

THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.

ORDINANCE

AUTHORIZING A CHAPTER 380 ECONOMIC DEVELOPMENT INCENTIVE FUND (EDIF) GRANT AGREEMENT WITH THE HUT GROUP IN AN AMOUNT NOT TO EXCEED \$500,000.00 FOR THE RELOCATION OF THE COMPANY'S U.S. DIVISIONAL INGENUITY HEADQUARTERS AND THE CREATION OF 165 NEW FULL-TIME JOBS PAYING AT LEAST \$7,000 OR MORE ANNUALLY IN DOWNTOWN SAN ANTONIO.

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WHEREAS, The Hut Group was founded in 2004, is headquartered in Northwich, Cheshire, United Kingdom, and is a private British e-commerce company that operates over 100 international websites selling health, beauty, and lifestyle products, in addition to a business-to-business division that includes several web hosting brands; and

WHEREAS, the company is looking to relocate its U.S. Divisional Ingenuity Headquarters and create 165 new, high-paying full-time jobs over five years at The Commerce Building, located at 314 E. Commerce Street. The location will be a launching point for the company's growth in the U.S. and for operations related to its platform division, which focuses on web hosting properties and brands, and these operations will include high-skill jobs, including software developers, engineers, technical development, as well as the company's U.S. executive suite; and

WHEREAS, the project falls in-line with several of the key long-term economic goals laid out in the City's *SA Tomorrow Comprehensive Plan*, as well as those presented in *Forefront SA*; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, the City of San Antonio (the "City") is authorized to establish and provide for the administration of one or more programs, including programs for making grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, in accordance with City Ordinance No. 100684, the City created an Economic Development Program (the "Program") for the purpose of making grants available for economic development projects that the City finds will accomplish the purpose and goals of Chapter 380; and

WHEREAS, the City finds that the goals of Chapter 380 will be met by assisting The Hut Group in undertaking and completing the Project and has identified economic development funds for use in carrying out this purpose; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council approves the terms and conditions of an Economic Development Incentive Fund (EDIF) Grant Agreement with The Hut Group.

SECTION 2. The City Manager or her designee is authorized to execute an Economic Development Incentive Fund (EDIF) Grant Agreement with The Hut Group in accordance with this Ordinance. A copy of the Agreement, in substantially final form, is attached to this Ordinance as **Attachment I**. The final agreement shall be filed with this Ordinance upon execution.

SECTION 3. Funding for this Ordinance in the amount of \$500,000.00 is available in Fund 29059000, Cost Center 1604010001 General Ledger 5201040 as part of the Fiscal Year 2018 Budget.

SECTION 4. Payment not to exceed the budgeted amount is authorized to The Hut Group and should be encumbered with a purchase order.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance shall become effective immediately upon its passage by eight (8) votes or more and upon ten (10) days following its passage if approved by fewer than eight (8) votes.

PASSED AND APPROVED this ___ day of June, 2018.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

Attachment I

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