

ORDINANCE 2019-02-14-0129

APPROVING A TAX INCREMENT REINVESTMENT ZONE DEVELOPMENT AGREEMENT WITH TEXAS RESEARCH AND TECHNOLOGY FOUNDATION IN THE AMOUNT OF \$5,000,000.00 OVER SEVEN YEARS FOR PUBLIC IMPROVEMENTS RELATED TO THE REDEVELOPMENT OF THE MERCHANT'S ICE SITE LOCATED AT 1304 AND 1305 E HOUSTON ST. PROJECTS FUNDED THROUGH THE INNER CITY TIRZ ARE PAID SOLELY FROM THE TAX INCREMENT GENERATED.

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WHEREAS, the City of San Antonio ("City") and the Inner City TIRZ Board of Directors ("Board") support programs which allow for economic development within its boundaries; and

WHEREAS, on October 4, 2018, Texas Research and Technology Foundation submitted a request for TIRZ funding for the Velocity Texas Innovation Center Project located at 1304 East Houston Street and 1305 East Houston Street in City Council District 2, and within the boundary of the Inner City TIRZ; and

WHEREAS, the Velocity Texas Innovation Center Project will house a life science innovation center with community facilities, approximately 675,035 square feet of office space, conference facilities, a military life science lab, a hotel and a parking garage; and

WHEREAS, the life science innovation center will result in the creation of approximately 797 jobs in the hotel and targeted life science and technology industries; and

WHEREAS, the total development cost for the Velocity Texas Innovation Center Project is approximately \$222,367,545.00; and

WHEREAS, the \$5,000,000.00 in Inner City TIRZ funds will be utilized for public improvements and eligible project costs necessary to complete the Velocity Texas Innovation Center Project; and

WHEREAS, in accordance with Section 311.010 (b) of the Act, the Board is authorized to enter into agreements to dedicate revenue from the tax increment fund to pay for eligible project costs that benefit the TIRZ; and

WHEREAS, on August 14, 2018, the Board authorized approval of the negotiation of this Development Agreement to provide reimbursement for eligible project costs in an amount not to exceed \$5,000,000.00; and

WHEREAS, on February 27, 2019, the Board is scheduled to authorize approval of the execution of this Development Agreement to provide reimbursement for eligible project costs in

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an amount not to exceed \$5,000,000.00, and approval of City Council is now required; **NOW THEREFORE:**

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

SECTION 1. The terms and condition of a Development Agreement with Texas Research and Technology Foundation are hereby approved contingent on subsequent approval by the Board. The City Manager or her designee, or the Director of Finance or his designee, is hereby authorized to enter and execute said agreement, under terms and conditions substantially in accordance with those set forth in **Attachment I** to this Ordinance.

SECTION 2. Funding for the Tax Increment Financing (TIF) in the amount of \$5,000,000.00 will be paid from Fund 29086007 (TIRZ Inner City Fund), Cost Center 703290001 and General Ledger 5201040. Payments will be made over 7 years and are paid solely from the tax increment generated.

SECTION 3. 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 4. This ordinance shall be effective immediately upon passage by at least eight (8) votes and the 10th day after passage by fewer than eight (8) votes.

PASSED AND APPROVED this 14th day of February, 2019.


M A Y O R
Ron Nirenberg

ATTEST:


Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:


Andrew Segovia, City Attorney

Agenda Item:	23B (in consent vote: 23A, 23B)
Date:	02/14/2019
Time:	09:45:20 AM
Vote Type:	Motion to Approve
Description:	Ordinance approving a Tax Increment Reinvestment Zone Development Agreement in the amount of \$5,000,000.00 over seven years for public improvements related to the redevelopment of the Merchant's Ice site located at 1304 and 1305 E Houston St.
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ron Nirenberg	Mayor		x				
Roberto C. Treviño	District 1		x				x
Art A. Hall	District 2		x			x	
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Greg Brockhouse	District 6		x				
Ana E. Sandoval	District 7		x				
Manny Pelaez	District 8		x				
John Courage	District 9		x				
Clayton H. Perry	District 10		x				

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Attachment I

VELOCITY TEXAS INNOVATION CENTER PROJECT DEVELOPMENT AGREEMENT

This Development Agreement (“Agreement”), pursuant to City Ordinance No. 2019-_____, is entered into by and between the City of San Antonio, a Texas Municipal Corporation in Bexar County, Texas (“City”), the Board of Directors (“Board”) for Tax Increment Reinvestment Zone Number Eleven, City of San Antonio, Texas, and Texas Research and Technology Foundation, a Domestic Nonprofit Corporation (“Developer”), whom together may be referred as the “Parties”.

RECITALS

WHEREAS, in accordance with the Tax Increment Financing Act, Texas Tax Code, Chapter 311 (the “Act”), the City through Ordinance No. 93101 established Tax Increment Reinvestment Zone Number Eleven, San Antonio, Texas, known as the Inner City TIRZ (“TIRZ”), to promote development and redevelopment which would not otherwise occur solely through private investment in the reasonably foreseeable future and created the Board and authorized the Board to exercise all the rights, powers, and duties as provided to such boards under the Act; and

WHEREAS, the City and the Board recognize the importance of their continued role in development activities and actively participate in funding of projects that enhance the value of all the taxable real property in TIRZ and benefit the City; and

WHEREAS, on October 4, 2018, Texas Research and Technology Foundation submitted a request for TIRZ funding for the Velocity Texas Innovation Center Project located at 1304 East Houston Street and 1305 East Houston Street in City Council District 2, and within the boundary of the Inner City TIRZ; and

WHEREAS, the Velocity Texas Innovation Center Project will house a life science innovation center with community facilities, approximately 675,035 square feet of office space, conference facilities, a military life science lab, a hotel and a parking garage; and

WHEREAS, the life science innovation center will result in the creation of approximately 797 jobs in the hotel and targeted life science and technology industries; and

WHEREAS, the total development cost for the Velocity Texas Innovation Center Project is approximately \$222,367,545.00; and

WHEREAS, the FIVE MILLION DOLLARS AND NO CENTS (\$5,000,000.00) in Inner City TIRZ funds will be utilized for public improvements and eligible project costs necessary to complete the Velocity Texas Innovation Center Project; and

WHEREAS, in accordance with Section 311.010 (b) of the Act, the Board is authorized to enter into agreements to dedicate revenue from the tax increment fund to pay for eligible project costs that benefit the TIRZ; and

WHEREAS, on August 14th, 2018, the Board adopted Resolution T11 2018-08-14-05R, attached and incorporated in this Agreement as **Exhibit A**, authorizing TIF Unit staff general authority to negotiate agreements to provide funding in available tax increment within the boundaries of the TIRZ; and

WHEREAS, on February 27, 2019, the Board adopted Resolution T11 2019-____-____-____, attached and incorporated into this Agreement as **Exhibit B**, authorizing the execution of this Agreement to provide

reimbursement for eligible project costs in an amount not to exceed FIVE MILLION DOLLARS AND NO CENTS (\$5,000,000.00); and

WHEREAS, pursuant to said authority above, the Parties hereby enter into a binding agreement to develop the Project; **NOW, THEREFORE**,

In consideration of the mutual promises, covenants, obligations, and benefits contained in this Agreement, the Parties severally and collectively agree, and by the execution hereof are bound, to the performance and accomplishment of tasks hereinafter described.

ARTICLE I. AGREEMENT PURPOSE

Developer shall undertake the Project which is anticipated to benefit the City, enhance the value of all the taxable real property in the TIRZ, and promote economic development which would not otherwise occur solely through private investment in the reasonably foreseeable future.

ARTICLE II. TERM

The term of this Agreement shall commence on the Effective Date and end on whichever of the following dates should occur the earliest: (i) the date Developer receives the final reimbursement for completing the Project; (ii) the date this Agreement is terminated as provided in Article XI; or (iii) termination of the TIRZ, provided that all existing warranties and warranty bonds on the Project shall survive termination of this Agreement.

ARTICLE III. DEFINITIONS

- 3.1 **Agreement, City, Board, and Developer** – shall have the meaning specified in the preamble of this document.
- 3.2 **Act** – means the Tax Increment Financing Act, Texas Tax Code Chapter 311, as may be amended from time to time.
- 3.3 **Administrative Costs** – means the reasonable costs incurred directly and/or indirectly by the City for the administration of the TIF Program.
- 3.4 **Adversarial Proceedings** – means any cause of action involving this Agreement filed by Developer against the City in any state or federal court, as well as any state or federal administrative hearing, but does not include Alternate Dispute Resolution proceedings, including arbitration.
- 3.5 **Available Tax Increment** – has the meaning given in the Act, Section 311.012 (a), contributed by each participating taxing entity to the TIRZ Fund, and distributed in accordance with the order of priority of payment of the TIRZ.
- 3.6 **Construction Schedule** – means the specific timetable for constructing the Project, which Developer shall commence construction at the Project Site as stated in Section 5.1 and shall use commercially reasonable efforts to complete construction, subject to Force Majeure and any provision pursuant of this Agreement.
- 3.7 **Contract Progress Payment Request (“CPPR”)** – means the request form prepared and submitted by Developer pursuant to the requirements of this Agreements and the CPPR Form,

attached hereto and incorporated herein for all purposes as **Exhibit C**. The CPPR shall also include and reflect all waivers granted through any City program or incentives.

- 3.8 **Effective Date** – means the date that is listed on the signature page of this Agreement.
- 3.9 **Finance Plan** – means the Inner City TIRZ Finance Plan, as defined in the Act, and approved and amended from time to time by the Board and the City, which is incorporated by reference into this document as if set out in its entirety, for all purposes.
- 3.10 **Person** – means an individual, corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, and any other legal entity.
- 3.11 **Project** – has the meaning found in Section 5.1 of this Agreement.
- 3.12 **Project Costs** – has the meaning found in the Act, Section 311.002. Project Costs are limited to expenses approved by the Board within the TIRZ boundary, incurred after execution of this Agreement.
- 3.13 **Project Plan** – means the Project Plan as defined in the Act for the Inner City TIRZ as approved and periodically amended by the Board and the City and incorporated by reference for all purposes into this document as if set out in its entirety.
- 3.14 **Project Site** – means the real property located at 1304 East Houston Street and 1305 East Houston Street in City Council District 2, within the boundary of the Inner City TIRZ, and described in **Exhibit D**, attached hereto and incorporated herein for all purposes.
- 3.15 **Project Status Report** – means the document the Developer prepared and submitted in accordance with this Agreement’s requirements and **Exhibit E**, attached hereto and incorporated herein for all purposes.
- 3.16 **Public Improvements** – means improvements that provide a public benefit, including but not limited to utilities, streets, street lights, water and sewer facilities, walkways, parks, flood and drainage facilities, parking facilities, demolition work, fencing and landscaping, without regard to location in or outside of the public right of way.
- 3.17 **Public Works** – means a building, highway, road, excavation, and repair work or other project development or public improvement, paid for in whole or in part from public funds, without regard to whether the work is done under public supervision or direction.
- 3.18 **Tax Increment** – has the meaning found in the Act, Section 311.012. Tax Increment applies only to taxable real property within the TIRZ.
- 3.19 **TIF** – means Tax Increment Financing.
- 3.20 **TIRZ Fund** – means the fund created by the City for the deposit of Tax Increment for the Zone, entitled “Reinvestment Zone Number Eleven, City of San Antonio, Texas.”
- 3.21 **TIF Unit** – means the division of the City’s Neighborhood & Housing Services (or successor) Department responsible for the management of the City’s Tax Increment Financing Program.

- 3.22 **TIRZ** – means Tax Increment Reinvestment Zone Number Eleven, City of San Antonio, Texas, known as the Inner City TIRZ.

Singular and Plural: Words used in the singular, where the content so permits, also include the plural and vice versa, unless otherwise specified.

ARTICLE IV. REPRESENTATIONS

When an improvement has both private and public benefits, only that portion dedicated to the public may be reimbursed by the City, such as, but not limited to, capital costs, including the actual costs of public improvements, alteration, remodeling, repair, or reconstruction of existing buildings and structures.

- 4.1 CITY'S AUTHORITY. City represents that it is a home rule municipality located in Bexar County, Texas, and has authority to carry out the obligations contemplated by this Agreement.
- 4.2 BOARD'S AUTHORITY. The Board represents that the TIRZ, as established pursuant to City Ordinance No. 93101, has the authority, through the Presiding Officer's affixed signature to this Agreement, to carry out the functions and operations contemplated by this Agreement.
- 4.3 DEVELOPER'S AUTHORITY. Developer represents that it has the right to enter into this Agreement and perform the requirements set forth herein. Developer's performance shall be lawful and shall not violate any applicable judgment, order, or regulation nor result in the creation of any claim against the City for money or performance, any lien, charge, encumbrance or security interest upon any asset of the City or the Board, except that this Agreement shall constitute a claim against the TIRZ Fund only from Available Tax Increment to the extent provided herein. Developer shall have sufficient capital to perform all of its obligations under this Agreement when it needs to have said capital.
- 4.4 NO INCREMENT REVENUE BONDS. Neither the City nor the Board will issue any tax increment revenue bonds to cover any costs directly or indirectly related to Developer's improvement of the TIRZ under this Agreement.
- 4.5 REASONABLE EFFORTS. Each party to this Agreement will cooperate and make reasonable efforts to expedite the subject matter hereof and acknowledge that successful performance of this Agreement requires their continued cooperation.
- 4.6 CONSENTS. Each party to this Agreement represents that the execution, delivery, and performance of this Agreement requires no consent or approval of any person that has not been obtained.
- 4.7 DUTY TO COMPLETE IMPROVEMENTS. Each party understands and agrees that Developer shall ensure the successful completion of all required improvements at no additional cost to the City and/or the TIRZ in accordance with the terms of this Agreement, even after the TIRZ terminates.
- 4.8 NO INTER-LOCAL AGREEMENTS. Each party understands and agrees that the City is the only participating taxing entity contributing 100% of the tax increment to the TIRZ Fund for this Project, and therefore, no other agreements are necessary with any other public entity to make this Agreement effective.
- 4.9 DEVELOPER BEARS THE RISK. Developer understands and agrees that any expenditure made by Developer in anticipation of reimbursement of TIRZ Funds shall not be, nor shall be construed to be, the financial obligations of the City and/or the TIRZ. Developer bears all risks associated with

reimbursement, including, but not limited to incorrect estimates of tax increment, changes in tax rates or tax collections, changes in law or interpretations thereof, changes in market or economic conditions impacting the Project, changes in interest rates or capital markets, changes in building and development code requirements, changes in City policy, and unanticipated effects covered under legal doctrine of force majeure. Any contribution made by Developer in anticipation of reimbursement from the TIRZ Fund shall never be an obligation of the City's General Fund, but are only obligations of the TIRZ Fund, and are subject to limitations herein.

- 4.10 RIGHT TO ASSIGN PAYMENT. Developer may rely upon the payments to be made to them out of the TIRZ Fund as specified in this Agreement and Developer may assign its rights to such payments, either in full or in trust, for the purposes of financing its obligations related to this Agreement, but the Developer's right to such payments is subject to the other limitations of this Agreement. Notwithstanding the forgoing, the City shall issue a check or other form of payment made payable only to Developer.

ARTICLE V. THE PROJECT

- 5.1 PROJECT. The Project includes the design, construction, installation, and implementation of public improvements, located at 1304 East Houston Street and 1305 East Houston Street, San Antonio, Texas. Developer shall construct or cause to be constructed public infrastructure and public improvements (Public Works) associated with the Project to include items such as demolition, perimeter sidewalks, curbing, street lighting, landscaping, a raised water garden with an extended pavilion terrace and arbor, entry walkways, exterior façade reconstruction, exterior shell finishing, and ADA-compliant elevators. The Project is anticipated to commence on March 8, 2019 and shall be completed no later than December 31, 2025.
- 5.2 PRIVATE FINANCING. The cost of Public Improvements and all other improvement expenses associated with the Project shall be funded by Developer's own capital or through commercial or private construction loans/lines of credit secured solely by Developer. Developer may use all, any or part of the TIRZ Property as collateral for the construction loan(s) as required for the financing of the Project; however, no property with a lien still attached may be offered to the City for dedication.
- 5.3 REIMBURSEMENT. Reimbursement of TIRZ Funds are subject to availability and priority of payment and are not intended to reimburse all costs incurred in connection with the Project or expenses incurred by Developer for performance of the obligations under this Agreement. Neither the City nor the Board can guarantee that Available Tax Increment shall completely reimburse Developer. Available Tax Increment shall constitute a source of reimbursement to Developer for construction of the Public Improvements to include demolition, perimeter sidewalks, curbing, street lighting, landscaping, a raised water garden with an extended pavilion terrace and arbor, entry walkways, exterior façade reconstruction, exterior shell finishing, and ADA-compliant elevators. Total reimbursement to Developer from the TIRZ Fund will not exceed FIVE MILLION DOLLARS AND NO CENTS (\$5,000,000.00). Developer is eligible for reimbursement of Project Costs as of the effective date of this Agreement. The terms by which the Project Costs will be reimbursed are further defined in **Exhibit G**, attached hereto and incorporated herein for all purposes.

ARTICLE VI. DUTIES AND OBLIGATIONS OF DEVELOPER

- 6.1 DISCRETIONARY PROGRAM. Developer agrees that the TIF program is a discretionary program and that the City and the Board have no obligation to extend TIF to Developer. Developer agrees

that it has no vested rights under any regulations, ordinances or laws, and waives any claim to be exempt from applicable provisions of the current and future City Charter, City Code, City Ordinances, and state or federal laws and regulations.

- 6.2 COMPLIANCE. Developer, Developer's designee or development consultant agrees to exercise supervision over the construction of the public infrastructure and public improvements associated with the Project. Developer shall retain overall responsibility for the Project. Developer shall comply and cause its contractors and subcontractors to comply with all applicable provisions of the Policy, the City Charter, the City Code (including, but not limited to, the Unified Development Code such as Universal Design and Construction requirements), and all applicable federal, state and local laws. Developer shall cooperate with the City and the Board in providing all necessary information in order to assist the City in determining Developer's compliance with this Agreement.
- 6.3 DUTY TO COMPLETE. Developer agrees to complete, or cause to be completed, the improvements described in Section 5.1 above. Developer agrees to provide, or cause to be provided, all materials, labor and services for completing the Project. Developer also agrees to obtain or cause to be obtained, all necessary permits and approvals from the City and/or all other governmental agencies having jurisdiction over the construction of improvements.
- 6.4 COMMENCEMENT OF CONSTRUCTION. From the Effective Date of this Agreement forward, Developer shall not commence any construction on the Project until the plans and specifications have been approved by the appropriate City department and the requirements of all applicable federal, state, and local laws have been met.
- 6.5 PAYMENT AND PERFORMANCE BONDS. In accordance with Chapter 2253 of the Texas Government Code, Developer shall cause its general contractor(s) to obtain payment and performance bonds naming the City as beneficiary or obligee of the bonds for all phases of the construction of the Public Work. Said bonds for each phase shall be in an amount sufficient to cover the entire contract cost of the construction and completion of the Public Work. Developer shall submit copies of the payment and performance bonds to the City's TIF Unit and its contractors; however, Developer must obtain approval of the bonds by the City's Risk Management Department prior to construction.
- 6.6 SUPERVISION OF CONSTRUCTION. Developer retains overall responsibility for the Project; subject to this retention, Developer may delegate supervision duties over the construction of all Public Work, and cause said construction to be performed, at a minimum, in accordance with all legal requirements detailed in Section 6.2 above and also including Prevailing Wage, Chapter 2258 of the Texas Government Code, the City Code, and the plans and specifications approved by the appropriate City department, notwithstanding any other provision of this Agreement.
- 6.7 DELAYS. Developer is responsible for the Project's construction, which shall be completed no later than December 31, 2025. If the commencement or completion of the Project is delayed by reason(s) beyond the Developer's control, then at the reasonable discretion of the Director of the City's Neighborhood & Housing Services (or successor) Department, or his or her designee, the commencement and completion deadlines set forth in this Agreement may be extended by no more than six (6) months. In the event that Developer does not complete the Project substantially in accordance with the Construction Schedule (or extended schedule), then, in accordance with Article XXII. Changes and Amendments of this Agreement, the Parties may extend the deadlines in the Construction Schedule, but not past the expiration of the TIRZ. If the parties cannot reach an agreement on the extension of the Construction Schedule, or if Developer fails to complete the

Project in compliance with the revised Construction Schedule, other than as a result of force majeure, this constitutes a material breach.

- 6.8 PAYMENT OF APPLICABLE FEES. Developer is responsible for paying Project construction costs of all applicable permit fees and licenses which have not been lawfully waived to the City and all governmental agencies.
- 6.9 INFRASTRUCTURE MAINTENANCE. At its own expense, Developer shall maintain or cause to be maintained all Public Works, broadly defined to include a building, highway, road, excavation, and repair work or other project development or improvement, paid for in whole or in part from public funds, without regard to whether the work is done under public supervision or direction, until said works' dedication to the City and for one (1) year after Completion. Upon acceptance of a street or drainage improvement for maintenance by the City, Developer shall deliver to the City a one (1) year extended warranty bond naming the City as the obligee in conformity with Chapter 35, the City's Unified Development Code. The cost of repair, replacement, reconstruction and maintenance for defects discovered during the first year after Completion disclosed to Developer by the City within a reasonable period of time, but no more than thirty (30) days from the time of discovery, shall be paid by Developer or the bond company and shall not be paid out of the TIRZ Fund. After the expiration of the one (1) year extended warranty bond, the cost of the repair, replacement, reconstruction and maintenance of Public Improvements dedicated to the City shall be the responsibility of the City.
- a. Developer, its agents, employees, and contractors will not interfere with reasonable use of all the Public Improvements by the general public, except for drainage retention improvements. In accordance with the Construction Schedule, Developer shall use its best efforts to dedicate (or grant a public easement) Public Improvements where applicable to the appropriate taxing entity (as determined by the City), at no additional expense to the City or TIRZ.
 - b. The requirements of this Agreement cannot be waived or modified in any way by an engineer, employee, or City official or its subordinate agency with responsibility for inspecting or certifying public infrastructure. The actions of a city employee or agent do not work an estoppel against the City under this contract or the Unified Development Code.
- 6.10 QUARTERLY STATUS AND COMPLIANCE REPORTS. Upon the commencement and throughout the duration of the construction of this Project, Developer shall submit to the City's TIF Unit Project Status Reports (see Sections 3.15 and 6.6 above), on a quarterly basis or, as requested by the City, in accordance with the requirements of this Agreement and of the Status Report Form, attached hereto as **Exhibit E**. If Project Status Reports are not submitted on a quarterly basis or as requested by the City, Developer shall not receive reimbursement from the TIRZ Fund in accordance with Section 5.3 above until after such reports are provided.
- 6.11 PROJECT SITE INSPECTION. Developer shall allow the City and the Board reasonable access to the Property Site owned or controlled by Developer for inspections during and upon completion of construction of the Project, and access to documents and records considered necessary to assess the Project and Developer's compliance with this Agreement. The Board and TIF Unit Staff shall be provided a right of entry onto the Project Site to conduct random walk-through inspections of the Project's Development subject to all security and Site safety requirements.
- 6.12 REQUESTS FOR REIMBURSEMENT. Developer shall initiate reimbursement requests of eligible Project Costs by submitting to the City's TIF Unit applicable invoices and a Contract Progress Payment Request Form, as detailed in attached **Exhibit C**.

ARTICLE VII. DUTIES AND OBLIGATIONS OF CITY AND BOARD

- 7.1 NO BONDS. Neither the City nor the Board shall sell or issue any bonds to pay or reimburse Developer or any third party for any improvements to the TIRZ property performed under the Project Plan, Finance Plan, or this Agreement.
- 7.2 PLEDGE OF FUNDS. The City and the Board pledge to use Available Tax Increment, as reimbursement to Developer for approved and eligible Project costs, up to the maximum total amount specified herein, excluding tax revenue collected after September 30, 2025, subject to the terms and conditions herein, priority of payment, and termination of the TIRZ.
- 7.3 COORDINATION OF BOARD MEETINGS. The City and the Board hereby agree that 1) all meetings of the Board as well as all administrative functions shall be coordinated and facilitated by the TIF Unit; and 2) all notices for meetings of the Board shall be drafted and posted by City staff, in accordance with the City Code and state law. TIF Unit authority also extends to control of the Board Agenda in conjunction with established City policy.
- 7.4 ELIGIBLE PROJECT COSTS. Upon review of the TIF Unit staff, the Board shall consider for approval Developer's request(s) for reimbursement of eligible Project costs. Costs shall be considered eligible only if approved by the Board, incurred directly and specifically in the performance of, and in compliance with, this Agreement and with all applicable laws.

ARTICLE VIII. COMPENSATION TO DEVELOPER

- 8.1 CPPR APPROVAL. Upon completion of public infrastructure and public improvements related to the Project, Developer may submit to the TIF Unit a completed CPPR. Should there be discrepancies in the CPPR or if more information is required, Developer will have thirty (30) calendar days upon notice by the City and/the Board to correct any discrepancy or submit additional requested information. Failure to timely submit the additional information requested by the City may result in the delay of Developer's requested reimbursement.
- 8.2 MAXIMUM REIMBURSEMENT OF DEVELOPER. Following the Board's authorization, the Developer shall receive, in accordance with the Project Plan, total reimbursements for Public Improvements, as specified in Section 5.1, of a maximum of FIVE MILLION DOLLARS AND NO CENTS (\$5,000,000.00) on eligible Project Costs. The terms by which the Project Costs will be reimbursed are further defined in **Exhibit G**, attached hereto and incorporated herein for all purposes. Developer understands that any amendments to the maximum amount of reimbursement herein are prohibited and any request for further incentives beyond this set amount shall require a brand new application
- 8.3 PROCESSING OF PAYMENT REQUESTS. Board-authorized reimbursements of Available Tax Increment Funds shall be made to Developer and shall not be unreasonably denied provided that the City has no active claim for reimbursement under this section.
- 8.4 PRIORITY OF PAYMENT. The Parties agree that the TIRZ Fund will reimburse Developer for Projects Costs in the order of priority of payment for the TIRZ.
- 8.5 SOURCE OF FUNDS. The sole source of the funds to reimburse Developer shall be the Available Tax Increment levied and collected on the real property located in the TIRZ and contributed by the Participating Taxing Entity to the TIRZ Fund.

- 8.6 PARTIAL PAYMENTS. If Available Tax Increment does not exist in an amount sufficient to make payments in full when the payments are due under this Agreement, partial payment shall be made in the order of priority required by Section 8.4 above, and the remainder shall be paid as tax increment becomes available. No fees, costs, expenses, interest, or penalties shall be paid to any party on any late or partial payment.
- 8.7 INVALID PAYMENTS. If any payment to Developer is held invalid, ineligible, illegal or unenforceable under applicable federal, state or local laws, then and in that event, Developer shall repay such payment in full to the City for deposit into the TIRZ Fund.

ARTICLE IX. INSURANCE

- 9.1 Developer must require that the insurance requirements contained in this Article be included in all of its contracts or agreements for construction of Public Improvements where Developer seeks payment under this Agreement, unless specifically exempted in writing by the City and/or the Board.
- 9.2 PROOF OF INSURANCE. Prior to commencement of any work under this Agreement, Developer shall furnish copies of all required endorsements and Certificate(s) of Insurance to the City’s TIF Unit, which shall be clearly labeled “**Inner City TIRZ, Velocity Texas Innovation Center Project**” in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent authorized to bind coverage on its behalf. The City shall not accept Memorandum of Insurance or Binders as proof of insurance. The certificate(s) or form must have the agent’s signature, including the signer’s company affiliation, title and phone number, and be mailed with copies of all applicable endorsements, directly from the insurer’s authorized representative to the City at the same addresses listed in Section 17.1 of this Agreement. The City shall have no duty to pay/perform under the Agreement until such certificate(s) and their endorsements has been received and approved by the City. No officer or employee, other than the City’s Risk Manager, shall have authority to waive this requirement for the City.
- 9.3 REQUIRED TYPES AND AMOUNTS. Developer’s financial integrity is of the interest to the City and the Board, therefore, subject to the Developer’s right to maintain reasonable deductibles in such amounts as approved by the City, Developer and/or Developer’s contractor, shall maintain in full force and effect during the construction of all Public Improvements required and any extension hereof, at the Developer’s or the Developer’s contractor’s sole expense, insurance coverage written on an occurrence basis by companies authorized and admitted to do business in the State of Texas and with an A.M. Best’s rating of no less than A– or better by the A.M. Best Company and/or otherwise acceptable to the City, in the following types and for an amount not less than the amount listed:

<u>TYPE</u>	<u>AMOUNTS</u>
1. Workers' Compensation	<i>Statutory</i>
2. Employers' Liability	\$1,000,000.00/\$1,000,000.00/ \$1,000,000.00
3. Commercial General Liability Insurance to include coverage for the following:	For <u>Bodily Injury</u> and <u>Property Damage</u> of: \$1,000,000.00 per occurrence;

<p>a. Premises/Operations b. Products/Completed Operations c. Personal/Advertising Injury d. Environmental Impairment/ Impact – sufficiently broad to cover disposal liability. e. Explosion, Collapse, Underground</p>	<p>\$2,000,000.00 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage. Coverage must include per project aggregate.</p>
<p>4. Business Automobile Liability: a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles</p>	<p>Combined <u>S</u>ingle <u>L</u>imit for <u>B</u>odily <u>I</u>njury and <u>P</u>roperty <u>D</u>amage of \$1,000,000.00 per occurrence.</p>
<p>5. Professional Liability (Claims-made basis) To be maintained and in effect for no less than two years subsequent to the completion of the professional service.</p>	<p>\$1,000,000.00 per claim, to pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages by reason of any act, malpractice, error, or omission in professional services. Coverage to be maintained and in effect for no less than seven years subsequent to the completion of the professional service.</p>
<p>6. Umbrella or Excess Liability Coverage</p>	<p>\$5,000,000.00 per occurrence combined limit <u>B</u>odily <u>I</u>njury (including death) and <u>P</u>roperty <u>D</u>amage.</p>
<p>7. Builder's Risk</p>	<p>All Risk Policy written on an occurrence basis for 100% replacement cost during construction phase of any new or existing structure.</p>

9.4 RIGHT TO REVIEW. The City reserves the right to review the insurance requirements during the effective period of this Agreement and to modify insurance coverages and their limits when deemed necessary and prudent by the City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance shall the City allow modification whereupon the City may incur increased risk.

9.5 REQUESTS FOR CHANGES. The City shall be entitled, upon request and without expense to receive copies of the policies, declaration page and all endorsements as they apply to the limits required by the City, and may require the deletion, revision, or modification of particular policy term, condition, limitation, or exclusion (except where policy provisions are established by law or regulation binding upon either of the Parties, or the underwriter of any such policies). Developer and/or Developer's contractor shall comply with any such request and shall submit a copy of the replacement certificate of insurance to City within ten (10) days of the requested change. Developer and/or Developer's contractor shall pay any costs incurred resulting from said

changes. All notices under this Article shall be given to the City and the Board at the addresses listed under Section 17.1 of this Agreement.

- 9.6 REQUIRED PROVISIONS AND ENDORSEMENTS. Developer agrees that with respect to the above required insurance, all insurance contract policies, and Certificate(s) of Insurance will contain the following provisions:
- a. Name the City and its officers, officials, employees, volunteers, and elected representative as additional insureds as respects operations and activities of, or on behalf of, the named insured subject to this Agreement, with the exception of the workers' compensation and professional liability policies;
 - b. Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio if the City is an additional insured shown on the policy;
 - c. Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City; and,
 - d. Provide thirty (30) calendar days advance written notice directly to City at the same addresses listed in this Article of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for non-payment of premium.
- 9.7 CANCELLATIONS AND NON-RENEWAL. Within five (5) calendar days of a suspension, cancellation, non-renewal, or material change in coverage, Developer and or Developer's contractor shall provide a replacement Certificate of Insurance and applicable endorsements to City at the same address listed in Section 17.1 of this Article. City shall have the option to suspend Developer or Developer's contractor's performance should there be a lapse in coverage at any time during this Agreement. Failure to provide and to maintain the required insurance shall constitute a breach of this Agreement and the City may exercise any and all available legal remedies.
- 9.8 CITY'S REMEDIES. In addition to any other remedies the City may have upon Developer and/or Developer's contractor for the failure to provide and maintain insurance or policy endorsements to the extent and within the time required, the City shall have the right, to order Developer to stop work, and/or withhold any payment(s), which become due until Developer and/or Developer's contractor demonstrates compliance with the requirements.
- 9.9 RESPONSIBILITY FOR DAMAGES. Nothing in the Agreement shall be construed as limiting in any way the extent to which Developer and/or Developer's contractor may be held responsible for payments of damages to persons or property resulting from Developer's or its subcontractors' performance of the work covered under this Agreement.
- 9.10 PRIMARY INSURANCE. Developer's insurance shall be deemed primary with respect to any insurance or self-insurance carried by the City for liability arising under this Agreement.
- 9.11 DEVELOPER'S OBLIGATION. Developer agrees to obtain all insurance coverage with minimum limits of not less than the limits delineated under Section 9.3 of this Article from each subcontractor to Developer and Certificate of Insurance and Endorsements that names the Developer and the City as an additional insured. It is understood and agreed that the insurance required is in addition to and separate from any other obligation in the Agreement. Developer and

any subcontractors are responsible for all damages to their own equipment and/or property. Developer must provide City current proof of insurance for all projects and applicable contracts and agreements executed pursuant to Agreement.

- 9.12 “ALL RISK”. At all times during the performance of construction, Developer and its contractor shall maintain in full force and effect builder’s “All Risk” insurance policies covering such construction. The Builder’s Risk Policies shall be written on an occurrence basis and on a replacement cost basis, insuring 100% of the insurable value of construction improvements.

ARTICLE X. WORKERS COMPENSATION INSURANCE COVERAGE

- 10.1 This Article is applicable only to construction of Public Improvements, the costs for which the Developer is seeking reimbursement from the City and the Board, and is not intended to apply to the private improvements made by the Developer.

10.2 DEFINITIONS.

- a. *Certificate of coverage (“certificate”)* - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC- 81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a Phase of the Project for the duration of the project.
- b. *Duration of the project* - includes the time from the beginning of the work on the Phase of the Project until the Developer's/person's work on the project has been completed and accepted by the City.
- c. *Persons providing services on the Project (“subcontractor” in §406.096 of the Texas Labor Code)* - includes all persons or entities performing all or part of the services the Developer has undertaken to perform on the Project, regardless of whether that person contracted directly with the Developer and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the Project. “Services” include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a Project. “Services” does not include activities unrelated to the Project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

- 10.3 Developer must provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Developer, if any, providing services on the Project, for the duration of the Project.

- 10.4 Developer must provide a certificate of coverage to the City prior to being awarded the contract.

- 10.5 If the coverage period shown on the Developer's current certificate of coverage ends during the duration of the Phase of the Project, Developer must, prior to the end of the coverage period, file a new certificate of coverage with the City showing that coverage has been extended.

- 10.6 Developer shall obtain from each contractor or subcontractor providing services on a project, and

shall provide to the City:

- a. a certificate of coverage, prior to that contractor or subcontractor beginning work on the Project, so the City will have on file certificates of coverage showing coverage for all persons providing services on the Project; and
 - b. no later than seven (7) days after receipt by Developer, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the Phase of the Project.
- 10.7 Developer will retain all required certificates of coverage for the duration of the Project, as described in Section 5.1, and for one (1) year thereafter.
- 10.8 Developer will notify the City in writing by certified mail or personal delivery, within ten (10) days after the Developer knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project.
- 10.9 Developer will post on the TIRZ property a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the Project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
- 10.10 Developer will contractually require each person with whom it contracts to provide services on a Project, to:
- a. provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the Project, for the duration of the applicable Phase of the Project;
 - b. provide to the Developer, prior to that person beginning work on the Project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the Project, for the duration of the applicable Phase of the Project;
 - c. provide the Developer, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the applicable Phase of the Project;
 - d. obtain from each other person with whom it contracts, and provide to the Developer:
 - (i) a certificate of coverage, prior to the other person beginning work on the Project; and
 - (ii) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the applicable Phase of the Project;
 - e. retain all required certificates of coverage on file for the duration of the applicable Phase of the Project and for one year thereafter;
 - f. notify the City in writing by certified mail or personal delivery, within ten (10) business days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project; and

- g. perform as required by paragraphs a-f above with the certificates of coverage to be provided to the person for whom they are providing services.
- 10.11 By signing this Agreement or providing or causing to be provided a certificate of coverage, Developer represents that all its employees to provide services on the Project will be covered by workers' compensation coverage for the duration of the applicable Project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self Insurance Regulation. Providing false or misleading information may subject Developer to administrative penalties, criminal penalties, civil penalties, or other civil actions.
- 10.12 Developer's failure to comply with any of these provisions is a breach of this Agreement and entitles the City and/or Board to declare the Agreement void and exercise all legal remedies if the Developer does not cure the breach within ten (10) business days after receipt of notice of breach from the City without necessity of the sixty (60) day cure period as set forth in Section 11.3.2 of this Agreement.

ARTICLE XI. TERMINATION AND RECAPTURE

- 11.1 TERMINATION. For purposes of this Agreement, termination means the expiration of the term, as provided by Article II. Term, herein. In addition, the City and/or the Board may terminate this Agreement in the following manners: (1) Termination without cause pursuant to Section 11.2, (2) Termination for cause pursuant to Section 11.3, and (3) Termination by law pursuant to Section 11.4.
- 11.2 TERMINATION WITHOUT CAUSE. This Agreement may be terminated by mutual consent and a written agreement of the Parties. In such case, the Parties shall agree upon the reason(s) of such termination, the termination conditions, any proposed pay-back plan of disbursed funds, and the proposed effective date of such termination.
- 11.3 TERMINATION FOR CAUSE/DEFAULT. Upon written Notice, which must be provided in accordance with Article XVII. Notice of this Agreement, the City and/or the Board shall have the right to terminate this Agreement for cause, in whole or in part, if Developer fails to: (1) comply with any material term or condition of this Agreement, which shall be deemed a default; and (2) cure such default.
- 11.3.1 NOTICE OF DEFAULT. After sending a written Notice of Default, the City will not distribute TIRZ funds to Developer until the default is cured.
- 11.3.2 CURE. Upon written Notice of Default resulting from a breach of this Agreement, such default will be cured within sixty (60) calendar days from the date of the Notice of Default. In the case of default, which cannot with due diligence be cured within such Cure Period, at the reasonable discretion of the Director of the City's Neighborhood & Housing Services (or successor) Department, or his or her designee, the Cure Period may be extended provided that Developer will immediately upon receipt of Notice of Default advise the City and the Board of Developer's intent to cure such default within the extended period granted. If there are no reasonable means to cure the default, Developer shall be apprised of that as well as the facts leading to that conclusion in the Notice of Default and said Notice of Default may serve as Notice of Termination.

- 11.3.3 FAILURE TO CURE. In the event Developer fails to cure any default of this Agreement within the Cure Period (or extended period), the City and the Board may, upon issuance to Developer of a written Notice of Termination, terminate this Agreement in whole or in part. Such notification shall include the reasons for such termination, the effective date of such termination; and, in the case of partial termination, the portion of the Agreement to be terminated.
- 11.3.4 REMEDIES UPON DEFAULT. The Parties shall have the right to seek any remedy in law to which they may be entitled, in addition to termination and repayment of funds, if a Party defaults under the material terms of this Agreement. The City and Board shall have the right to recapture all the disbursed funds pursuant to this Agreement and the Developer shall repay all disbursed funds to the TIRZ Fund.
- 11.4 TERMINATION BY LAW. If any applicable state or federal law or regulation is enacted or promulgated which prohibits the performance of the duties herein, or, if any law is interpreted to prohibit such performance, this Agreement shall automatically terminate as of the effective date of such prohibition.
- 11.5 RECAPTURE. Upon Notice of Termination in accordance with Article XVII. Notice, of this Agreement, the City and/or the Board, shall have the right to recapture all disbursed funds made under this Agreement and Developer shall repay disbursed funds as requested by the City and/or the Board in the said Notice of Termination within sixty (60) days from the effective date of the Notice of Termination. All recaptured funds made under this Agreement shall be deposited into the TIRZ Fund.
- 11.6 CLOSE-OUT. Regardless of how this Agreement is terminated, Developer will effect an orderly transfer to City or to such person or entity as the City may designate, at no additional cost to the City, copies of all completed or partially completed documents, records, or reports, produced as a result of or pertaining to this Agreement, regardless of storage medium, if so requested by the City, or shall otherwise be retained by Developer in accordance with Article XIV. Records, of this Agreement. Reimbursements due to Developer will be conditioned upon delivery of all such documents, records, or reports, if requested by the City. Within ninety (90) calendar days of the effective date of completion, or termination or expiration of this Agreement, Developer shall submit to City and/or the Board all requests for reimbursements in accordance with Section 6.12 above through the effective date of termination. Failure by Developer to submit requests for reimbursements within said ninety (90) calendar days shall constitute a Waiver by Developer of any right or claim to collect Available Tax Increment that Developer may be otherwise eligible for pursuant to this Agreement.

ARTICLE XII. INDEMNIFICATION

- 12.1 **DEVELOPER** covenants and agrees **TO FULLY INDEMNIFY AND HOLD HARMLESS**, the CITY (and the elected officials, employees, officers, directors, and representatives of the CITY), and the BOARD (and the officials, employees, officers, directors, and representatives of the BOARD), individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal injury or death and property damage, made upon the CITY, and/or upon the BOARD, directly or indirectly arising out of, resulting from or related to DEVELOPER, any agent, officer, director, representative, employee, consultant or subcontractor of DEVELOPER, and their respective officers, agents, employees, directors and representatives while in the exercise of the rights or performance of the duties under this AGREEMENT, all without however, waiving any governmental immunity available to the CITY and/or the BOARD, under Texas Law and without waiving any defenses of the parties under Texas Law. **IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF CITY, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF CITY, UNDER THIS AGREEMENT.**
- 12.2 It is the **EXPRESS INTENT** of the parties to this AGREEMENT, that the **INDEMNITY** provided for in this section, is an **INDEMNITY** extended by DEVELOPER to **INDEMNIFY, PROTECT and HOLD HARMLESS**, the CITY, and the BOARD, from the consequences of the CITY'S and/or the Board's **OWN NEGLIGENCE**, provided however, that the **INDEMNITY** provided for in this section **SHALL APPLY** only when the **NEGLIGENT ACT** of the City and/or Board is a **CONTRIBUTORY CAUSE** of the resultant injury, death, or damage, and shall have no application when the negligent act of the City and/or the Board is the sole cause of the resultant injury, death, or damage. **DEVELOPER** further **AGREES TO DEFEND, AT ITS OWN EXPENSE and ON BEHALF OF THE CITY AND/OR THE BOARD AND IN THE NAME OF THE CITY AND IN THE NAME OF THE BOARD**, any claim or litigation brought against the CITY and its elected officials, employees, officers, directors, volunteers and representatives, in connection with any such injury, death, or damage for which this **INDEMNITY** shall apply, as set forth above.

ARTICLE XIII. LIABILITY

- 13.1 DEVELOPER. As between the City, the Board, any Participating Taxing Entity, and Developer, Developer shall be solely responsible for compensation payable to any employee, contractor, or subcontractor of the Developer, and none of Developer's employees, contractors, or subcontractors will be deemed to be employees, contractors, or subcontractors of the City, the Board, or any Participating Taxing Entity as a result of the Agreement.
- 13.2 CITY AND BOARD. To the extent permitted by Texas law, no director, officer, employee or agent of the City, the Board, or any other Participating Taxing Entity shall be personally responsible for any liability arising under or growing out of this Agreement.

ARTICLE XIV. RECORDS

- 14.1 RIGHT TO REVIEW. Following notice to the Developer, the City reserves the right to conduct, at its own expense, examinations, during regular business hours, of the books and records related to this Agreement including such items as contracts, paper, correspondence, copy, books, accounts, billings and other information related to the performance of the Developer's services hereunder. The City also reserves the right to perform any additional audits relating to Developer's services, provided that such audits are related to those services performed by Developer under this Agreement. These examinations shall be conducted at the offices maintained by Developer.
- 14.2 PRESERVATION OF RECORDS. All applicable records and accounts of the Developer relating to this Agreement, together with all supporting documentation, shall be preserved and made available in Bexar County, Texas by the Developer throughout the term of this Agreement and for twelve (12) months after the termination of this Agreement, and then transferred for retention to the City at no cost to the City upon request. During this time, at Developer's own expense, the City may require that any or all such records and accounts be submitted for audit to the City or to a Certified Public Accountant selected by the City within thirty (30) days following written request.
- 14.3 DISCREPANCIES. Should the City discover errors in the internal controls or in the record keeping associated with the Project, Developer shall be notified of such errors and the Parties shall consult on what steps may be necessary to correct such discrepancies within a reasonable period of time, not to exceed sixty (60) days after discovery. The Board shall be informed of the action taken to correct such discrepancies.
- 14.4 OVERCHARGES. If it is determined as a result of such audit that Developer has overcharged for the cost of the Public Improvements, then such overcharges shall be immediately returned to the TIRZ Fund and become due and payable with interest at the maximum legal rate under applicable law from the date the City paid such overcharges. In addition, if the audit determined that there were overcharges of more than two (2) percent of the greater of the budget or payments to Developer for the year in which the discrepancy occurred, and the TIRZ Fund is entitled to a refund as a result of such overcharges, then Developer shall pay the cost of such audit.

ARTICLE XV. NON-WAIVER

- 15.1 ACTIONS OR INACTIONS. No course of dealing on the part of the City, the Board, or the Developer nor any failure or delay by the City, the Board, or the Developer in exercising any right, power, or privilege under this Agreement shall operate as a waiver of any right, power or privilege owing under this Agreement.
- 15.2 RECEIPT OF SERVICES. The receipt by the City of services from an assignee of the Developer shall not be deemed a waiver of the covenant(s) in this Agreement against assignment, or an acceptance of the assignee, or a release of the Developer from further performance by Developer of the covenant(s) contained in this Agreement. No provision of this Agreement shall be deemed waived by the City unless such waiver is in writing, and approved by the City through an ordinance passed and approved by its City Council.

ARTICLE XVI. ASSIGNMENT

- 16.1 ASSIGNMENT BY CITY. The City and/or Board may assign their rights and obligations under this Agreement to any governmental entity the City creates without prior consent of Developer. If the City and/or Board assign their rights and obligations under this Agreement then the City and/or the Board shall provide Developer written notice of assignment within thirty (30) days of such assignment.
- 16.2 ASSIGNMENT BY DEVELOPER. Developer may sell or transfer its rights and obligations under this Agreement only upon approval and written consent by the Board, as evidenced by Board Resolution, when a qualified purchaser or assignee specifically agrees to assume all of the obligations of the Developer under this Agreement. Any participating taxing entities must acquiesce to such assignment in writing prior to any assignment.
- 16.3 WORK SUBJECT TO AGREEMENT. Any work or services referenced herein shall be by written contract or agreement and, unless the City grants specific waiver in writing, such written contract or agreement shall be subject by its terms, insofar as any obligation of the City is concerned, to each and every provision of this Agreement. Compliance by Developer's contractor and/or subcontractors with this Agreement shall be the responsibility of Developer.
- 16.4 NO THIRD PARTY OBLIGATION. The City and/or the Board shall in no manner be obligated to any third party except for permitted assignments pursuant to Sections 16.2, including any contractor, subcontractor, or consultant of the Developer, for performance of work or services under this Agreement.
- 16.5 LENDING INSTITUTIONS. Any restrictions in this Agreement on the transfer or assignment of the Developer's interest in this Agreement shall not apply to and shall not prevent the assignment of this Agreement to a lending institution or other provider of capital in order to obtain financing for the Project. Developer shall notify the City of all such assignments to a lending institution or other provider of capital. In no event, shall the City and/or the Board be obligated in any way to the aforementioned financial institution or other provider of capital. The City shall only issue a check or other form of payment to Developer.
- 16.6 WRITTEN INSTRUMENT. Each transfer or assignment to which there has been consent, pursuant to Section 16.2 above, shall be by instrument in writing, in form reasonably satisfactory to the Board, and shall be executed by the transferee or assignee who shall agree in writing, for the benefit of the City and the Board, to be bound by and to perform the terms, covenants and conditions of this Agreement. Four (4) executed copies of such written instrument shall be delivered to the TIF Unit. Failure to obtain, the Board's consent by resolution, or failure to comply with the provisions herein first, shall prevent any such transfer or assignment from becoming effective. In the event the Board approves the assignment or transfer of this Agreement, Developer shall be released from such duties and obligations.
- 16.7 NO WAIVER. Except as set forth in Section 16.3 of this Agreement, the receipt by the City of services from an assignee of the Developer shall not be deemed a waiver of the covenants in this Agreement against assignment or an acceptance of the assignee or a release of further observance or performance by Developer of the covenants contained in this Agreement. No provision of this Agreement shall be deemed waived by the City unless such waiver is in writing, and approved by City Council in the form of a duly passed ordinance.

ARTICLE XVII. NOTICE

- 17.1 ADDRESSES. Any notice sent under this Agreement shall be written and mailed with sufficient postage, sent by certified mail, return receipt requested, documented facsimile or delivered personally to an officer of the receiving Party at the following addresses:

<u>THE CITY</u>	<u>THE BOARD</u>	<u>DEVELOPER</u>
City of San Antonio City Clerk Attn: Risk Management Dept. P.O. Box 839966 San Antonio, TX 78283-3966	Inner City TIRZ Attn: TIF Unit 1400 S Flores San Antonio, TX 78204	Texas Research and Technology Foundation Attn: J. Randolph Harig President and CEO 1422 E Grayson St, Suite 300 San Antonio, TX, 78208

- 17.2 CHANGE OF ADDRESS. Notice of change of address by any Party must be made in writing and mailed to the other Parties within fifteen (15) business days of such change. All notices, requests or consents under this Agreement shall be (a) in writing, (b) delivered to a principal officer or managing entity of the recipient in person, by courier or mail or by facsimile or similar transmission, and (c) effective only upon actual receipt by such person's business office during normal business hours. If received after normal business hours, the notice shall be considered received on the next business day after such delivery. Whenever any notice is required to be given by applicable law or this Agreement, a written waiver thereof, signed by the Person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVIII. CONFLICT OF INTEREST

- 18.1 CHARTER AND ETHICS CODE PROHIBITIONS. The Charter of the City of San Antonio and the City of San Antonio Code of Ethics prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Code of Ethics, from having a direct or indirect financial interest in any contract with the City. An officer or employee has a prohibited "financial interest" in a contract with the City or in the sale to the City of land, materials, supplies, or service, if any of the following individuals or entities is a party to the contract or sale:
- A City officer or employee, his or her spouse, sibling, parent, child, or other family member within the first degree of consanguinity or affinity;
 - An entity in which the officer or employee, or his or her parent, child, or spouse directly or indirectly owns (i) ten (10) percent or more of the voting stock or shares of the entity, or (ii) ten (10) percent or more of the fair market value of the entity; or
 - An entity in which any individual or entity listed above is (i) a subcontractor on a City contract, (ii) a partner, or (iii) a parent or subsidiary entity.
- 18.2 CERTIFICATION. Pursuant to the subsection above, Developer warrants and certifies, and this Agreement is made in reliance thereon, that by contracting with the City, Consultant does not cause a City employee or officer to have a prohibited financial interest in the Contract. Developer further warrants and certifies that it has tendered to the City a Contracts Disclosure Statement in compliance with the City's Ethics Code.

ARTICLE XIX. INDEPENDENT CONTRACTORS

- 19.1 NO AGENCY. All Parties expressly agree that in performing their services, the Board and Developer at no time shall be acting as agents of the City and that all consultants or contractors engaged by the Board and/or Developer respectively shall be independent contractors of the Board and/or the Developer. The Parties hereto understand and agree that the City and the Board shall not be liable for any claim that may be asserted by any third party occurring in connection with services performed by Developer, under this Agreement unless any such claim is due to the fault of the City.
- 19.2 NO AUTHORITY. The Parties further understand and agree that no party has authority to bind the others or to hold out to third parties that it has the authority to bind the others.

ARTICLE XX. TAXES

Developer shall pay, on or before the respective due dates, to the appropriate collecting authority all applicable Federal, State, and local taxes and fees which are now or may be levied upon the TIRZ Property, the Developer or upon the Developer's business conducted on the TIRZ Property or upon any of the Developer's property used in connection therewith, including employment taxes. Developer shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Developer.

ARTICLE XXI. PREVAILING WAGES

- 21.1 The TIF Program is a discretionary program, and it is the policy of the City that the requirements of Chapter 2258 of the Texas Government Code, entitled "Prevailing Wage Rates," will apply to TIF Development Agreements. Developer agrees that the Developer will comply with City Ordinance No. 71312 and its successors such as Ordinance No. 2008-11-20-1045 and will require subcontractors to comply with City Ordinance 71312 and its successors such as Ordinance No. 2008-11-20-1045 and shall not accept affidavits.
- 21.2 In accordance with Chapter 2258, Texas Government Code, and Ordinance No. 2008-11-20-1045, a schedule of the general prevailing rate of per diem wages in this locality for each craft or type of workman needed to perform this Agreement for the Public Work is included as **Exhibit F**, and made a part of this Agreement. Developer is required, and shall require its subcontractors to comply with each updated schedule of the general prevailing rates in effect at the time the Developer calls for bids for construction of a given phase.
- 21.3 Developer is further required to cause the latest prevailing wage determination decision to be included in bids and contracts for the Public Work with the Developer's general contractor and all subcontractors for construction of each Phase. The Developer shall forfeit as a penalty to the City \$60.00 for each laborer, workman, or mechanic employed, for each calendar day, or portion thereof, that such laborer, workman or mechanic is paid less than the said stipulated rates for any work done under said contract, by Developer or any subcontractor under the Developer. The establishment of prevailing wage rates in accordance with Chapter 2258, Texas Government Code shall not be construed to relieve the Developer from his obligation under any Federal or State Law regarding the wages to be paid to or hours worked by laborers, workmen or mechanics insofar as applicable to the work to be performed under this Agreement.

ARTICLE XXII. CHANGES AND AMENDMENTS

- 22.1 ORDINANCE AND ORDER REQUIRED. Except when the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms hereof shall be by amendment in writing executed by the Presiding Officer of the Inner City Board of Directors, the City, and Developer. Any alterations, additions, or deletions to the terms hereof that result in a change to the funding level or the project deliverables shall be by amendment in writing executed by the City, the Board, and Developer and evidenced by passage of a subsequent City ordinance.
- 22.2 CONSTRUCTION SCHEDULE. Notwithstanding the above, the Construction Schedule may be amended, as evidenced by approval of the Director of the City's Neighborhood & Housing Services (or successor) Department or his or her designee. In the event an amendment to the Construction Schedule as stated in Section 6.7 will result in a material change to this Agreement, then such amendment shall comply with the requirements of Section 22.1 above. No change under this section may result in an increase in the maximum contribution of the City or any other Participating Taxing Entity. Developer may rely on the determination of the Director of the City's Neighborhood & Housing Services (or successor) Department or his or her designee, whether a change in the Construction Schedule would result in a material change to the overall Project requirements.
- 22.3 AUTOMATIC INCORPORATION OF LAWS. Changes in local, state and federal rules, regulations or laws applicable to the Board's and the Developer's services under this Agreement may occur during the term of this Agreement and any such changes shall be automatically incorporated into this Agreement without written amendment to this Agreement, and shall become a part as of the effective date of the rule, regulation or law.

ARTICLE XXIII. SEVERABILITY

If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, then said clause or provision shall not affect any other clause or provision, and the remainder of this Agreement shall be construed as if such clause or provision was never contained herein. It is also the intent of the Parties that in lieu of each invalid, illegal, or unenforceable provision, there be added as a part of this Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

ARTICLE XXIV. LITIGATION EXPENSES

- 24.1 City policy on litigation is that, except to the extent prohibited by law, persons who are engaged in litigation or adversarial proceedings related to TIF against the City are ineligible to obtain or continue the use of TIF as principals or participants for the duration of the litigation. A principal or participant includes the TIF applicants and the TIF applicant's developers, partners, affiliates, sponsors, payroll employees, or relatives of the first degree of consanguinity. Accordingly, the City shall not consider a project proposing the use of TIF, designate a TIRZ, enter into any TIF contracts or agreements with, or authorize or make any TIRZ payment to persons engaged in litigation or adversarial proceedings related to TIF with the City. Ineligible persons shall be excluded from participating as either participants or principals in all TIRZ projects during the term of their litigation.
- 24.2 During the term of this Agreement, if Developer files or pursues an **adversarial proceeding** regarding this Agreement against the City and /or the Board, without first engaging in good faith

mediation of the dispute, then all access to funding provided hereunder shall be withheld and Developer will be ineligible for consideration to receive any future tax increment funding while any adversarial proceedings remain unresolved.

- 24.3 Under no circumstances will the Available Tax Increment received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any **adversarial proceeding** against the City, the Board or any other public entity. Nothing contained in this Article shall effect or otherwise affect the indemnity provisions contained in Article XII. above.

ARTICLE XXV. LEGAL AUTHORITY

Each person executing this Agreement on behalf of each Party, represents, warrants, assures, and guarantees that s/he has full legal authority to execute this Agreement on behalf of the City, the Board, and/or Developer, respectively and to bind the City, the Board, and/or Developer, to all the terms, conditions, provisions, and obligations of this Agreement.

ARTICLE XXVI. VENUE AND GOVERNING LAW

- 26.1 THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

- 26.2 Venue and jurisdiction arising under or in connection with this Agreement shall lie exclusively in Bexar County, Texas. Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in Bexar County, Texas.

ARTICLE XXVII. PARTIES' REPRESENTATIONS

This Agreement has been jointly negotiated by the City, the Board and Developer and shall not be construed against a Party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

ARTICLE XXVIII. CAPTIONS

All captions used in this Agreement are only for the convenience of reference and shall not be construed to have any effect or meaning as to the agreement between the Parties to this Agreement.

ARTICLE XXIX. LICENSES/CERTIFICATIONS

Developer warrants and certifies that, to its knowledge, any person providing services hereunder has the requisite training, license, and/or certification to provide said services and meets the competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

ARTICLE XXX. NONDISCRIMINATION AND SECTARIAN ACTIVITY

Developer understands and agrees to comply with the Non-Discrimination Policy of the City of San Antonio contained in Chapter 2, Article X of the City Code, and further shall use reasonable efforts to ensure that no person shall, on the ground of race, color, national origin, religion, sex, age, gender (to include transgender), sexual orientation, veteran status or disability, be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied access to any program or activity funded in whole or in part under Agreement.

ARTICLE XXXI. ENTIRE AGREEMENT

- 31.1 NO CONTRADICTIONS. This written Agreement embodies the final and entire Agreement between the Parties hereto and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties.
- 31.2 INCORPORATION OF EXHIBITS. Each Exhibit referenced below shall be incorporated herein for all purposes as an essential part of this Agreement, which governs the rights and duties of the parties, except that if there is a conflict between an Exhibit and a provision of this Agreement, the provision of this Agreement shall prevail over the Exhibit.

- EXHIBIT A: Resolution T11 2018-08-14-05R, contract negotiation authorization**
EXHIBIT B: Resolution T11 2019-__-__-__, contract execution authorization
EXHIBIT C: Contract Progress Payment Request Form
EXHIBIT D: Project Site
EXHIBIT E: Project Status Report Form
EXHIBIT F: Prevailing Wages
EXHIBIT G: Defined Reimbursement Terms

REST OF PAGE LEFT INTENTIONALLY BLANK

IN WITNESS THEREOF, the Parties have caused this instrument to be signed on the date of each signature below. This agreement shall be effective on the date of the last signature below.

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

BOARD OF DIRECTORS
Inner City TIRZ #11

Sheryl Sculley, City Manager

Councilman Art Hall, Presiding Officer

Date

Date

**TEXAS RESEARCH AND TECHNOLOGY
FOUNDATION,**
a Domestic Nonprofit Corporation

ATTEST/SEAL:

J. Randolph Harig
President and CEO

Leticia Vacek, City Clerk

Date

Date

APPROVED AS TO FORM:

Assistant City Attorney

Date

EXHIBIT A:
Resolution T11 2018-08-14-05R

T11 2018-08 -14-05R

RESOLUTION BY THE BOARD OF DIRECTORS ("BOARD") OF TAX INCREMENT REINVESTMENT ZONE NUMBER 11, CITY OF SAN ANTONIO, TEXAS, KNOWN AS THE INNER CITY TAX INCREMENT ZONE ("TIRZ"), AUTHORIZING THE TAX INCREMENT FINANCE UNIT ("TIF UNIT) STAFF TO NEGOTIATE AGREEMENTS TO PROVIDE FUNDING IN AVAILABLE TAX INCREMENT FROM THE TIRZ FUND WITHIN THE BOUNDARIES OF THE TIRZ.

* * * * *

WHEREAS, staff evaluated the tax increment funding process and concluded that streamlining adjustments are necessary to improve efficiency without compromising quality; and

WHEREAS, one mode of inefficiency involved requiring the TIF Unit staff to seek initial TIRZ Board permission to negotiate a funding agreement in one meeting and then requiring the TIF Unit to return to the TIRZ Board with the negotiated agreement in a subsequent meeting; and

WHEREAS, streamlining measures could be implemented to reduce the number of meetings consuming staff and TIRZ Board time and effort as well as increase the speed of the process without sacrificing any quality; and

WHEREAS, one such measure is to authorize the TIF Unit staff to negotiate agreements upfront as opposed to separating the requirement for prior TIRZ Board permission from the negotiation phase of the process, thereby consolidating necessary TIRZ Board actions into one required meeting. This streamlining measure will not impact TIRZ Board project final approval authority. In addition, staff will provide quarterly reporting on applications received to be incorporated into the process; and

WHEREAS, the City and the Board desire to provide financial incentives for development and revitalization projects that benefit the City and the TIRZ, and both recognize that a streamlined process is in the overall best interest of the program, now grant the TIF Unit staff the general authority to negotiate agreements without requiring prior specific TIRZ Board permission to negotiate each project agreement;
NOW THEREFORE,

BE IT RESOLVED BY THE BOARD:

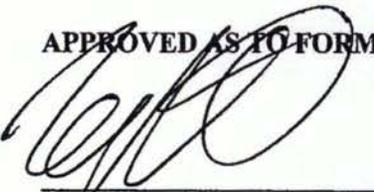
SECTION 1: The recitals set out above are adopted in their entirety.

SECTION 2: The Board hereby grants the TIF Unit staff general authority to negotiate agreements to provide funding in available tax increment within the boundaries of the TIRZ.

PASSED AND APPROVED this August 14, 2018.



City Councilman William Shaw
Presiding Officer

APPROVED AS TO FORM


Ted Murphree
Assistant City Attorney

EXHIBIT B:
Resolution T11 2019-___,

This resolution will be presented to the TIRZ board of directors February 27, 2019

EXHIBIT C:
Contract Progress Payment Request Form



CITY OF SAN ANTONIO Contract Progress Payment Request (CPPR) Form and Requirements

Prior to submitting an invoice to request reimbursement, the developer must submit to the TIF Unit:

- All approved Master Development Plans (MDPs), recorded plats, City approved construction plans and Inspections
- Copies of the payment and performance bond in accordance with executed Development Agreement
- Proof of compliance of the Bidding Policies must accompany the invoices submitted to include, but is not limited to: Publication of request for proposals, list of bidders, rating of bidders, and reason for choosing bidder (*Please refer to City's policy on Bidding Requirements.*)
- Letters of acceptance from City departments or other agencies certifying the public infrastructure was constructed and accepted in accordance with all applicable rules, regulations and codes.

When submitting an invoice for reimbursement, a summary page (refer to Sample Packet, page 2) must accompany all invoices to include related project name, invoice number, period covered by invoices and phase covered by invoices. Invoices must be submitted in the categories listed in the approved Final Finance Plan Sources and Uses page. The Sources and Uses page is broken down into phases and categories on a forecasted maximum allowable cost.

Each category should have their own separate summary page (refer to Sample Packet, page 2) itemizing invoices submitted in each appropriate category. The summary page will need to include maximum allowable cost, actual invoice amount, Plat or MDP number (if applicable) and method of payment. This maximum allowable cost is the forecasted amount that was projected for each category in the phase.

A receipt and/or a cancelled check must accompany each invoice to qualify for reimbursement. The invoice must refer to the related project. The dates and amount on invoices must coincide with receipt or cancelled checks. The invoice total must calculate correctly and tie to the summary page.

Each column is defined below: (refer to Sample Packet, page 2)

- **Column A** is the category from the Sources and Uses page for projected expenses
- **Column B** is the forecasted maximum allowable cost per the Final Finance Plan
- **Column C** is the actual developer's expense
- **Column D** is the amount of prior requests
- **Column E** is the balance column. The balance is the difference between the projected expenses and the actual developer's expenses. (The balance column will be used for internal tracking purposes only.)

*** All invoice Payments must be accompanied by:**

- **Receipt or Cancelled Check**
- **Must Reference the Project**

*** Only those categories outlined in the approved Final Finance Plan are eligible expenses for reimbursement.**

(SAMPLE) Reimbursement for TIRZ Expenses

Project Name: NAD Residential TIRZ		Period covered by this invoice: 12/02---8/03			
Invoice#: One (1)		Phase(s) covered by this invoice: Phases 1, 2, & 3			
Section	A Activity	B Maximum Allowable from Final Finance Plan	C Invoices Amount	D Prior Requests	E **Balance
1	Construction Management	44,200	40,624	0	3,576
2	Contingency	192,500	199,215	0	-6,715
3	Driveway Approach	20,000	22,972	0	-2,972
4	Engineering Survey	50,050	50,000	0	50
5	Formation Fees	150,150	200,000	0	-49,850
6	Gas	144,375	100,000	0	44,375
7	Green Belt/Green Space	26,950	21,000	0	5,950
8	Infrastructure Cost	61,600	60,000	0	1,600
9	Legal Fees	10,000	11,500	0	-1,500
10	Organizational Cost	20,800	35,000	0	-14,200
11	Official Traffic Control Device	15,000	10,000	0	5,000
12	Parking Facilities	30,000	28,250	0	1,750
13	Project Cost	86,163	86,100	0	63
14	Public Schools	10,000	11,000	0	-1,000
15	Recreational Park Area	105,942	105,940	0	2
16	Regional Storm Water Improvements	73,344	73,444	0	-100
17	Relocation Cost	40,747	55,474	0	-14,727
18	Sanitary Sewer	35,000	65,000	0	-30,000
19	Sidewalks	47,500	67,587	0	-20,087
20	Streetscape Planting	20,000	20,000	0	0
21	Street Lights	25,000	25,105	0	-105
22	Water	19,500	19,500	0	0
TOTAL		1,286,321	1,365,211	0	-78,890

Financing Cost does not accrue interest

**The Balance Column is used for Tracking purposes only

All Invoice Payments must be accompanied by:

- Receipt or Cancelled Check
- Must Reference the Project

The City of San Antonio recommends having a CPA and the Project Engineer certify invoices submitted by developers.

CERTIFICATION: I certify that to the best of my knowledge and belief the data above and supporting documentation attached are correct and that all outlays were made in accordance with the terms of the Development Agreement, plats, & construction plans; and that payment is due and has not been previously reimbursed.	Signature of Certifying Financial Official	Signature of Certifying Engineer
	_____ Typed or printed Name and Title	_____ Typed or printed Name & Title
	John Doe, CPA	John Smith, Engineer
	DATE: _____	DATE: _____

Reimbursement for TIRZ Expenses

Project Name:		Period covered by this invoice:			
Invoice#:		Phase(s) covered by this invoice:			
Section	A Activity	B Maximum Allowable from Final Finance Plan	C Invoices Amount	D Prior Requests	E **Balance
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
	TOTAL				

Financing Cost does not accrue interest
 **The Balance Column is used for Tracking purposes only
 All Invoice Payments must be accompanied by:
 Receipt or Cancelled Check
 Must Reference the Project

The City of San Antonio recommends having a CPA and the Project Engineer certify invoices submitted by developers.

CERTIFICATION: I certify, that to the best of my knowledge and belief, the data above and supporting documentation attached are correct and that all outlays were made in accordance with the terms of the Development Agreement, plats, & construction plans; and that payment is due and has not been previously reimbursed.	Signature of Certifying Financial Official _____ Typed or printed Name and Title: _____ Signature: _____ DATE: _____	Signature of Certifying Engineer _____ Typed or printed Name & Title: _____ Signature: _____ DATE: _____
--	---	---

(SAMPLE) Reimbursement for TIRZ Expenses

Project Name: NAD Residential TIRZ	Period covered by this invoice: 12/02---8/03
Invoice #: One (1)	Phase covered by this invoice: Phases 1,2, & 3

Section 1	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Site Work						
Dirt Movers Inc.	00451364		1520	10,000		Ck# 2140
Dirt Movers Inc.	145246		1555	22,000		Ck# 2141
Dirt Movers Inc.	783581		1600	2,500		Ck# 2142
Dirt Movers Inc.	891771		1680	1,124		Ck# 2142
Dirt Movers Inc.	157863146		1685	5,000		Ck# 2144
Total		44,200		40,624	3,576	

Reimbursement for TIRZ Expenses

Project Name:	Period covered by this invoice:
Invoice #:	Phase covered by this invoice:

Section 1	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Site Work						
Total						

(SAMPLE) Reimbursement for TIRZ Expenses

Project Name: NAD Residential TIRZ	Period covered by this invoice: 12/02---8/03
Invoice #: One (1)	Phase covered by this invoice: Phases 1,2, & 3

Section 2 Streets & Approaches	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
NAD Contractors	00451364		2020	\$165,000		Ck# 2523
Total		\$192,500		\$165,000	\$27,500	

Reimbursement for TIRZ Expenses

Project Name:	Period covered by this invoice:
Invoice #:	Phase covered by this invoice:

Section 2 Streets & Approaches	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Total						

(SAMPLE) Reimbursement for TIRZ Expenses

Project Name: NAD Residential TIRZ	Period covered by this invoice: 12/02---8/03
Invoice #: One (1)	Phase covered by this invoice: Phases 1,2, & 3

Section 3 Parkway	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Fast City Contractors	3574216		123	\$10,000		Ck# 8989
			456	\$4,500		Ck# 8989
			789	\$5,500		Ck# 8989
Total		\$20,000		\$20,000	\$0.00	

Reimbursement for TIRZ Expenses

Project Name: NAD Residential TIRZ	Period covered by this invoice: 12/02---8/03
Invoice #: One (1)	Phase covered by this invoice: Phases 1,2, & 3

Section 3 Parkway	Plat and/or MDP #	Maximum Allowable from Final Finance Plan	Invoice #(s)	Invoice Amount(s)	Balance	Method of Payment
Total						

EXHIBIT D:
Project Site

Bexar CAD

Property Search Results > 105758 MERCHANTS ICE LLC Tax Year:
for Year 2018

Property

Account

Property ID:	105758	Legal Description:	NCB 567 BLK 4 LOT 1 THRU 14
Geographic ID:	00567-004-0020	Zoning:	D
Type:	Real	Agent Code:	60585
Property Use Code:	098		
Property Use Description:	TRANSITIONAL USE		

Protest

Protest Status:
Informal Date:
Formal Date:

Location

Address:	1305 E HOUSTON ST SAN ANTONIO, TX 78205	Mapsco:	617A5
Neighborhood:	NBHD code11810	Map ID:	
Neighborhood CD:	11810		

Owner

Name:	MERCHANTS ICE LLC	Owner ID:	3082744
Mailing Address:	14785 OMICRON DR STE 100 SAN ANTONIO, TX 78245-3223	% Ownership:	100.0000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$212,140	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$1,265,220	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$1,477,360	
(-) Ag or Timber Use Value Reduction:	-	\$0	

(=) Appraised Value:	=	\$1,477,360	
(-) HS Cap:	-	\$0	

(=) Assessed Value:	=	\$1,477,360	

Taxing Jurisdiction

Owner: MERCHANTS ICE LLC
 % Ownership: 100.0000000000%
 Total Value: \$1,477,360

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
06	BEXAR CO RD & FLOOD	0.023668	\$1,477,360	\$1,477,360	\$349.66
08	SA RIVER AUTH	0.018580	\$1,477,360	\$1,477,360	\$274.49
09	ALAMO COM COLLEGE	0.149150	\$1,477,360	\$1,477,360	\$2,203.48
10	UNIV HEALTH SYSTEM	0.276235	\$1,477,360	\$1,477,360	\$4,080.99
11	BEXAR COUNTY	0.277429	\$1,477,360	\$1,477,360	\$4,098.62
21	CITY OF SAN ANTONIO	0.558270	\$1,477,360	\$1,477,360	\$8,247.66
57	SAN ANTONIO ISD	1.562600	\$1,477,360	\$1,477,360	\$23,085.23
CAD	BEXAR APPRAISAL DISTRICT	0.000000	\$1,477,360	\$1,477,360	\$0.00
SA011	San Antonio TIF #11 Inner City	0.000000	\$1,477,360	\$1,477,360	\$0.00
Total Tax Rate:		2.865932			
Taxes w/Current Exemptions:					\$42,340.13
Taxes w/o Exemptions:					\$42,340.13

Improvement / Building

Improvement #1:	Commercial	State Code:	F1	Living Area:	62260.0 sqft	Value: \$41,240
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
315	COLD STORAGE WHSE	B - F	BR	1942	46776.0
315	COLD STORAGE WHSE	B - F	BR	1942	3198.0
315	COLD STORAGE WHSE	B - F	CB	1942	4838.0
400	OFFICE	C - F	BR	1942	1976.0
315	COLD STORAGE WHSE	C - F	CB	1942	1824.0
320	STORAGE WAREHOUSE	C - F	CB	1942	3648.0

Improvement #2:	Commercial	State Code:	F1	Living Area:	20293.0 sqft	Value: \$32,870
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
208	BAR	C - F	BR	1909	20293.0

Improvement #3:	Commercial	State Code:	F1	Living Area:	34270.0 sqft	Value: \$27,770
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
320	STORAGE WAREHOUSE	C - F	BR	1909	34270.0

Improvement #4:	Commercial	State Code:	F1	Living Area:	13011.0 sqft	Value: \$7,050
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
320	STORAGE WAREHOUSE	C - F	BR	1909	4536.0
400	OFFICE	C - F	BR	1909	756.0
320	STORAGE WAREHOUSE	C - F	BR	1909	7719.0

Improvement #5:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$690
Type	Description	Class CD		Exterior Wall	Year Built	SQFT
LDK	Loading Dock	* - F			0	3388.0
Improvement #6:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$170
Type	Description	Class CD		Exterior Wall	Year Built	SQFT
FEN	Fence	S - A			0	510.0
Improvement #7:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$160
Type	Description	Class CD		Exterior Wall	Year Built	SQFT
CON	Concrete	* - A			0	1735.0
Improvement #8:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$2,000
Type	Description	Class CD		Exterior Wall	Year Built	SQFT
CNP	Canopy	* - A			0	3388.0
Improvement #9:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$100
Type	Description	Class CD		Exterior Wall	Year Built	SQFT
LDK	Loading Dock	* - A			0	396.0
Improvement #10:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$100
Type	Description	Class CD		Exterior Wall	Year Built	SQFT
LDK	Loading Dock	* - A			0	396.0
Improvement #11:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$140
Type	Description	Class CD		Exterior Wall	Year Built	SQFT
LDK	Loading Dock	* - A			0	524.0
Improvement #12:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$310
Type	Description	Class CD		Exterior Wall	Year Built	SQFT
CNP	Canopy	* - A			0	524.0
Improvement #13:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$290
Type	Description	Class CD		Exterior Wall	Year Built	SQFT
CNP	Canopy	* - A			0	484.0
Improvement #14:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$370

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
CNP	Canopy	* - A		0	619.0

Improvement #15:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$40
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
EQS	Equipment Shed	C - A		0	117.0

Improvement #16:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$70
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
LDK	Loading Dock	* - A		0	273.0

Improvement #17:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$160
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
CNP	Canopy	* - A		0	273.0

Improvement #18:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$1,560
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
ASP	Asphalt	* - A		0	28000.0

Improvement #19:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$8,910
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
LDK	Loading Dock	* - A		0	2880.0

Improvement #20:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$34,040
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
CNP	Canopy	* - A		0	2880.0

Improvement #21:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$710
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
LDK	Loading Dock	* - F		0	175.0

Improvement #22:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$16,030
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
LDK	Loading Dock	* - A		0	3108.0

Improvement #23:	Commercial	State Code:	F1	Living Area:	sqft	Value: \$36,730
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
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CNP Canopy * - A 0 3108.0

Improvement #24:	Commercial	State Code:	F1	Living Area:	sqft	Value:	\$630
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
LDK	Loading Dock	* - F		0	155.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	IND	Industrial	4.0341	175725.40	0.00	0.00	\$1,265,220	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2019	N/A	N/A	N/A	N/A	N/A	N/A
2018	\$212,140	\$1,265,220	0	1,477,360	\$0	\$1,477,360
2017	\$205,780	\$1,054,350	0	1,260,130	\$0	\$1,260,130
2016	\$205,720	\$834,700	0	1,040,420	\$0	\$1,040,420
2015	\$205,720	\$794,280	0	1,000,000	\$0	\$1,000,000

Deed History - (Last 3 Deed Transactions)

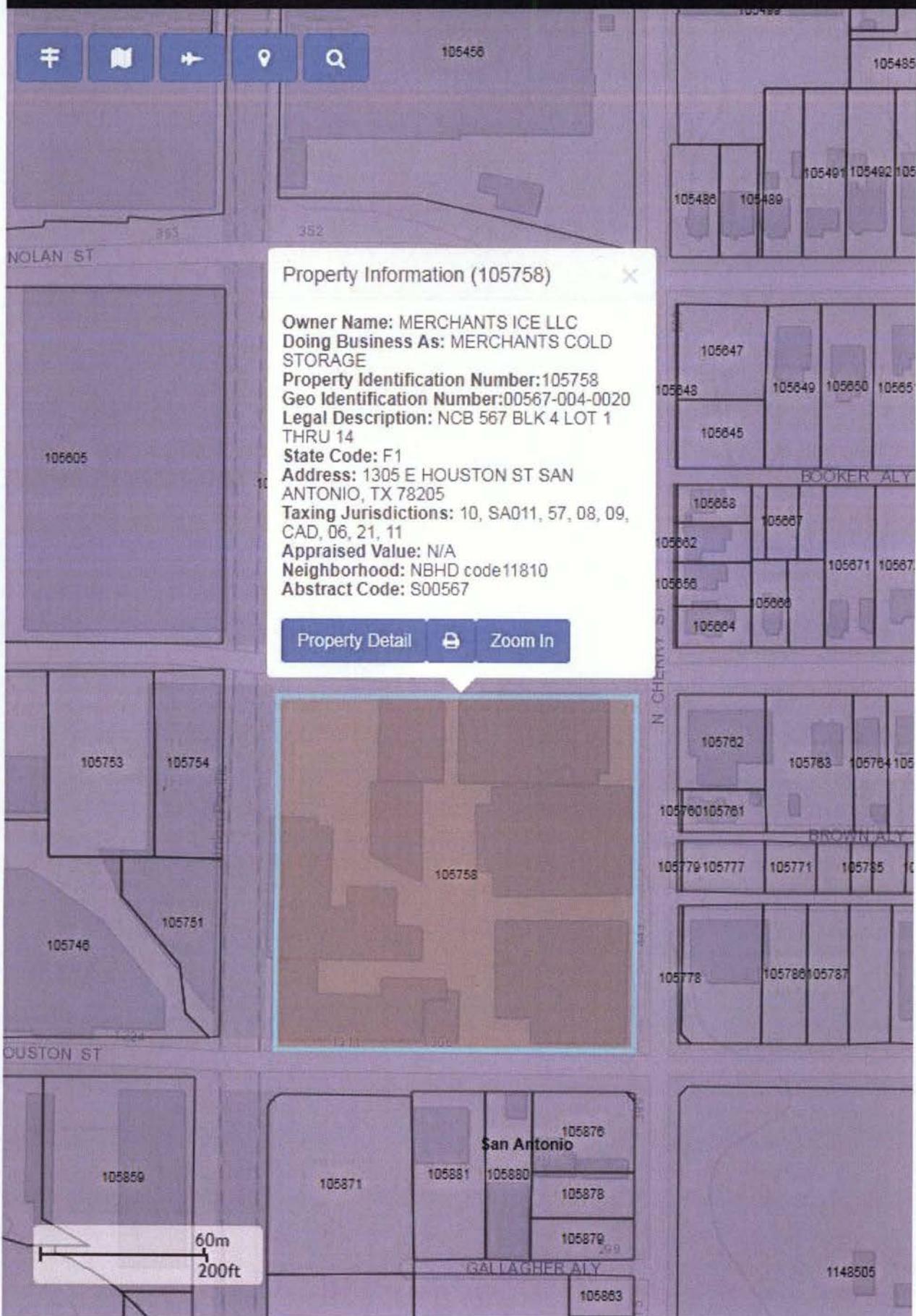
#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	8/31/2017	SWD	Special Warranty Deed	URBAN ICE LTD	MERCHANTS ICE LLC	18718	345	20170174131
2	11/4/1999	Deed	Deed		URBAN ICE LTD	8201	1357	0

2019 data current as of Jan 2 2019 12:39AM.

2018 and prior year data current as of Dec 7 2018 8:39AM

For property information, contact (210) 242-2432 or (210) 224-8511 or email.

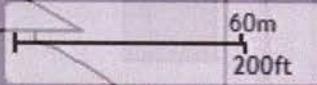
For website information, contact (210) 242-2500.



Property Information (105758) ✕

Owner Name: MERCHANTS ICE LLC
Doing Business As: MERCHANTS COLD STORAGE
Property Identification Number: 105758
Geo Identification Number: 00567-004-0020
Legal Description: NCB 567 BLK 4 LOT 1 THRU 14
State Code: F1
Address: 1305 E HOUSTON ST SAN ANTONIO, TX 78205
Taxing Jurisdictions: 10, SA011, 57, 08, 09, CAD, 06, 21, 11
Appraised Value: N/A
Neighborhood: NBHD code 11810
Abstract Code: S00567

[Property Detail](#) [Zoom In](#)



San Antonio

Bexar CAD

Property Search Results > 105871 MERCHANTS ICE LLC Tax Year:
 for Year 2018

Property

Account

Property ID:	105871	Legal Description:	NCB 574 BLK B-13 LOT 31 MERCHANTS SUBD
Geographic ID:	00574-131-0310	Zoning:	D
Type:	Real	Agent Code:	60585
Property Use Code:	099		
Property Use Description:	VACANT LAND		

Protest

Protest Status:
 Informal Date:
 Formal Date:

Location

Address:	1304 E HOUSTON ST SAN ANTONIO, TX 78202	Mapsco:	617A5
Neighborhood:	NBHD code11810	Map ID:	
Neighborhood CD:	11810		

Owner

Name:	MERCHANTS ICE LLC	Owner ID:	3082744
Mailing Address:	14785 OMICRON DR STE 100 SAN ANTONIO, TX 78245-3223	% Ownership:	100.0000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$252,710	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$252,710	
(-) Ag or Timber Use Value Reduction:	-	\$0	

(=) Appraised Value:	=	\$252,710	
(-) HS Cap:	-	\$0	

(=) Assessed Value:	=	\$252,710	

Taxing Jurisdiction

Owner: MERCHANTS ICE LLC
 % Ownership: 100.000000000000%
 Total Value: \$252,710

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
06	BEXAR CO RD & FLOOD	0.023668	\$252,710	\$252,710	\$59.81
08	SA RIVER AUTH	0.018580	\$252,710	\$252,710	\$46.95
09	ALAMO COM COLLEGE	0.149150	\$252,710	\$252,710	\$376.92
10	UNIV HEALTH SYSTEM	0.276235	\$252,710	\$252,710	\$698.08
11	BEXAR COUNTY	0.277429	\$252,710	\$252,710	\$701.09
21	CITY OF SAN ANTONIO	0.558270	\$252,710	\$252,710	\$1,410.80
57	SAN ANTONIO ISD	1.562600	\$252,710	\$252,710	\$3,948.85
CAD	BEXAR APPRAISAL DISTRICT	0.000000	\$252,710	\$252,710	\$0.00
SA011	San Antonio TIF #11 Inner City	0.000000	\$252,710	\$252,710	\$0.00
Total Tax Rate:		2.865932			
Taxes w/Current Exemptions:					\$7,242.50
Taxes w/o Exemptions:					\$7,242.50

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	CSS	Commercial Store Site	0.8057	35098.00	0.00	0.00	\$252,710	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2019	N/A	N/A	N/A	N/A	N/A	N/A
2018	\$0	\$252,710	0	252,710	\$0	\$252,710
2017	\$0	\$210,590	0	210,590	\$0	\$210,590
2016	\$0	\$147,410	0	147,410	\$0	\$147,410
2015	\$0	\$140,390	0	140,390	\$0	\$140,390

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	8/31/2017	SWD	Special Warranty Deed	URBAN ICE LTD	MERCHANTS ICE LLC	18718	352	20170174132
2	11/4/1999	Deed	Deed		URBAN ICE LTD	8201	1357	0

2019 data current as of Jan 11 2019 12:43AM.

2018 and prior year data current as of Jan 4 2019 9:30AM

For property information, contact (210) 242-2432 or (210) 224-8511 or email.

For website information, contact (210) 242-2500.



Property Information (105871)

Owner Name: MERCHANTS ICE LLC
Doing Business As: Null
Property Identification Number:105871
Geo Identification Number:00574-131-0310
Legal Description: NCB 574 BLK B-13 LOT 31 MERCHANTS SUBD
State Code: C1
Address: 1304 E HOUSTON ST SAN ANTONIO, TX 78202
Taxing Jurisdictions: 09, 08, CAD, 57, 10, 21, SA011, 11, 06
Appraised Value: N/A
Neighborhood: NBHD code11810
Abstract Code: S00574

Property Detail



Zoom In

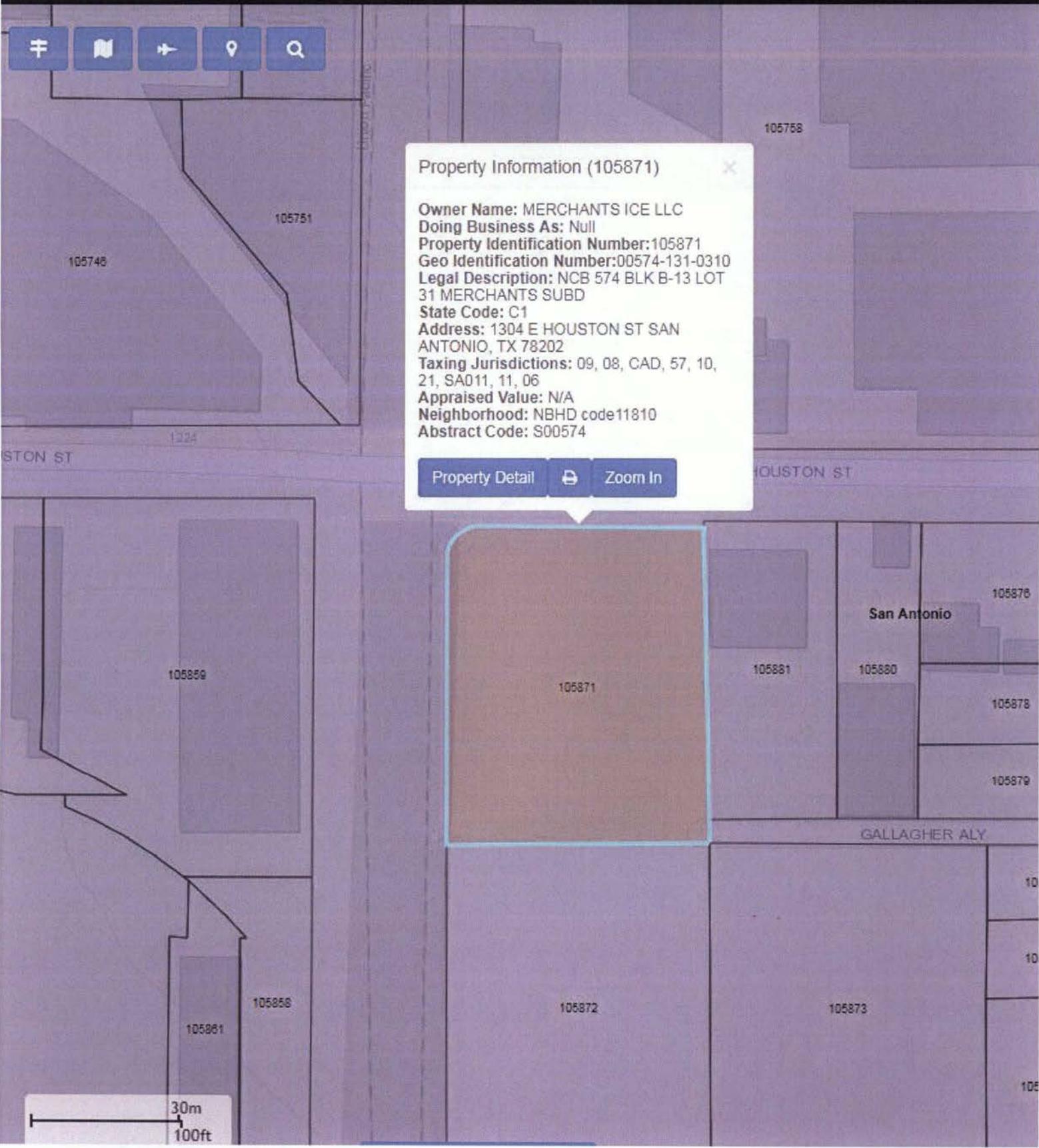


EXHIBIT E:
Project Status Report Form



CITY OF SAN ANTONIO TAX INCREMENT REINVESTMENT ZONE Project Status Report

Pursuant to the Development Agreement, the DEVELOPER has agreed to provide periodic reports of construction to the CITY upon reasonable request. The City requests that the Developer submit a TIRZ project status report every quarter every year until the project is complete, due by:

- January 15th, for the first quarter,
- April 15th, for the second quarter,
- July 15th, for the third quarter and
- October 15th, for the fourth quarter

At the completion of the project, the DEVELOPER shall submit a comprehensive final report.

Each quarterly report must include the following information:

- The number of Private Improvements completed (single-family and/or multi-family and commercial when applicable) and year in which they were completed
- The Public Improvements completed and costs incurred to date by year in which improvements were completed
- Indicate whether the construction is on track with the approved Final Project and Finance Plan
- If the project timeline has slipped, the Developer is to submit an updated project timeline
- The sale prices of the single-family homes completed (Please obtain and provide sales data for original sales price of every home sold.)
- Photos of: housing and commercial developments; before, during and after construction

In addition, for the City to monitor compliance with insurance requirements of the Development Agreement, the Developer must submit annually the Certificate of Insurance reflecting proof that:

- the City and its officers, employees and elected representatives are additional insureds as respects the operations and activities of, or on behalf of, the named insured contracting with the City, with the exception of the workers' compensation policy;
- the endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City of San Antonio is an additional insured shown on the policy;
- the Workers' Compensation and employers' liability policy provides a waiver of subrogation in favor of the City of San Antonio; and
- Notification to the City of any cancellation, non-renewal or material change in coverage was given not less than thirty (30) days prior to the change or ten (10) days prior to the cancellation due to non-payment of premiums, accompanied by a replacement Certificate of Insurance.

Attached is a form you may use to fulfill this reporting requirement.

TIRZ Project Progress Report (Construction)

Name of Project:	TIRZ #:
Progress Report #:	TIRZ Term: From: To:
Period Covered by this Report: From: To:	

The number of Private Improvements (single-family and/or multi-family and commercial if applicable) completed and year in which they were done

Phases (year)	Private Improvements									
	start date	end date	Single-Family Units		Multi-family Units		Commercial Acres and Square Feet		Other Improvements (example: day care centers)	
			Proposed	Completed	Proposed	Completed	Proposed	Completed	Proposed	Completed
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										

The Public Improvements completed and costs incurred to date by year (phase) in which improvements occurred

Phases (year)	start date	end date	Public Improvements										
			Sidewalks and Approaches	Streets	Drainage	Water	Sewer	Electrical (Line Extension)	Gas	Street Lights	Traffic Signal Light	Landscaping	Other
			Linear Feet	Li.Ft.	Li.Ft.	Li.Ft.	Li.Ft.	Li.Ft.	Li.Ft.	Li.Ft.	Number	Number/Locati on	Li.Ft.
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
TOTALS													

➤ Is Construction on track with the approved Final Project and Finance Plan? If not, please submit an updated timeline with the actual construction and the projected buildout.

EXHIBIT F:
Prevailing Wages

AN ORDINANCE 2008-11-20-1045

AMENDING ORDINANCE 71312 CONCERNING WAGE AND HOUR
LABOR STANDARD PROVISIONS FOR CITY OF SAN ANTONIO
CONSTRUCTION PROJECTS.

* * * * *

WHEREAS, federal and state laws require that all companies working on publicly funded construction projects must pay prevailing wage rates to its contractor and subcontractor employees, as determined by the U.S. Department of Labor; and

WHEREAS, governing procedures were established to ensure the City's compliance with various state laws through Ordinance No. 71312 approved on March 29, 1990 which provided for the Wage and Labor Standard Provision for locally funded City construction projects; and

WHEREAS, there have been changes in state law, as well as, organizational and process changes within the City that necessitate an amendment to Ordinance No. 71312; and

WHEREAS, this Ordinance amends Ordinance No. 71312 to a) reflect the changes in the Texas Government Code, Section 2258, Prevailing Wages, (superseding Article 5159a, Revised Civil Statutes), b) incorporate changes in the City's organizational structure renaming the Wage and Hour Office of the Public Works Department to the Labor Compliance Office, Capital Improvements Management Services Department, c) reflect changes in the City processes and the implementation of an electronic compliance program, and d) clarify language and eliminate ambiguities in the Ordinance, including the processes used by contractors for the restitution of underpayment of wages to workers whose contact information or current address is unknown; and

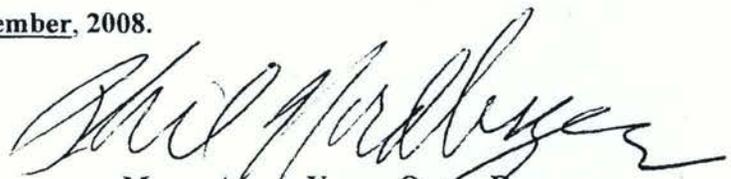
WHEREAS, approval of this Amendment will accurately reflect current laws, City organizational structure and current processes; **NOW THEREFORE,**

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

SECTION 1. Ordinance No. 71312 concerning Wage and Hour Labor Standard Provisions for City of San Antonio construction projects are hereby amended and the amended Wage and Labor Standard Provisions are attached hereto and incorporated by reference herein as Attachment I.

SECTION 2. This Ordinance shall take effect ten days after passage.

PASSED AND APPROVED this 20th day of November, 2008.


M A Y O R
PHIL HARDBERGER

ATTEST:


City Clerk

APPROVED AS TO FORM:


FLM City Attorney for

CORRECTED (7-15-2010)

WAGE AND LABOR STANDARD PROVISIONS
CITY OF SAN ANTONIO FUNDED CONSTRUCTION

Contents

1. GENERAL STATEMENT
2. LABOR COMPLIANCE OFFICE, CAPITAL IMPROVEMENTS MANAGEMENT SERVICES DEPARTMENT RESPONSIBILITIES
3. CLAIMS & DISPUTES PERTAINING TO WAGE RATES
4. BREACH OF WAGE & LABOR STANDARDS PROVISIONS
5. EMPLOYMENT OF LABORERS/MECHANICS NOT LISTED IN WAGE DETERMINATION DECISION
6. MINIMUM WAGE
7. OVERTIME COMPENSATION
8. PAYMENT OF CASH EQUIVALENT FRINGE BENEFITS
9. WORK CONDUCTED ON HOLIDAYS
10. UNDERPAYMENT OF PREVAILING WAGES OR SALARIES
11. POSTING WAGE DETERMINATION DECISION/STATEMENT AND "NOTICE TO EMPLOYEES"
12. PAYROLLS & BASIC PAYROLL RECORDS
13. LABOR DISPUTES
14. COMPLAINTS, PROCEEDINGS, OR TESTIMONY BY EMPLOYEES
15. EMPLOYEE INTERVIEWS TO ASSURE WAGE & LABOR STANDARD COMPLIANCE
16. "ANTI-KICKBACK" PROVISION
17. "FALSE OR DECEPTIVE INFORMATION" PROVISION
18. EMPLOYMENT OF APPRENTICES/TRAINEES
19. JOBSITE CONDITION
20. EMPLOYMENT OF CERTAIN PERSONS PROHIBITED
21. PROVISIONS TO BE INCLUDED IN SUBCONTRACTS
22. CONTRACTOR'S RESPONSIBILITY

1. GENERAL STATEMENT

For all City of San Antonio funded public works construction contracts, the City of San Antonio, in accordance with Texas Government Code Section 2258, requires that not less than the general prevailing wage rates (minimum hourly base pay and minimum hourly fringe benefit contribution) for work of similar character be paid to contractor and subcontractor employees. These wage rates are derived from the most current applicable federal prevailing wage rates as published by the United States Department of Labor, Dallas, Texas and authority of Ordinance Nos. 60110 and 71312 as amended and passed by the City Council of the City of San Antonio.

Any deviation from Wage and Labor Standard Provisions compliance shall be cause for City's withholding either periodic interim or final payment to the contractor until such deviations are properly corrected.

2. LABOR COMPLIANCE OFFICE, CAPITAL IMPROVEMENTS MANAGEMENT SERVICES DEPARTMENT RESPONSIBILITIES

Labor Compliance Office, Capital Improvements Management Services Department, City of San Antonio, is primarily responsible for all Wage and Labor Standard Provisions investigation and enforcement and will monitor contractor/subcontractor practices to assure the Director of Capital Improvements Management Services Department that:

- a. Appropriate weekly compliance statements and payroll records are submitted to the City by the contractor/subcontractors and that such are reviewed for compliance with the Wage and Labor Standard Provisions.
- b. Apprentices/trainees working on the project are properly identified by the contractor/subcontractor on payroll records and documented as being included in programs currently sanctioned by appropriate federal or state regulatory agencies.
- c. Applicable Wage Determination Decisions, including any applicable modifications and related statements must be posted at the work-site by the contractor and that proper job classification and commensurate minimum hourly base and fringe wage rates are paid.
- d. Employees are periodically interviewed (at random) to assure proper work classification and wage rates.
- e. The Labor Compliance Office will investigate all allegations that no person employed by contractor/subcontractor is induced against his will, by any means, to give up any part of the compensation to which he is otherwise entitled.
- f. That any and all periodic administrative directives to the Labor Compliance Office from the Director of Capital

Improvements are being implemented. For purpose of these Wage and Labor Standard Provisions, the Director of Capital Improvements Management Services means the Director, his successor, or his designee.

3. CLAIMS & DISPUTES PERTAINING TO WAGE RATES

Claims and disputes not promptly and routinely settled by the contractor/subcontractor and employee pertaining to wage rates, or to job classifications of labor employed regarding the work covered by this contract, shall be reported by the employee in writing, within sixty (60) calendar days of employee's receipt of any allegedly incorrect classification, wage or benefit report, to the Labor Compliance Office, City of San Antonio for further investigation. Claims and disputes not reported by the employee to the City's Wage & Hour Office in writing within the sixty (60) calendar day period shall be deemed waived by the employee for the purposes of the City administering and enforcing the City's contract rights against the contractor on behalf of the employee. Waiver by the employee of this City intervention shall not constitute waiver by the City to independently pursue contractual rights it has against the contractor/subcontractor for breach of contract and other sanctions available to enforce the Wage and Labor Standard Provisions.

4. BREACH OF WAGE & LABOR STANDARD PROVISIONS

The City of San Antonio reserves the right to terminate a contract for cause if the contractor/subcontractors shall knowingly and continuously breach, without timely restitution or cure, any of these governing Wage and Labor Standard Provisions. A knowing and unremedied proven violation of these Wage and Labor Standard Provisions may also be grounds for debarment of the contractor/subcontractor from future City of San Antonio contracts for lack of responsibility, as determined by the City of San Antonio. Recurrent violations, whether remedied or not, will be considered by the Director of Capital Improvements Management Services Department when assessing the responsibility history of a potential contractor/subcontractor prior to competitive award of future Project Management Office projects. The general remedies stated in this paragraph 4. above, are not exhaustive and not cumulative for the City reserves legal and contractual rights to other specific remedies outlined herein below and in other parts of this contract and as are allowed by applicable City of San Antonio ordinances, state and federal statutes.

5. EMPLOYMENT OF LABORERS/MECHANICS NOT LISTED IN WAGE DETERMINATION DECISION

In the event that a contractor/subcontractor discovers that construction of a particular work element requires a certain employee classification and skill that is not listed in the wage determinations decision contained in the original contract documents, contractor/subcontractors will make prompt inquiry

CORRECTED (7-15-2010)

(before bidding, if possible) to the Labor Compliance Office identifying that class of laborer/mechanics not listed in the wage determination decision who are intended to be employed, or who are being employed, under the contract. Using his best judgment and information resources available to him at the time, and any similar prior decisions, the Director of Capital Improvements Management Services Department, City of San Antonio shall classify said laborers/mechanics by issuing a special local wage determination decision to the contractor/subcontractor, which shall be enforced by the Labor Compliance Office.

6. MINIMUM WAGE

All laborers/mechanics employed to construct the work governed by this contract shall be paid not less than weekly the full amount of wages due (minimum hourly base pay and minimum hourly fringe benefit contribution for all hours worked, including overtime) for the immediately preceding pay period computed at wage and fringe rates not less than those contained in the wage determination decision included in this contract. Only payroll deductions as are mandated by state or federal law and those legal deductions previously approved in writing by the employee, or as are otherwise permitted by state or federal law, may be withheld by the contractor/subcontractor.

Should the contractor/ subcontractor subscribe to fringe benefit programs for employees, such programs shall be fully approved by the City in adopting a previous U.S. Department of Labor (DOL) decision on such fringe benefit programs or by applying DOL criteria in rendering a local decision on the adequacy of the fringe benefit programs. The approved programs shall be in place at the time of City contract execution and provisions thereof disclosed to the Labor Compliance Office, City of San Antonio, for legal review prior to project commencement.

Regular contractor/subcontractor contributions made to, or costs incurred for, approved fringe benefit plans, funds or other benefit programs that cover periods of time greater than the one week payroll periods of time period (e.g. monthly or quarterly, etc.) shall be prorated by the contractor/subcontractor on weekly payroll records to reflect the equivalent value of the hourly and weekly summary of fringe benefits per employee.

7. OVERTIME COMPENSATION

No contractor/subcontractor contracting for any part of the City of San Antonio funded contract work (except for worksite related security guard services) which may require or involve the employment of laborers/mechanics shall require or permit any laborer/mechanic in any seven (7) calendar day work period in which he or she is employed on such work to work in excess of 40 hours in such work period unless said laborer/mechanic receives compensation at a rate not less than one and one-half times the basic hourly rate of pay for all hours worked in

CORRECTED (7-15-2010)

excess of 40 hours in a seven (7) calendar day work period. Fringe benefits must be paid for straight time and overtime; however, fringe benefits are not included when computing the overtime rate.

8. PAYMENT OF CASH EQUIVALENT FRINGE BENEFITS

The contractor/subcontractor is allowed to pay a minimum hourly cash equivalent of minimum hourly fringe benefits listed in the wage determination decision in lieu of the contribution of benefits to a permissible fringe benefit plan for all hours worked including overtime as described in paragraph 6 above. An employee is not allowed to receive less than the minimum hourly basic rate of pay specified in the wage determination decision.

9. WORK CONDUCTED ON HOLIDAYS

If a laborer/mechanic is employed in the normal course and scope of his or her work on the jobsite on the following holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, and Martin Luther King, Jr. Day, or the calendar days observed as such in any given year, work performed shall be paid for at no less than one and one half (1 1/2) times the regular minimum hourly base pay regardless of the total number of the laborer/mechanic has accumulated during the pay period.

10. UNDERPAYMENT OF PREVAILING WAGES OR SALARIES

a. When a "full investigation" (as called for in and as construed under Texas Government Code Section 2258) establishes underpayment of wages by contractor/subcontractor to laborers/mechanics employed upon the work covered by a contract with the City of San Antonio, the City shall withhold an amount from the contractor, out of any payments (Interim progress and/or final) due the contractor, the City of San Antonio may also consider it necessary to secure ultimate payment by the appropriate party to such laborers/mechanics, of full wages plus possible penalty (see b. below). The amount withheld, excluding any possible penalty to be retained by City, may be disbursed at an appropriate time after "full investigation" by the City of San Antonio, for and on behalf of the contractor/subcontractor (as may be appropriate), to the respective laborers/mechanics to whom the same is due or on their behalf to fringe benefit plans, funds or programs for any type of minimum fringe benefits prescribed in the applicable wage determination decision.

b. Texas Government Code Section 2258, states that the contractor shall forfeit as a penalty to the City of San Antonio the sum of sixty dollars (\$60.00) for each calendar day, or portion thereof, for each laborer, workman, or mechanic, who is paid less than the said stipulated rate for any work done under this contract, whether by the contractor himself or by any subcontractor working under him. Pursuant to and supplemental to this statutory authority, the City of

CORRECTED (7-15-2010)

San Antonio and the contractor/subcontractor contractually acknowledge and agree that said sixty dollar (\$60.00) statutory penalty shall be construed by and between the City of San Antonio and the contractor/subcontractor as liquidated damages and will apply to any violations of paragraphs 6, 7, or 9 herein, resulting from contractor/subcontractor underpayment violations.

- c. If unpaid or underpaid workers cannot be located by the Contractor or the City after diligent efforts to accomplish same, the contractor shall report the wages as "unclaimed property" in accordance to Texas State law.

The City of San Antonio requires that the prime contractor send to the Labor Compliance Office a copy of the supporting documentation for the unclaimed property submitted to the State.

11. POSTING WAGE DETERMINATION DECISIONS/AND NOTICE TO LABORERS/MECHANICS STATEMENT

The applicable wage determination decision as described in the "General Statement" (and as specifically included in each project contract), outlining the various worker classifications and mandatory minimum wages and minimum hourly fringe benefit deductions, if any, of laborers/mechanics employed and to be employed upon the work covered by this contract, shall be displayed by the contractor/subcontractor at the site of work in a conspicuous and prominent public place readily and routinely accessible to workmen for the duration of the project. In addition, the contractor/subcontractor agrees with the contents of the following statement, and shall display same, in English and Spanish, near the display of the wage determination decision:

NOTICE TO LABORERS/MECHANICS

Both the City of San Antonio and the contractor/subcontractor agree that you must be compensated with not less than the minimum hourly base pay and minimum hourly fringe benefit contribution in accordance with the wage rates publicly posted at this jobsite and as are applicable to the classification of work you perform.

Additionally, you must be paid not less than one and one-half times your basic hourly rate of pay for any hours worked over 40 in any seven (7) calendar day work period, and for any work conducted on the following holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day, and Martin Luther King Day or the calendar days observed as such in any given year.

Apprentice and trainee hourly wage rates and ratios apply only to apprentices and trainees recognized under approved Federal, or State, apprenticeship training program registered with the Bureau of Apprenticeship and Training, U.S. Dept. of Labor.

If you believe that your employer is not paying the posted minimum wage for the type of work you do, you must make direct inquiry to the employer and inquire in writing within sixty (60) calendar days of your receipt of any allegedly incorrect wage or benefit check or report, to the City of San Antonio Labor Compliance Office, Capital Improvements Management Services Department, P.O. Box 839966, San Antonio, Texas 78283-3966. It is mandatory that the worker promptly file written inquiry of any allegedly incorrect wage or benefit checks or reports with the City of San Antonio, Labor Compliance Office within the sixty (60) calendar day period so that they do not waive your potential right of recovery under the provisions of the City of San Antonio Project Management Office contract that governs this project.

Both the City of San Antonio and the contractor/subcontractor agree that no laborer/mechanic who files a complaint or inquiry concerning alleged underpayment of wages or benefits shall be discharged by the employer or in any other manner be discriminated against by the employer for filing such complaint or inquiry.

12. PAYROLLS & BASIC PAYROLL RECORDS

- a. The contractor and each subcontractor shall prepare payroll reports in accordance with the "General Guideline" instructions furnished by the Labor Compliance Office of the City of San Antonio. Such payroll submittals shall contain the name and address of each such employee, his correct labor classification, rate of pay, daily and weekly number of hours worked, any deductions made, and actual basic hourly and fringe benefits paid. The contractor shall submit payroll records each week, and no later than seven (7) working days following completion of the workweek being processed, to the Labor Compliance Office, City of San Antonio. These payroll records shall include certified copies of all payrolls of the contractor and of his subcontractors, it being understood that the contractor shall be responsible for the submission and general mathematical accuracy of payrolls from all his subcontractors. Each such payroll submittal shall be on forms deemed satisfactory to the City's Labor Compliance Office and shall contain a "Weekly Statement of Compliance", as called for by the contract documents. Such payrolls will be forwarded to Capital Improvements Management Services, Labor Compliance Office, City of San Antonio, P.O. Box 839966, San Antonio, Texas 78283-3966.
- b. All City of San Antonio construction contracts are subject to contract compliance tracking, and the prime contractor and any subcontractors are required to provide any stated and/or requested contract compliance-related data electronically in the Labor Compliance Electronic Certified Payrolls System. The prime contractor and all subcontractors are required to respond not later than the stated response date or due date to any instructions or

CORRECTED (7-15-2010)

request for information from the Labor Compliance Office. All prime contractors and subcontractors shall periodically review the City of San Antonio labor Compliance Electronic Certified Payrolls System to manage contact information and the contract records. The prime contractor shall ensure that all subcontractors have completed all requested forms and that all contact information is accurate and up-to-date. The City of San Antonio Labor Compliance Office may require additional information related to the contract to be provided through the San Antonio Labor Compliance Electronic Certified Payrolls System at any time before, during, or after contract award.

- c. A designated point of contact for contractor access to the San Antonio Labor Compliance Electronic Certified Payrolls System shall be provided for each prime contractor upon award of the contract.
- d. Copies of payroll submittals and basic supporting payroll records of the contractor/subcontractors accounting for all laborers/mechanics employed under the work covered by this contract shall be maintained during the course of the work and preserved for a period of three (3) years after completion of the project. The contractors/subcontractors shall maintain records which demonstrate: any contractor commitment to provide fringe benefits to employees as may be mandated by the applicable wage determination decision, that the plan or program is adjudged financially responsible by the appropriate approving authority, (i.e. U. S. Department of Labor, U.S. Department of Treasury, etc.), and that the provisions, policies, certificates, and description of benefits of the plan or program as may be periodically amended, have been clearly communicated in a timely manner and in writing, to the laborers/mechanics affected prior to their performing work on the project.
- e. The contractor/subcontractor shall make the above records available for inspection, copying, or transcribing by authorized representatives of the City of San Antonio at reasonable times and locations for purposes of monitoring compliance with this contract.
- f. All certified payrolls submitted to the Labor Compliance Office are deemed true and accurate. If upon review of the certified payrolls, wage underpayment violations are identified and noted, restitution will be calculated and penalties will be issued to the prime contractor of the project. In order to refute a wage violation, the contractor/subcontractor must provide supporting documentation to the Labor Compliance Office for review and consideration.

13. LABOR DISPUTES

The contractor/subcontractor shall immediately notify the Project Management Office or designated representative of any actual or impending contractor/subcontractor labor dispute

CORRECTED (7-15-2010)

which may affect, or is affecting, the schedule of the contractor, or any other contractor/subcontractor work. In addition, the contractor/subcontractor shall consider all appropriate measures to eliminate or minimize the effect of such labor disputes on the schedule, including but not limited to such measures as: promptly seeking injunctive relief if appropriate; seeking appropriate legal or equitable actions or remedies; taking such measures as establishing a reserved rate, as appropriate; if reasonably feasible, seeking other sources of supply or service; and any other measures that may be appropriately utilized to mitigate or eliminate the jobsite and scheduling effects of the labor dispute.

14. COMPLAINTS, PROCEEDINGS, OR TESTIMONY BY EMPLOYEES

No laborers/mechanics to whom the wage, salary, or other labor standard provisions of this contract are applicable shall be discharged in any other manner discriminated against by the contractor/subcontractors because such employee has filed any formal inquiry or complaint or instituted, or caused to be instituted, any legal or equitable proceeding or has testified, or is about to testify, in any such proceeding under or relating to the wage and labor standards applicable under this contract.

15. EMPLOYEE INTERVIEWS TO ASSURE WAGE AND LABOR STANDARD COMPLIANCE

Contractor/subcontractors shall allow expeditious jobsite entry of City of San Antonio Labor Compliance representatives displaying and presenting proper identification credentials to the jobsite superintendent or his representative. While on the jobsite, the Labor Compliance representatives shall observe all jobsite rules and regulations concerning safety, internal security and fire prevention. Contractor/subcontractors shall allow project employees to be separately and confidentially interviewed at random for a reasonable duration by the Labor Compliance representatives to facilitate compliance determinations regarding adherence by the contractor/subcontractor to these Wage and Labor Standard Provisions.

16. "ANTI-KICKBACK" PROVISION

No person employed in the construction or repair of any City of San Antonio public work shall be induced, by any means, to give up to any contractor/subcontractor or public official or employee any part of the hourly and/or fringe benefit compensation to which he is otherwise entitled.

17. "FALSE OR DECEPTIVE INFORMATION PROVISION"

Any person employed by the contractor/subcontractor in the construction or repair of any City of San Antonio public work, who is proven to have knowingly and willfully falsified, concealed or covered up by any deceptive trick, scheme, or device a material fact, or made any false, fictitious or fraudulent statement or representation, or made or used any

false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be permanently removed from the jobsite by contractor/subcontractor. The City of San Antonio reserves the right to terminate this contract for cause as a result of serious and uncured violations of this provision.

18. EMPLOYMENT OF APPRENTICES/TRAINEES

- a. Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship & Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship & Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen in any craft classification shall not be greater than the ratio permitted to the contractor/subcontractor as to his entire work force under the registered program. Any employee listed on a payroll at an apprentice wage rate, who is not a trainee as defined in (b) below or is not registered or otherwise employed as stated above, shall be paid the wage rate for the classification of work he actually performs. The contractor/subcontractor is required to furnish to the Labor Compliance Office of the City of San Antonio, a copy of the certification, along with the payroll record that the employee is first listed on. The wage rate paid apprentices shall be not less than the specified rate in the registered program for the apprentice's level of progress expressed as the appropriate percentage of the journeyman's rate contained in the applicable wage determination decision.
- b. Trainees will be permitted to work at less than the predetermined rate for the work performed when they are employed pursuant to an individually registered program which has received prior approval, evidenced by formal certification by the U. S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen shall not be greater than that permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for his/her level of progress. Any employee listed on the payroll at a trainee wage rate that is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the wage rate determined by the classification of work he actually performs. The contractor/subcontractor is required to furnish a copy of the trainee program certification, registration of employee-trainees, ratios and wage rates

prescribed in the program, along with the payroll record that the employee is first listed on, to the Labor Compliance Office of the City of San Antonio. In the event the Employment and Training Administration withdraws approval of a training program, the contractor/subcontractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved by the Employment and Training Administration.

- c. Paragraphs above shall not operate to exclude training programs approved by the OFCCP, United States Department of Labor and as adopted by the Associated General Contractors (AGC) of Texas, Highway, Heavy, Utilities and Industrial Branch. Guidelines for these training programs shall be the same as those established for federally funded projects. This sub-paragraph shall not apply to those portions of a project deemed to be building construction.
- d. The Ratio to Apprentice to Journeyman for this project shall be the same as the ratio permitted under the plan approved by the Employment and Training, Administration, Bureau of Apprenticeship and Training, U.S. Department of Labor, by Craft. A copy of the allowable Ratios is included with the applicable Wage Determination Decision in the specifications for this project.

When a "full investigation" (as called for in, and as construed under, Texas Government Code Section 2258) evidences a violation of the Apprentice or Trainee to Journeyman ratios effective for contractor/subcontractor employees working on this contract, the City of San Antonio, in addition to such other rights as may be afforded it under state and/or federal law and/or other sections of this contract, shall withhold from the contractor, out of any payments (interim progress and/or final) due the contractor, the liquidated damages sum of seventy-five dollars (\$75.00) for each calendar day, or portion thereof, for each certified Apprentice or Trainee employee assigned to a Journeyman that exceeds the maximum allowable Apprentice/Trainee to Journeyman ratio stipulated for any work done under this contract, whether by the contractor himself or by any subcontractor working under him.

19. JOBSITE CONDITIONS

Contractors/subcontractors shall not allow any person employed for the project to work in surroundings or under construction conditions which are unsanitary, unhealthy, hazardous, or dangerous as governed by industry standards and appropriate local, state and federal statutes, ordinances, and regulatory guidelines.

20. EMPLOYMENT OF CERTAIN PERSONS PROHIBITED

- a. The contractor/subcontractor shall knowingly only employ persons of appropriate ages commensurate with the degree of

required skill, strength, maturity and judgment associated with the activity to be engaged in, but not less than the age of fourteen (14) years, as governed by the Texas Child Labor Law, Chapter 51 of the Texas Labor Code "Child Labor" and Texas Department of Labor and Standards rulings and interpretations associated with that statute. It is hereby noted that in some circumstances generally governed by this section, a federal statute (see: Fair Labor Standards Act, 29 USCS Section 212; Volume 6A of the Bureau of National Affairs Wage Hour Manual at Paragraph 96:1; "Child Labor Requirements in Nonagricultural Occupations" WH Publication 1330, July 1978 as may be amended), could pre-empt the Texas Statute and therefore be the controlling law on this subject. The contractor/subcontractor should seek clarification from state and federal agencies and legal counsel when hiring adolescent employees for particular job classifications.

- b. Prohibited persons not to be employed are also those persons who, at the time of employment for this contract, are serving sentence in a penal or correctional institution except that prior approval by the Director of Capital Improvements Management Services is required to employ any person participating in a supervised work release or furlough program that is sanctioned by appropriate state or federal correctional agencies.
- c. The Contractor/subcontractors shall be responsible for compliance with the provisions of the "Immigration Reform and Control Act of 1986" Public Law 99-603, and any related State enabling or implementing statutes, especially as they in combination apply to the unlawful employment of aliens and unfair immigration-related employment practices affecting this contract.

21. PROVISIONS TO BE INCLUDED IN SUBCONTRACTS

The contractor shall cause these Wage and Labor Standard Provisions, or reasonably similar contextual adaptations hereof, and any other appropriate state and federal labor provisions, to be inserted in all subcontracts relative to the work to bind subcontractors to the same Wage and Labor Standards as contained in these terms of the General Conditions and other contract documents insofar as applicable to the work of subcontractors or sub-subcontractors and to give the contractor similar, if not greater, general contractual authority over the subcontractor or subcontractors as the City of San Antonio may exercise over the contractor.

22. CONTRACTOR'S RESPONSIBILITY

The prime contractor shall be responsible for ensuring that its subcontractors comply with the Wage and Labor Standards Provisions.

EXHIBIT G:
Defined Reimbursement Terms

Exhibit G – Defined Reimbursement Terms

In accordance with the terms and conditions of this Agreement, reimbursements to Developer for eligible Project Costs will be available in the following amounts during the fiscal years set forth below.

FY 2019: \$2,000,000.00

FY 2021: \$600,000.00

FY 2022: \$600,000.00

FY 2023: \$600,000.00

FY 2024: \$600,000.00

FY 2025: \$600,000.00

In any event, the total reimbursement amount may not exceed \$5,000,000.00, and not more than \$2,000,000.00 may be reimbursed during any one fiscal year.

Subject to Section 8.6 of this Agreement, any amounts available in any given fiscal year that are not reimbursed to Developer for any reason are not forfeited and shall remain reimbursable, up to \$5,000,000.00, until the expiration or termination of this Agreement.

Any amounts awarded under this Agreement and not reimbursed to Developer by the termination of the TIRZ will be forfeited.