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From the San Antonio Business Journal:

<https://www.bizjournals.com/sanantonio/news/2020/05/06/texas-first-opportunity-zone-investment-breaks.html>

Texas' first Opportunity Zone investment breaks ground on the South Side

May 6, 2020, 1:19pm CDT

The first Opportunity Zone investment in Texas broke ground last week at Brooks on San Antonio's South Side.

DPR Investments, led by local owner and operator Jimmy Day, is developing a the 1,300-acre mixed-use climate-controlled self-storage facility and flex space for small businesses on the 9.4-acre property it bought last January on the eastern portion of Brooks along City Base Landing.

"We have several construction projects ongoing across campus, and we are grateful that work is able to continue during these uncertain times," said Brooks President and CEO Leo Gomez in a news release.

The developer anticipates a total project cost of \$16 million.

Boerne-based SBS Construction is the general contractor for the project. San Antonio-based Dallenbach-Cole Architecture, formerly Archon Architecture, designed the facility.

DPR Investments, which operates franchised Byrider used car dealerships across South Texas, also owns the StreetFare SA food truck park on Austin Highway.

Day said at a conference shortly after the purchase that he would have preferred a rehabilitation project over a ground-up build, but the IRS "made the rules too tough," he said, with high thresholds on investing in existing property as part of the Opportunity Zone program.

DPR Investments opted for self-storage after a commission of five independent studies all found an evident demand for such a space.

Created as a community development tool, the Opportunity Zone program is meant to encourage long-term investment in low-income urban and rural communities by allowing developers and investors to reinvest capital gains into Opportunity Funds. If 90% of these invested capital gains are held within a Qualified Opportunity Fund for at least 10 years, the investor will be able to defer all capital gains earned on the new investment.

Since the program was announced, Texas has designated 628 Opportunity Zones, including 24 in Bexar County, which are census tracts in areas around Morgan's Wonderland, the AT&T Center, Port San Antonio, downtown and most of South San Antonio, including Brooks.

Mitchell Parton

Reporter
San Antonio Business Journal



DALLENBACH-COLE ARCHITECTURE

Texas' first opportunity zone investment, which includes a self-storage facility, has broken ground.