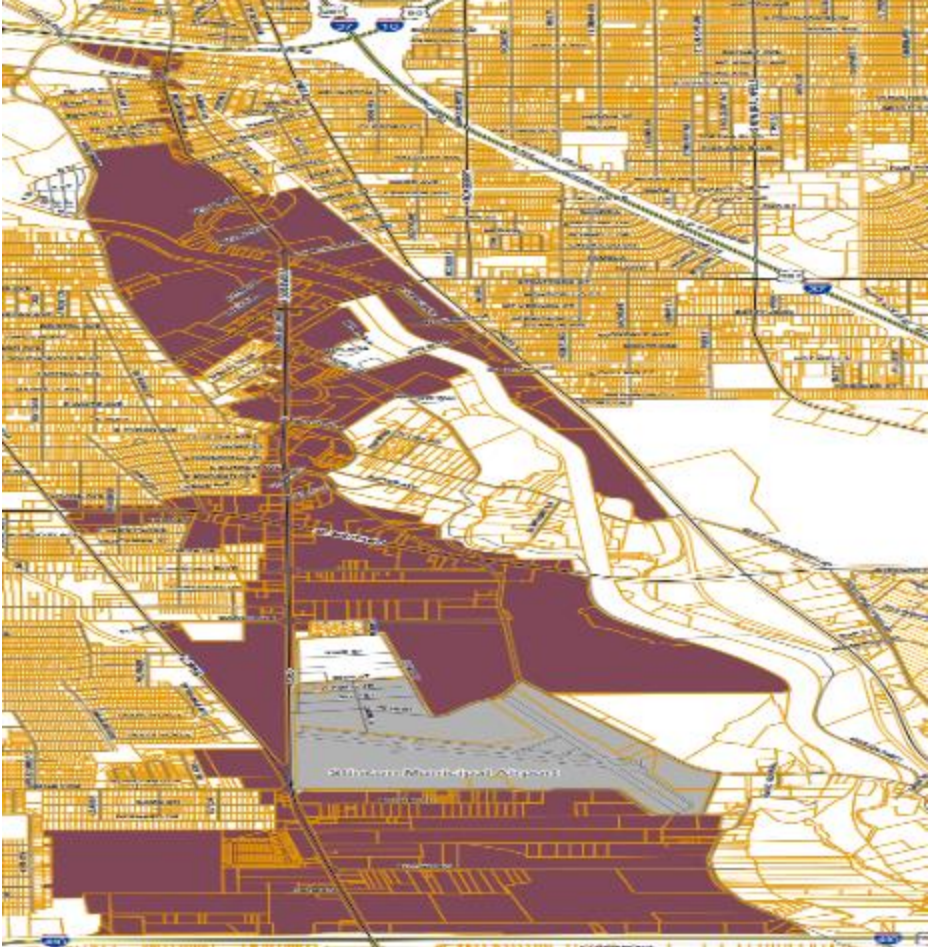
Participating Entities: City (90%)

Approved Projects:

- *World Heritage Campus*
- *San Jose Drive - River to Mission Connectivity Project*
- *Mission Road Sidewalk Connectivity Project*

Actions for consideration September 10:

- *Term Extension to 2060*
- *District 3 Aquatics Facility*
- *World Heritage Pavilion*



FY 2026 TIRZ Balance	
FY 2026 Beginning Balance	\$2,083,549
FY 2026 Projected Annual Increment & Interest	\$1,444,971
FY 2026 Expenses	\$2,323,804
FY 2026 Ending Balance	\$1,204,716

Midtown TIRZ

Term: December 2008 – September 2041

City Council District: 1, 2

Participating Entities: City (100%)

Approved Projects:

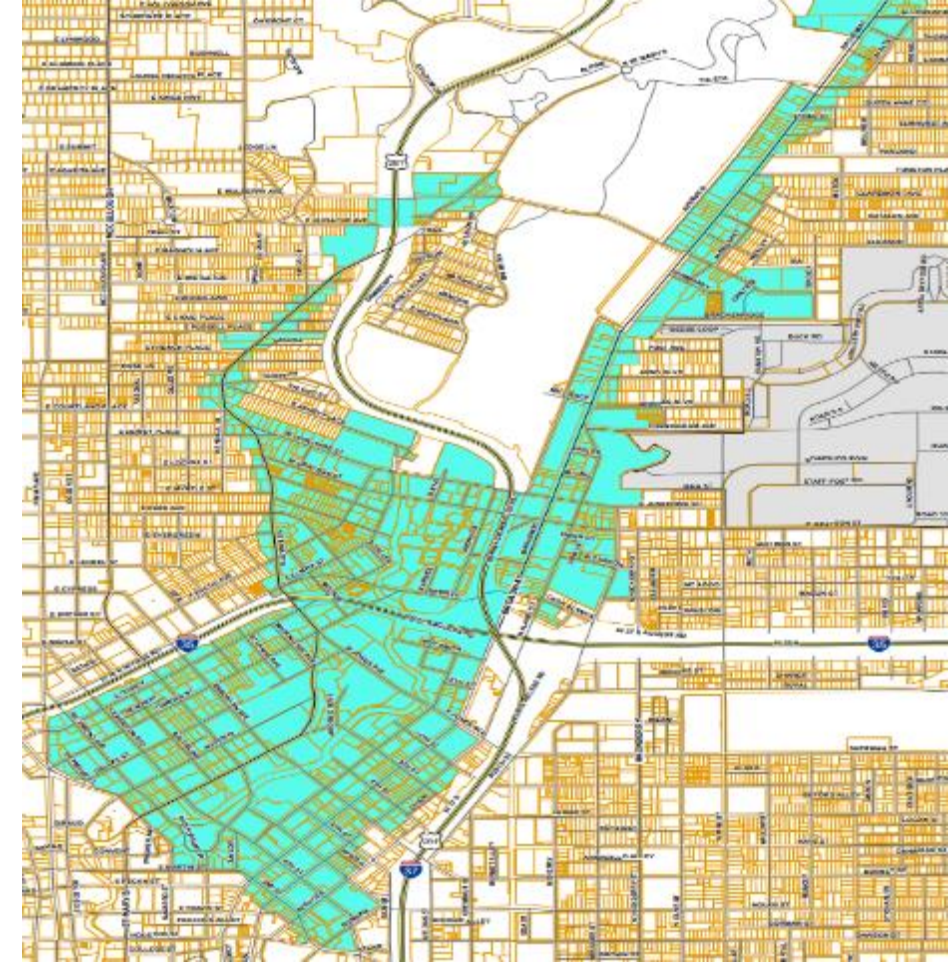
- *Brackenridge Park Naturescape*
- *Witte Museum Improvements*
- *St. Mary's, Ave. B Bicycle Lanes*

Actions for consideration September 10:

- *Term extension to 2060*
- *San Antonio Zoo Improvements*
- *San Antonio Botanical Garden Improvements*
- *Brackenridge Park Improvements and Programming*
- *Purchase of ITC Property*

Upcoming Project Considerations:

- *Jones Ave.*



FY 2026 TIRZ Balance	
FY 2026 Beginning Balance	\$18,640,062
FY 2026 Projected Annual Increment & Interest	\$12,040,269
FY 2026 Expenses	\$19,306,857
FY 2026 Ending Balance	\$11,373,474

Westside TIRZ

Term: December 2008 – September 2060

City Council District: 1, 5

Participating Entities: City (100%)

Approved Projects:

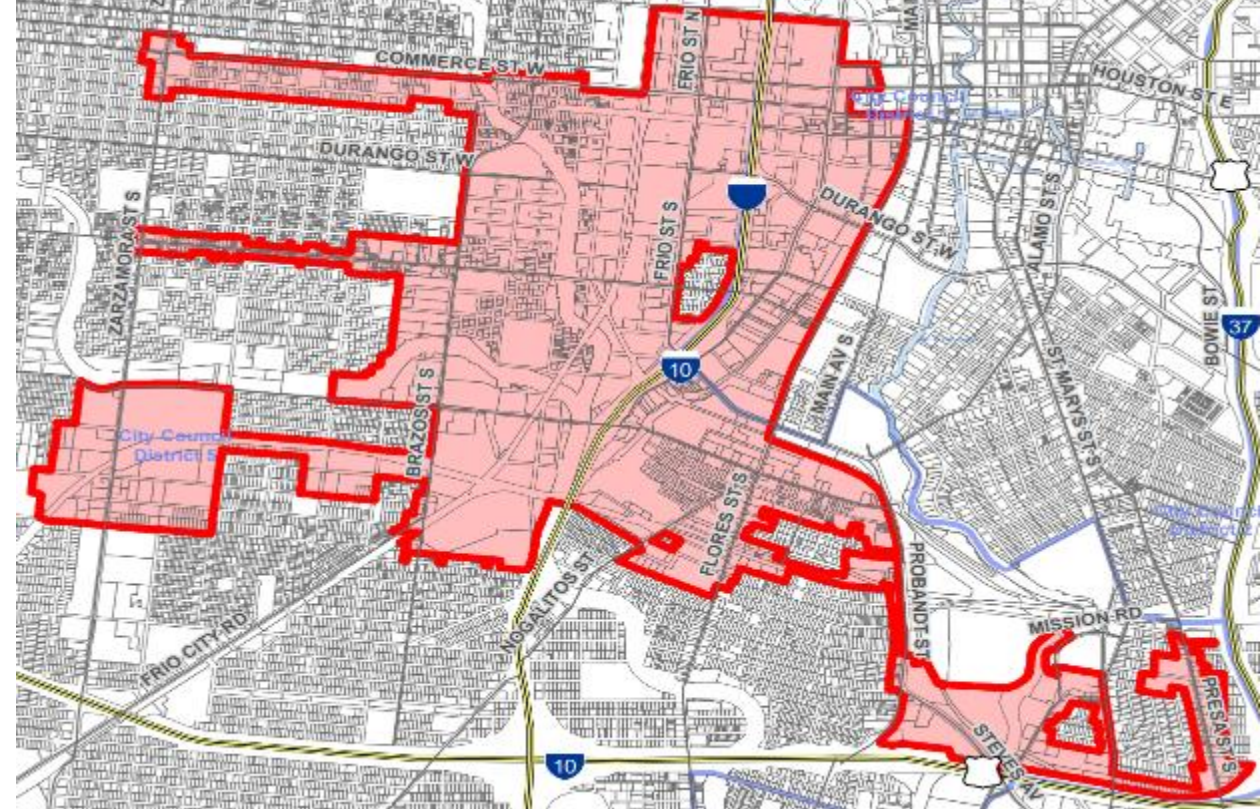
- *Say Si Expansion*
- *YWCA Women's Live and Learn Center*
- *Market Square Improvements*
- *Guadalupe Theater Improvements*

Actions for Council Consideration September 10:

- *Diversion Center Pilot Project*

Upcoming Project Considerations:

- *Lonestar District Project*



FY 2026 TIRZ Balance	
FY 2026 Beginning Balance	\$4,281,709
FY 2026 Projected Annual Increment & Interest	\$3,449,555
FY 2026 Expenses	\$5,906,782
FY 2026 Ending Balance	\$1,824,482

Northeast Corridor TIRZ

Term: December 2014 – September 2034

City Council District: 2, 10

Participating Entities: City (100%)

Approved Projects:

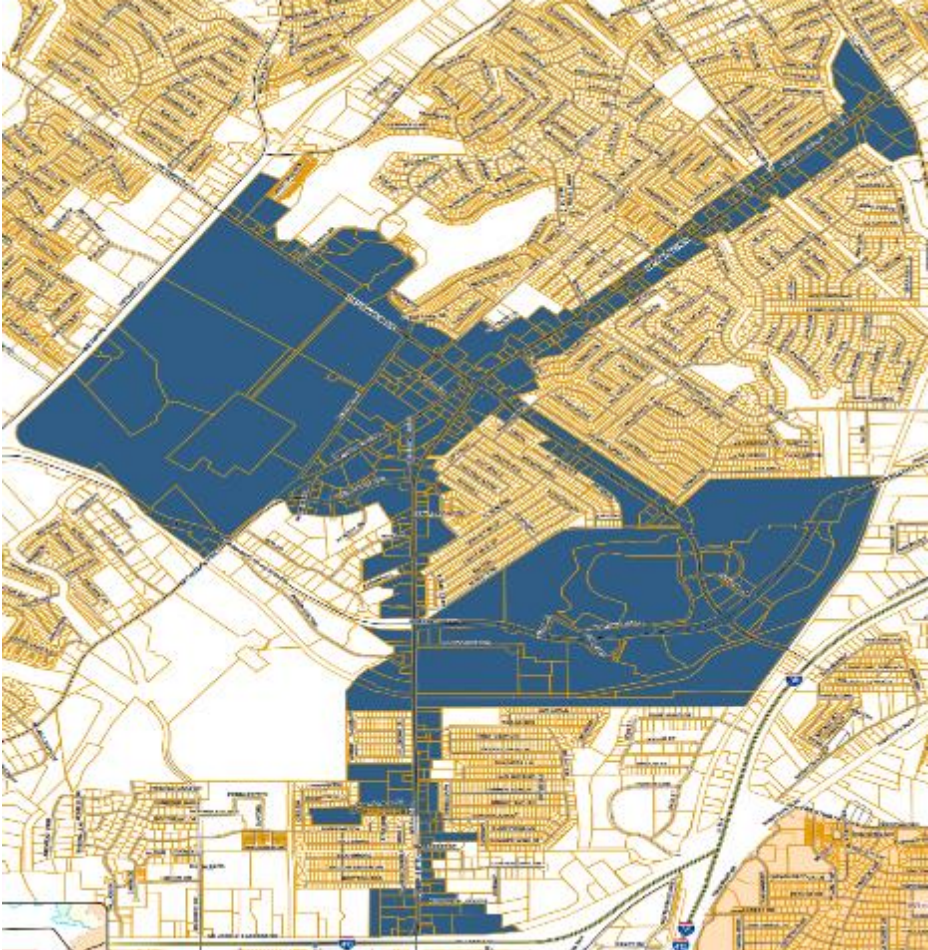
- Morgan’s Wonderland Parking Lot, Sports Gym, and Entry Monuments*
- Longhorn Quarry Road Extension*
- Villages at Perrin Beitel Affordable Housing*

Actions for Council Consideration September 10:

- Term extension to 2060*
- Neighborhood Signage Pilot Program*

Upcoming Project Considerations:

- Longhorn Quarry Redevelopment*



FY 2026 TIRZ Balance	
FY 2026 Beginning Balance	\$4,628,738
FY 2026 Projected Annual Increment & Interest	\$1,659,525
FY 2026 Expenses	\$4,385,217
FY 2026 Ending Balance	\$1,903,046

Hemisfair TIRZ

Term: February 2017– September 2037

City Council District: 1

Participating Entities: City (100%)

Approved Projects:

- HPARC Operations*

Actions for Council Consideration September 10:

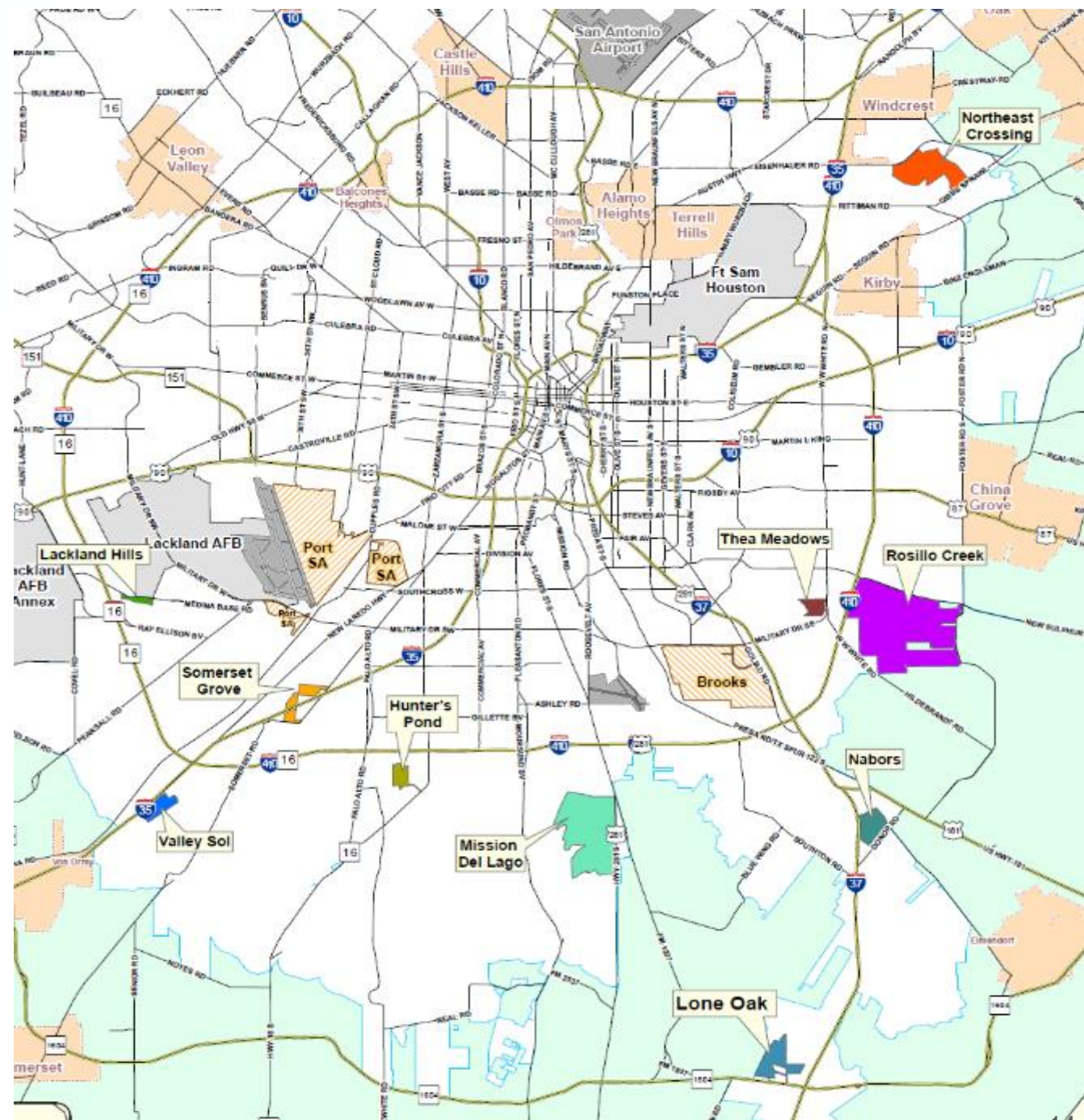
- None*



FY 2026 TIRZ Balance	
FY 2026 Beginning Balance	\$212,244
FY 2026 Projected Annual Increment & Interest	\$927,319
FY 2026 Expenses	\$1,139,563
FY 2026 Ending Balance	\$0

Petition (Developer) Initiated TIRZ

- 10 Petition-initiated TIRZ
- Typically located in areas that have not seen significant investment, with a lack of public infrastructure
- Development agreement outlining specific project, boundaries, term and maximum reimbursement amount
 - Funding available based on the increment generated by the development to reimburse for public infrastructure
 - Terminated at end of Term or earlier if maximum reimbursement amount reached
 - Projects require cost of service analysis
- Board Composition:
 - One appointee from each taxing jurisdiction
 - Developer and community members
 - State Senator and State Representative



Petition (Developer) TIRZ Summary

TIRZ	Council District	Development Type	FY 2026 Beginning Balance	FY 2026 Projected Annual Increment	FY 2026 Expenses	FY 2026 Ending Balance	Participating Taxing Entities	Expiration
Mission Del Lago	3	Residential, Commercial	\$105,884	\$3,876,336	\$3,982,180	\$0	City, Bexar County	Sept 30, 2032
Lackland Hills	4	Residential	\$15,538	\$240,044	\$255,582	\$0	City, Bexar County	Sept 30, 2026
North East Crossing	2	Residential	\$86,842	\$2,597,121	\$2,683,963	\$0	City, Bexar County, ACCD	Sept 30, 2028
Hunters Pond	4	Residential	\$258	\$116,614	\$116,872	\$0	City, Bexar County	Sept 30, 2031
Thea Meadows	3	Residential	\$2,862	\$325,093	\$327,955	\$0	City	Sept 30, 2054
Nabors	3	Residential, Commercial	\$373,378	\$252,318	\$625,696	\$0	City	Sept 30, 2046
Somerset Grove	4	Residential	\$-262	\$261,687	\$261,425	\$0	City	Sept 30, 2046
Valley Sol	4	Residential	\$199	\$158,144	\$158,343	\$0	City	Sept 30, 2046
Lone Oak	3	Residential	\$364	\$20,217	\$20,581	\$0	City	Sept 30, 2048
Rosillo Creek	3	Residential	\$0	\$0	\$0	\$0	City	Sept 30, 2050

Recent and Upcoming TIRZ Closeouts

Recently Closed TIRZ

TIRZ Name	Type	Council District	Date Closed	Total Developer's Reimbursement	Final Year City's Tax Increment
<i>Stablewood Farms</i>	<i>Petition (Developer) Initiated</i>	4	9/30/2025	\$9,627,526	\$387,151 (FY2025)
<i>Mission Creek</i>	<i>Petition (Developer) Initiated</i>	3	9/30/2025	\$5,241,521	\$381,926 (FY2025)
<i>Hallie Heights</i>	<i>Petition (Developer) Initiated</i>	4	9/30/2024	\$1,663,091	\$139,198 (FY2024)
<i>Heather's Cove</i>	<i>Petition (Developer) Initiated</i>	4	9/30/2024	\$886,282	\$127,411 (FY2024)

Upcoming Closures

TIRZ Name	Type	Council District	Termination Date	Total Developer's Reimbursement	FY2026 City's Tax Increment
<i>Lackland Hills</i>	<i>Petition (Developer) Initiated</i>	4	9/30/2026	\$2,597,145	\$165,523
<i>North East Crossing</i>	<i>Petition (Developer) Initiated</i>	2	9/30/2028	\$28,321,811	\$1,706,155

Actions for City Council Consideration on Sept 10

- **Term Extensions to 2060** (alignment and financing flexibility)
 - Inner City, Midtown, Mission Drive In, Northeast Corridor | Previously extended: Westside and Houston St.
- **Inner City**
 - District 2 Senior Center and Aquatics Center (\$46M)^{1,3}
- **Mission Drive In**
 - District 3 Aquatics Facility (\$1.8M)¹ and World Heritage Pavilion (\$750K)¹
- **Northeast Corridor**
 - Neighborhood Signage (\$1.325M)¹
- **Midtown²**
 - Purchase of ITC property from UTSA (up to \$60M)³
 - City-owned Facilities / Cultural Partners Funding (\$30M)³
 - Zoo⁴ – New Realm featuring native species, New Education Building and Animal Hospital, Expansion to west side of 281 (\$10M)³
 - Botanical Gardens⁴ – Horticulture Campus that includes eight greenhouses, shade yard, public education access, and safe volunteer workspace (\$10M)³
 - Brackenridge Park Conservancy⁴ - Sunken Garden Theater Restoration, Operations and Programming over 10 years, and Miraflores Concept Study (\$10M)³
- **Westside²**
 - Diversion Center Pilot Project (\$638K)

.....

Tax Increment Financing

.....

Budget Worksession
Presented By: Veronica Garcia, Neighborhood
and Housing Director
September 1, 2026

