

**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 LGS
INNOVATIONS LLC (LGS) FOR AN ECONOMIC DEVELOPMENT
INCENTIVE FUND GRANT UP TO A MAXIMUM OF \$180,000.00 BASED
ON RETENTION OF 3 EXISTING AND CREATION OF 46 NEW FULL-
TIME JOBS MAKING \$50,000.00 OR MORE ANNUALLY WITHIN FIVE
YEARS.**

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WHEREAS, LGS provides mission-critical communications products, research & development (R&D), and supporting services to U.S. defense, intelligence, and civilian agencies, as well as local governments, critical infrastructure operators, and commercial customers around the world; and

WHEREAS, LGS has chosen to establish a new facility in San Antonio that will serve as the hub for a number of the company's cyber-related programs; and

WHEREAS, the project will create 46 new, full-time jobs over five years at Port San Antonio, with a proposed capital investment of \$2.9 million in real and personal property and will retain 3 existing positions and create 46 new full-time jobs over 5 years, with all 49 employees making an annual salary of at least \$50,000.00 exclusive of benefits, bonuses, and other non-guaranteed pay and 42 of these will make an annual salary of at least \$70, and

WHEREAS, the LGS incentive agreement is an EDIF Grant of up to \$180,000.00 (\$3,673.00/job) for the retention and creation of up to 49 new full-time jobs with an annual salary of at least \$50,000.00 and includes \$105,000.00 for the creation of 42 new full-time jobs with an annual salary of at least \$70,000.00 over five (5) years before benefits; 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

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Item No. _____

WHEREAS, the City finds that the goals of Chapter 380 will be met by assisting LGS 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) LGS Innovations LLC.

SECTION 2. The City Manager or her designee is authorized to execute an Economic Development Incentive Fund (EDIF) Grant Agreement with LGS Innovations LLC in accordance with this Ordinance. A copy of the Agreement, in substantially final form, is attached to this Ordinance as **Attachment I**.

SECTION 3. Funding in the amount of \$180,000.00 is available in Fund 29059000, Cost Center 1604010001 and General Ledger 5201040 as part of the Fiscal Year 2019 Budget.

SECTION 4. Payment not to exceed the budgeted amount is authorized to LGS Innovations LLC for the purpose of the Chapter 380 Economic Development Incentive Fund (EDIF) Grant/Loan Agreement.

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 January, 2019.

M A Y O R
Ron Nirenberg

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

Andrew Segovia, City Attorney

ATTACHMENT I

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