

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

AN ORDINANCE

AUTHORIZING THE EXECUTION OF A CHAPTER 380 ECONOMIC DEVELOPMENT GRANT AGREEMENT WITH THE SAN ANTONIO ECONOMIC DEVELOPMENT CORPORATION (SAEDC) IN THE AMOUNT OF \$1,750,000.00; AUTHORIZING THE SAEDC TO UNDERTAKE AN ECONOMIC DEVELOPMENT PROJECT ASSOCIATED WITH THE ESTABLISHMENT OF COVALOR MEDICAL, L.L.C. (“COVALOR”) IN SAN ANTONIO.

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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 established the San Antonio Economic Development Corporation (the “SAEDC”), a Type B corporation created pursuant to the authority of the Development Corporation Act, Title 12, Subtitle C1, as amended, Texas Local Government Code, for the purpose of undertaking certain economic development projects approved by the City’s governing board; and

WHEREAS, the City desires to support and authorize the SAEDC to undertake an economic development project consisting of the establishment of Covalor Medical, L.L.C., a medical device start-up company, in San Antonio (the “Project”); and

WHEREAS, the City finds that the goals of Chapter 380 will be met by assisting the SAEDC in establishing Covalor in San Antonio and has identified economic development funds for use in carrying out this purpose; and

WHEREAS, the City authorizes the SAEDC to undertake the Project and to negotiate and execute an agreement with Covalor in accordance with the Term Sheet set out in **Exhibit A**; **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of a Chapter 380 Economic Development Grant Agreement with the SAEDC to support the establishment of Covalor Medical, L.L.C. in San Antonio are hereby approved.

SECTION 2. The City Manager, or her designee, is authorized to execute a Chapter 380 Economic Development Grant Agreement with the SAEDC in an amount not to exceed \$1,750,000.00. A copy of the Agreement, in substantially final form, is attached as **Exhibit B** and made a part of this Ordinance. A final copy of the Agreement will be attached when executed.

SECTION 3. The City Council authorizes the SAEDC to undertake the Project and to negotiate and execute an agreement with Covalor Medical, L.L.C. in accordance with the terms set out in Exhibit A.

SECTION 4. Funding in the amount of \$1,750,000.00 for this Ordinance is available in Fund 29059000, Cost Center 1604010001, General Ledger 5201040, as part of the Fiscal Year 2015 Budget.

SECTION 5. Payment not to exceed the budgeted amount is authorized to San Antonio Economic Development Corporation and should be encumbered with a purchase order.

SECTION 6. 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 7. This Ordinance shall become effective immediately upon its passage by eight (8) affirmative votes of the City Council.

PASSED AND APPROVED this __ day of November, 2014.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek
City Clerk

Robert F. Greenblum
City Attorney