

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 UNITED PARCEL SERVICE, INC. TO EXEMPT FORTY-PERCENT (40%) OF AD VALOREM REAL AND PERSONAL PROPERTY TAXES FOR A PERIOD OF SIX (6) YEARS ON PERSONAL PROPERTY IMPROVEMENTS WITHIN THE UNITED PARCEL SERVICE REINVESTMENT ZONE.

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WHEREAS, United Parcel Service, Inc. (hereinafter referred to as “UPS”), a large-scale parcel delivery service provider, has determined that it will expand its distribution facility located at 6400 Seven States Blvd., San Antonio, TX 78244 with an estimated investment of approximately \$85 million in real and personal property improvements, to provide for the retention of 600 full-time jobs and the creation of 25 full-time jobs; 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 an \$80 million investment is eligible for an 40% abatement of ad valorem personal property taxes for a term of up to six (6) years; and

WHEREAS, the City Council finds that offering UPS a Tax Abatement Agreement for its personal property improvements is a reasonable incentive to help induce UPS to invest in the facility and retain and create a cumulative 625 full-time jobs in San Antonio; and

WHEREAS, the City Council also finds that it is in the best interest of the City to approve a Tax Abatement Agreement with UPS to induce the desired and beneficial economic development in the United Parcel Service Reinvestment Zone; **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 Tax Abatement Agreement with UPS granting a forty-percent (40%), six (6) year abatement of ad valorem real and personal property taxes within the United Parcel Service Reinvestment Zone. 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.

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Item No. _____

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

PASSED AND APPROVED this ___th day of _____ 2014.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Robert F. Greenblum, City Attorney

DRAFT