

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

AN ORDINANCE

AUTHORIZING AND APPROVING THE TERMS AND CONDITIONS OF A TAX ABATEMENT AGREEMENT WITH HULU LLC (“HULU”) TO EXEMPT ONE HUNDRED PERCENT (100%) OF AD VALOREM TAXES FOR A PERIOD OF SIX (6) YEARS ON REAL AND PERSONAL PROPERTY IMPROVEMENTS AT AN ESTIMATED VALUE OF \$12,920,000.00 AND THE CREATION OF 500 FULL-TIME JOBS.

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WHEREAS, Hulu is a privately-held video streaming service with 12 million subscribers and 1,600 employees occupying offices in New York, Chicago, Seattle and Beijing; and

WHEREAS, the company looked for a location to open its new Viewer Experience Operations Headquarters and narrowed its search to sites in San Antonio and Albuquerque, NM; and

WHEREAS, based on the community’s incentive offer and strong local support for the project, Hulu has chosen to locate in San Antonio and intends to invest \$12,920,000.00 in real and personal property improvements and to create 500 new full-time jobs over three years; and

WHEREAS Hulu proposes to construct its Headquarters at 4511 Horizon Hill, San Antonio, TX 78229 (the “Project Site”) in City Council District 8, which is within a State Enterprise Zone and under Section 312.2011 of the Texas Tax Code automatically qualifies as a reinvestment zone for tax abatement purposes without any further designation; and

WHEREAS, in accordance with the City of San Antonio Tax Phase-In Guidelines (the “Guidelines”) property located within a Tax Abatement Reinvestment Zone with a \$12 million investment is eligible for a 100% abatement of ad valorem real and personal property taxes for a term of six (6) years; and

WHEREAS, the City Council finds that offering Hulu a Tax Abatement Agreement for its real and personal property improvements is a reasonable incentive to help induce Hulu to locate its Headquarters at the Project Site, invest \$12,920,000.00 in real and personal property improvements, and create 500 full-time jobs in San Antonio over a three year period; and

WHEREAS, the City Council also finds that it is in the best interest of the City to approve a Tax Abatement Agreement with Hulu to induce the desired and beneficial economic development at the Project Site; **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of a Tax Abatement Agreement with Hulu LLC granting a one hundred percent (100%), six (6) year abatement of ad valorem real and personal property taxes within the Project Site, are hereby approved. A copy of the Agreement, in substantially final form, is attached hereto and incorporated herein as **Exhibit “A”**.

SECTION 2. The City Manager or a designated representative is authorized to execute the Tax Abatement Agreement as approved in Section 1 of this Ordinance.

SECTION 3. This Ordinance shall be effective on and after the tenth day after passage hereof.

PASSED AND APPROVED this ___th day of April, 2017.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney