



Q4

SEDC Quarterly Report Q4 FY 2018-19
Quarter 4 | Jul 1 - Sept 30

SCHIERTZ
ECONOMIC DEVELOPMENT CORPORATION

OUR MISSION

The mission of the City of Schertz Economic Development Corporation (SEDC) is to grow the Schertz economy through Projects. Specifically, we pursue Projects that focus on the creation/retention of Primary Jobs and Infrastructure Improvements.

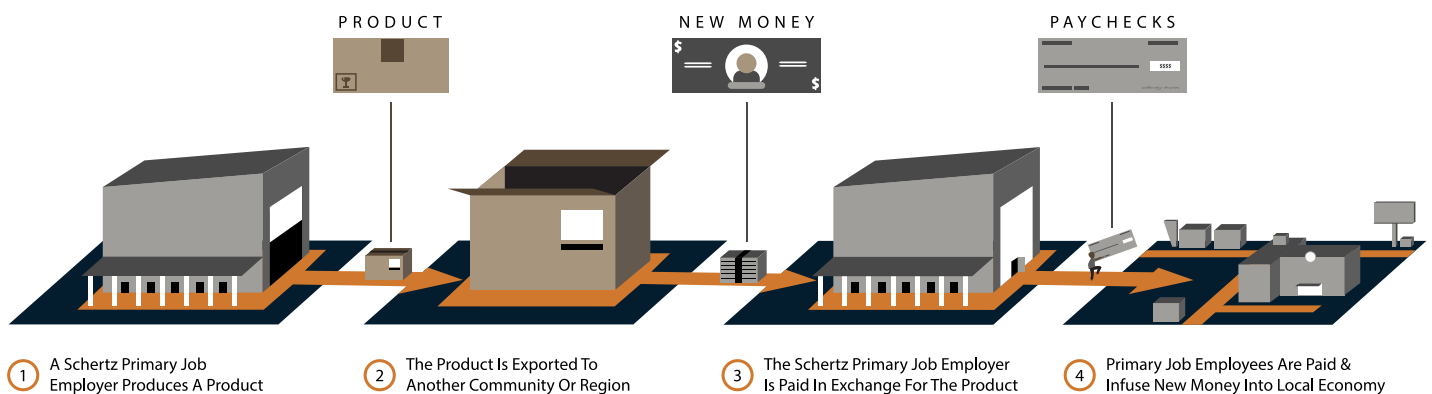
PRIMARY JOBS

One of the key elements of our mission involves **Primary Jobs** - *jobs that produce goods/services for customers that are predominantly outside the region and defined by Local Government Code 501.002 (12)*. Primary Jobs create new money for our community by exporting products. Once an employer is paid for these Primary Job-produced goods/services, the new money is redistributed into the community through wages paid to employees; capital investments; tax payments to the City, local school districts, and counties; and through payments to local suppliers.

Schertz is fortunate to have a variety **Primary Job Employers** - *companies that create Primary Jobs*. In Schertz, examples of companies that create Primary Jobs are associated with our key industries of manufacturing, warehouse and distribution, and e-commerce because they export goods/services to regional, statewide, national, or international markets.

CalTex Protective Coatings is an example of a Schertz company that creates Primary Jobs. They manufacture sealants and other car-care detailing products. These products are exported to other markets, such as Kansas City, and new money is created in Schertz. This is what creates and maintains the flow of new wealth into our community.

On the other hand, an example of a business sector that does not create Primary Jobs is retail or medical. Purchases made at a local shopping center or payments made when visiting the doctor generally use existing money to pay for those goods or services. These businesses rely on new money that was created through the companies that generate Primary Jobs to fuel our local economy.



PROJECTS

Notable updates on SEDC Projects located in Schertz.



NEXUS

Nexus, a health care & insurance clinical review company, is clearing & grading their new site.

Ribbon Cutting
October 30

Occupying
36,450 sf

5600

Schertz
Parkway

New address
in Schertz'
Enterprise
Business Park

**SCHERTZ 312
PHASE I**

The infrastructure necessary to service this area is currently under construction.

Estimated Phase I
Completion Date
March 2020

This road will
open up new
areas of
Schertz

171

Acres Will Be
Accessible



REAL ESTATE

Annual comparison data for the Industrial sector for both the Schertz and San Antonio market.

| Schertz | Q4 (2018) | Q1 (2019) | Q2 (2019) | Q3 (2019) | Q4 (2019) |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| Average Asking Price (NNN) | \$5.93 | \$5.38 | \$5.49 | \$5.48 | \$5.57 |
| Inventory (sf) | 8,797,578 | 8,984,866 | 8,991,366 | 8,794,887 | 8,901,311 |
| Vacancy Rate | 10.2% | 15.7% | 13.5% | 11.0% | 9.4% |
| Net Absorption (sf) | 3,776 | (362,371) | 198,301 | - | 60,700 |

San Antonio

| | | | | | |
|----------------------------|------------|------------|------------|------------|------------|
| Average Asking Price (NNN) | \$5.85 | \$5.95 | \$5.77 | \$5.48 | \$5.44 |
| Inventory (sf) | 45,002,141 | 45,578,597 | 46,333,038 | 46,594,339 | 47,182,927 |
| Vacancy Rate | 14.9% | 9.9% | 10.4% | 10.6% | 12.0% |
| Net Absorption (sf) | 71,950 | 649,342 | 412,309 | 120,007 | 195,825 |

NEW ACTIVITY

Space Occupied | 60,700 sf Total

- 60K sf | 6729 Guada Coma Drive | SEKO Logistics (30K); Boss Products (30K)

Development In Process | 640,690 sf Total

- Construction underway for Tri County Crossing, Building 3 (96,978 sf)
- Construction underway for Tri County Crossing, Building 4 (106,424 sf)
- Plans submitted to construct Enterprise Building 4 (250,000 sf)
- Plans submitted to construct Enterprise Building 6 (187,288 sf)

HOUSING

Number of new residential building permits issued by the City of Schertz' Building Inspections Division.
The number of permits is **14.5%** higher than those issued during the same period last year.



DEVELOPMENT

Details on major new development and expansions throughout Schertz during the quarter. Locations highlighted in color can be found in the photos below. See Data Dictionary section for definitions.



| Status | # | Development Name + Address | Category | Size (SF) |
|--------------------|----|-------------------------------------------------|-------------|----------------------------------|
| Dirt Work | 1 | Crossvine Module 1, Unit 3 Phase A | Residential | 31 acres/78 lots |
| | 2 | Homestead Subdivision Unit 3B | Residential | 16 acres/58 lots |
| | 3 | Homestead Subdivision Unit 4 | Residential | 17 acres/66 lots |
| Under Construction | 4 | 7-Eleven - 17501 IH 35 | Retail | 3,000 |
| | 5 | Allure Pet Hospital - 2252 IH 35 | Retail | 7,523 |
| | 6 | ARG Holdings - 133 Windy Meadows | Industrial | 12,556 |
| | 7 | B&E Warehouse - 6721 Guada Coma | Industrial | 9,907 |
| | 8 | Candlewood Suites - 17145 IH-35 | Hotel | 41,560 |
| | 9 | Casa Mechanical - 7770 FM 482 | Industrial | 71,225 |
| | 10 | Casa Verde Farms - 7791 FM 482 | Retail | 46,282 |
| | 11 | Discount Tire TXS 11363 - 17971 IH-35 | Retail | 7,680 |
| | 12 | Fire Station #3 - 11917 Lower Seguin Rd | Civic | 13,758 |
| | 13 | Fresenius Kidney Care - 1787 FM 3009 | Office | 10,785 |
| | 14 | Guadalupe County Service Building - 1052 FM 78 | Civic | 46,722 |
| | 15 | Pirates Cove Car Wash - 5370 FM 1103 | Retail | 2,880 |
| | 16 | Platform Warehouse Suites - 7637 FM 3009 | Industrial | 8 buildings; 87,300 sf total |
| | 17 | Samuel Clemens Expansion - 1001 Elbel Rd | Civic | Multi building; 142,000 sf total |
| | 18 | Schertz Business Park - 1996 Schertz Pkwy | Office | 5 buildings; 19,800 sf total |
| | 19 | Southeastern Freight Lines - 7431 FM 3009 | Industrial | 40,160 |
| | 20 | Tri County Crossing 3 - 17750 Lookout Rd | Industrial | 96,978 |
| | 21 | Tri County Crossing 4 - 17750 Lookout Rd | Industrial | 106,424 |
| | 22 | Wastewater Plant Expansion - 12423 Authority Ln | Civic | 25,841 |
| | 23 | Ryder Truck Expansion - 9993 Doerr Ln | Industrial | 19,226 |
| Complete | 24 | EVO Entertainment - 18658 IH 35N | Retail | 73,330 |
| | 25 | Stone Valley Plaza - 233 FM 3009 | Retail | 8,497 |
| | 26 | Tri County Crossing 2 - 17750 Lookout Rd | Industrial | 106,424 |

DEVELOPMENT

Details on major new development and expansions throughout Schertz during the quarter.



AVAILABILITY

Currently available Class A industrial properties (single buildings of 15K+ square feet) & development ready sites (25+ acres). Indicated within the dashed shapes, development ready sites have immediate access to industrial grade utilities.

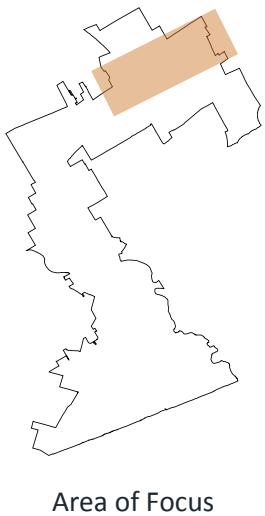
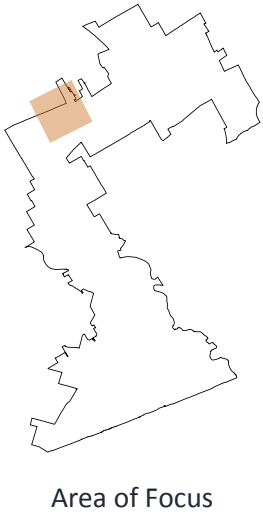


Area of Focus

| | BUILDINGS | AVAILABILITY |
|----------|---------------------------------------------|---------------------|
| A | 1150 Schwab Road (see following page) | 385,986 sf |
| B | 17745 Lookout Road, Enterprise Building III | 156,036 sf |
| C | 17745 Lookout Road, Enterprise Building II | 76,685 sf |
| D | 7377 Doerr Lane, Tri-County 5 | 76,250 sf |
| E | 17745 Lookout Road, Enterprise Building V | 47,704 sf |
| F | 17750 Lookout Road, Tri-County Crossing 1 | 37,296 sf |
| G | 1012 Assembly Circle, Tri-County 6 | 35,200 sf |
| H | 6592 Guada Coma Drive, Tri-County 4 | 21,930 sf |
| | TOTAL AVAILABILITY | 837,087 sf |

AVAILABILITY

Development ready sites are indicated within the dashed shapes and have immediate access to industrial grade utilities. Properties/sections shaded in blue indicate land proposed for retail/office use.



To view more sites & download flyers, visit SchertzEDC.com/available-properties

DATA DICTIONARY

An explanation of definitions, terms, and sources used throughout this report.

REAL ESTATE

- *Schertz Industrial* data is a combination of internally tracked figures and CoStar information. To provide more accurate Schertz data, the SEDC began internally tracking/reporting on our local industrial inventory for Q3 2019. Historical data (April 2017-March 2019) data provided by CoStar.
- *San Antonio Industrial* data (current & historical) provided by JLL’s San Antonio Industrial Insight Reports and Quarterly Industrial Statistics reports. The SEDC uses a fiscal year quarter whereas JLL uses a calendar year; JLL’s quarters have been adjusted to fiscal year.
- *Average Asking Price*: Amount for which landlords are offering their space per square foot, per year for lease for a listing. The NNN stands for Triple Net rent. In this type of commercial real estate rent, tenants pay the amount listed plus additional costs (usually operating expenses & taxes).
- *Inventory*: Total existing square feet of space, limited to individual buildings 15,000+ sf. Excludes under construction and planned buildings.
- *Vacancy Rate*: The amount of available space divided by total inventory.
- *Net Absorption*: For existing buildings, the measure of total square feet occupied minus the total space vacated over a given time period.
- New Residential Permits issued during the quarter, and historical building permit data, is provided by the City of Schertz Building Inspections Division.

DEVELOPMENT

- *Dirt Work*: Preparing site for intended use (grading, infrastructure installation, poring pads). Residential developments and projects that consist solely of infrastructure installation appear under *Dirt Work* and, when finished, move directly to *Complete*. Commercial developments enter *Dirt Work* status once they have a clearing & grading permit and/or a building permit.
- *Under Construction*: Activity between site preparation and certificate of occupancy issuance. Includes remodels of existing buildings.
- *Complete*: A City of Schertz Certificate of Occupancy (CO) has been issued for the project. See a building operating in Schertz, but listed as *Under Construction*? CO’s are only issued after a project has fulfilled all city requirements; some projects may be operational but lack a final CO.
- *Categories*:
 - *Retail*: Primary intended use is to promote, distribute, or sell products/services.
 - *Residential*: Primary intended use is housing of city residents (ex: subdivisions).
 - *Office*: Primary intended use is housing employees of companies that produce product/services primarily for support services.
 - *Industrial*: Primarily used for distribution, warehouse, manufacturing, and/or transportation operations.
 - *Hotel*: Facility offering lodging accommodations & other services (ex: meeting space).
 - *Civic*: Developments related to the school district, city, county, or utility companies.
- Development data provided by the City of Schertz Planning & Zoning Division and the [What’s Developing In Schertz](#) online visualizer



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210.619-1070 | SchertzEDC.com