

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

AN ORDINANCE

**APPROVING A DEVELOPMENT AGREEMENT FOR DOWNTOWN
EXPANSION AND PROJECT IMPROVEMENTS WITH H.E. BUTT
GROCERY COMPANY, L.P. (“HEB”) FOR A DEVELOPMENT
PROJECT TO BE LOCATED IN CITY COUNCIL DISTRICT 1.**

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WHEREAS, HEB has developed a Master Plan for future expansion of its downtown headquarters located at 626 S. Main Ave., which contemplates the closure of a portion of S. Main Ave. between E. Cesar E. Chavez and E. Arsenal; and

WHEREAS, in conjunction with this corporate expansion, HEB will develop and operate a 10,000 sq. ft. grocery store for a period of five (5) consecutive years, which is anticipated to assist in the redevelopment and revitalization of the Downtown area; and

WHEREAS, HEB’s downtown headquarters currently houses 1,600 employees and, as a result of the street closure, HEB will have the ability to expand by as much as 800 additional employees by 2020; and

WHEREAS, the expansion would include a \$75 million real property investment that equates to over \$400,000.00 in annual ad valorem taxes for the City upon completion; and

WHEREAS, the canvassing effort and Traffic Improvement Analysis for the street closure has identified several items such as the need to provide access to the Commanders House from South Flores; the desire to create more synergy with the park, neighborhood, and grocery store; the need to replace and/or preserve a bicycle route and pedestrian path through S. Main Ave; and traffic improvements that would mitigate the impact of the street closure; and

WHEREAS, HEB has committed to undertake and complete such improvements; **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 a Development Agreement for Downtown Expansion and Project Improvements between the City of San Antonio and H.E. Butt Grocery Company, L.P.

SECTION 2. The City Manager or her designee is authorized to execute the Agreement in accordance with this Ordinance. A copy of the Agreement, in substantially final form, is attached to this Ordinance as “**Exhibit A.**” The final agreement shall be filed with this Ordinance upon execution.

RR
12/05/13
Item No. _____

SECTION 3. This Ordinance shall be effective immediately upon its passage by eight (8) votes or after the 10th day after its passage by less than eight (8) affirmative votes.

PASSED AND APPROVED this ___ day of _____ **2013.**

M A Y O R
Julián Castro

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Michael D. Bernard, City Attorney

DRAFT