

The background of the cover is a photograph of a modern building with a stone base and large glass windows. A large, white, stylized 'Q4' is superimposed over the center of the image. The 'Q' is a thick, rounded letter, and the '4' is a simple, blocky numeral. The building is partially obscured by the text and a large tree on the right side.

Q4

SEDC Quarterly Report FY 2019-20
Quarter 4 | Jul 1 - Sept 30

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.

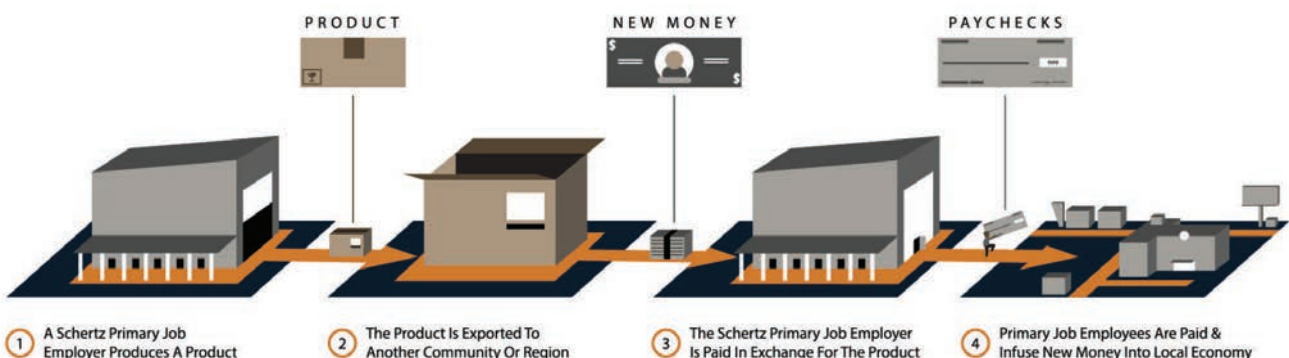
PRIMARY JOBS

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.





QUARTER 4 REPORT

Schertz 312
Phase I

Phase I is complete. The developer is currently seeking tenants.

Location
Doerr Lane

Developer
Titan Development

171
Acres

Complete with industrial grade utilities

Nexus Medical

Nexus, a health care & insurance clinical review company, is working on their interior finishout and exterior landscaping.

Occupying
36,450 sf

Nexus' new facility will house

100+
Employees



QUARTER 4 REPORT

REAL ESTATE

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

| Schertz | Q4 (2019) | Q1 (2019) | Q2 (2020) | Q3 (2020) | Q4 (2020) |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| Average Asking Price (NNN) | \$5.57 | \$5.59 | \$5.49 | \$5.60 | \$5.78 |
| Inventory | 8,901,311 | 8,984,021 | 8,984,021 | 8,984,021 | 8,985,236 |
| Vacancy Rate | 9.4% | 8.2% | 9.2% | 9.1% | 9.0% |
| Net Absorption (sf) | 60,700 | 124,389 | 35,200 | -3,555 | 14,072 |

San Antonio

| | | | | | |
|----------------------------|------------|------------|------------|------------|------------|
| Average Asking Price (NNN) | \$5.44 | \$5.56 | \$5.58 | \$5.60 | \$5.63 |
| Inventory | 47,182,927 | 47,948,706 | 48,160,097 | 48,972,040 | 49,499,637 |
| Vacancy Rate | 12.0% | 12.2% | 11.3% | 12.3% | 11.5% |
| Net Absorption (sf) | 195,825 | 299,880 | 107,593 | 401,763 | 15,152 |

NEW ACTIVITY

Net Absorption Details

- Occupied | 55K sf | 5755 Tri County Parkway | CDS Moving
- Vacated | 41K sf | 17745 Lookout Road (Enterprise Building 1) | Animal Supply Company

Industrial Development In Process | 640,690 sf Total

- Tri County Crossing, Buildings 3 (96,978 sf) and 4 (106,424 sf) are under construction
- Enterprise Buildings 4 (250,000 sf) and 6 (187,288 sf) are under construction

HOUSING

Number of new residential building permits issued by the City of Schertz' Building Inspections Division.
The number of permits is **24%** lower than those issued during the same period last year.



QUARTER 4 REPORT

DEVELOPMENT

Details on major new development and expansions throughout Schertz during the quarter.
See Data Dictionary section for definitions.

| <i>Status</i> | <i>#</i> | <i>Development Name + Address</i> | <i>Category</i> | <i>Size (SF)</i> |
|--------------------|----------|---|-----------------|----------------------------------|
| Dirt Work | 1 | 128 Windy Meadows | Industrial | 8,085 |
| | 2 | 132 Windy Meadows | Industrial | 8,050 |
| | 3 | Crossvine Module 1, Unit 3 Phase A | Residential | 31 acres/78 lots |
| | 4 | Crossvine Module 1, Unit 3 Phase B | Residential | 15 acres/40 lots |
| | 5 | Hallies Cove Unit 5 | Residential | 36 acres/33 lots |
| | 6 | Homestead Subdivision Unit 10 | Residential | 14 acres/55 lots |
| | 7 | Homestead Subdivision Unit 3B | Residential | 16 acres/58 lots |
| | 8 | Homestead Subdivision Unit 4 | Residential | 17 acres/66 lots |
| | 9 | Homestead Subdivision Unit 7 | Residential | 26 acres/73 lots |
| | 10 | QuikTrip - 4894 FM 3009 | Retail | 4,955 |
| Under Construction | 11 | 17650 Four Oaks | Hotel | 45,830 |
| | 12 | Candlewood Suites - 17145 IH-35 | Hotel | 41,560 |
| | 13 | Discount Tire - 17971 IH-35 | Retail | 7,680 |
| | 14 | Dollar General - 11787 Schaefer Road | Retail | 9,122 |
| | 15 | Enterprise Building 4 - 17745 Lookout Rd | Industrial | 250,428 |
| | 16 | Enterprise Building 6 - 17745 Lookout Rd | Industrial | 187,260 |
| | 17 | Fire Station 3 - 11917 Lower Seguin Rd | Civic | 13,758 |
| | 18 | Montessori Academy - 2510 Old Wiederstein Rd | Civic | 2 buildings; 16,723 sf total |
| | 19 | Nexus - 5600 Schertz Pwky | Office | 35,575 |
| | 20 | Platform Warehouse Suites - 7637 FM 3009 | Industrial | 8 buildings; 87,300 sf total |
| | 21 | Samuel Clemens Expansion - 1001 Elbel Rd | Civic | Multi building; 142,000 sf total |
| | 22 | Schertz Business Park - 1996 Schertz Pkwy | Office | 5 buildings; 19,800 sf total |
| | 23 | Total True Automotive - 5702 FM 1103 | Retail | 8,720 |
| | 24 | Tri County Crossing 3 - 17750 Lookout Rd | Industrial | 96,978 |
| | 25 | Tri County Crossing 4 - 17750 Lookout Rd | Industrial | 106,424 |
| | 26 | UFP Schertz - 21700 FM 2252 | Industrial | 4,418 |
| | 27 | Wastewater Plant Expansion - 12423 Authority Ln | Civic | 25,841 |
| | 28 | Woodland Oaks Business Park - 645 Woodland Oaks | Office | 3 buildings: 10,000 sf total |
| Complete | 29 | 144 Windy Meadows | Industrial | 8,756 |

QUARTER 4 REPORT

DEVELOPMENT

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



AVAILABILITY

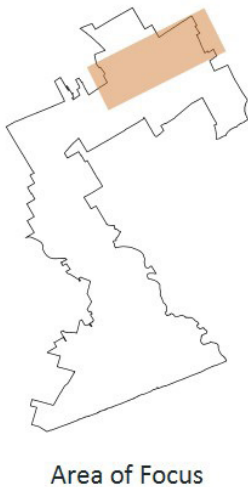
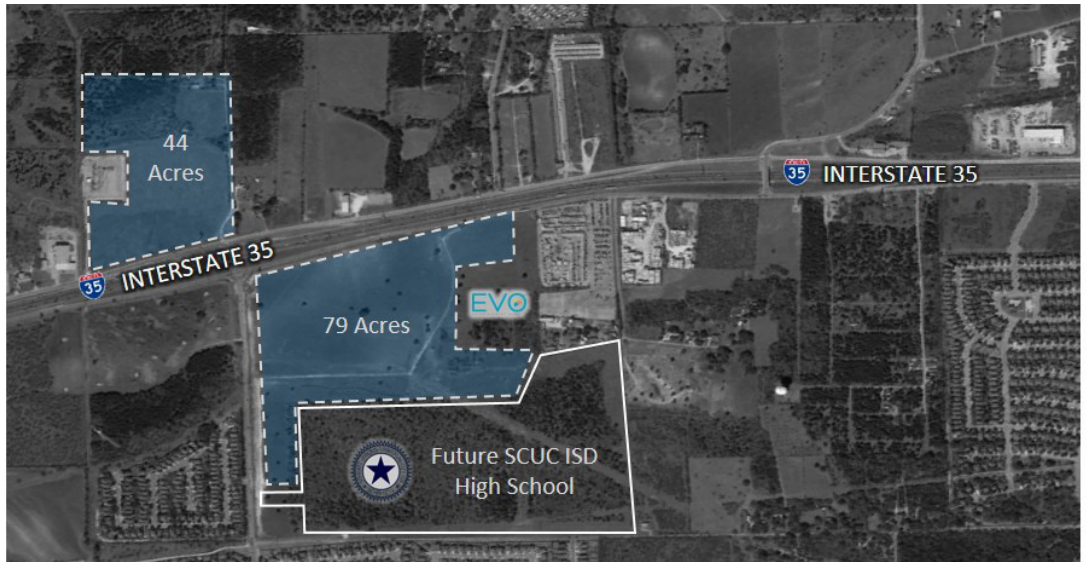
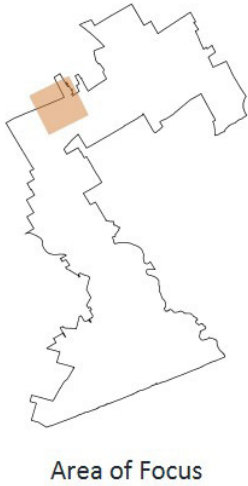
Currently available Class A industrial properties (single buildings of 15K+ square feet) & development ready sites (25+ acres). Indicated within the dashed shapes, development ready sites have immediate access to industrial grade utilities.



| | ADDRESS | NAME | AVAILABILITY (SF) |
|---|--------------------|-------------------------|-------------------|
| 1 | 1150 Schwab Road | N/A; See following page | 385,986 |
| 2 | 17745 Lookout Road | Enterprise Building 3 | 191,832 |
| 3 | 17745 Lookout Road | Enterprise Building 1 | 81,804 |
| 4 | 7377 Doerr Lane | Tri County Building 5 | 76,250 |
| 5 | 17745 Lookout Road | Enterprise Building 5 | 47,717 |
| 6 | 6592 Guada Coma | Tri County Building 4 | 21,930 |
| | TOTAL AVAILABILITY | | 805,549 |

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.



View more sites & download flyers at SchertzEDC.com/available-properties

DATA DICTIONARY

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

REAL ESTATE

- *Schertz Industrial* data is internally tracked by SEDC staff and confirmed through brokers every quarter.
- *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

