

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

AN ORDINANCE

**AUTHORIZING AN ASSIGNMENT, ASSUMPTION AND THIRD
AMENDMENT TO THE TAX PHASE-IN AGREEMENT WITH MAXIM
INTEGRATED PRODUCTS, INC. ("MAXIM") TO PROVIDE FOR THE
ACQUISITION OF MAXIM'S SAN ANTONIO FACILITY BY TOWER
SEMICONDUCTOR LTD./TOWER JAZZ.**

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WHEREAS, the City of San Antonio ("City") and Maxim entered into that certain Tax Phase-In Agreement (the "Agreement") authorized by City Ordinance No. 100069 which was passed and approved on December 9, 2004, and

WHEREAS, on February 15, 2007, the City amended the Agreement in accordance with City Ordinance No. 2007-02-15-0181 to increase the required personal property investment from \$50 million to \$82 million (the "First Amendment"); and

WHEREAS, on June 9, 2011 the City again amended the Agreement in accordance with City Ordinance No. 2011-06-09-0491 to reduce the amount of abated taxes from 100% to 85% and to lower the full-time job requirement from 800 to 575 (the "Second Amendment"); and

WHEREAS, Maxim has requested to assign its interest in the Agreement to Tower Semiconductor Ltd./TowerJazz ("Tower"), to: 1) assume all rights and obligations of Maxim under the Agreement; 2) amend the terms and conditions of the Agreement to include a six-year recapture period from the date of transfer from Maxim to Tower; and 3) to increase the number of full-time jobs required from 575 to 600; and

WHEREAS, the City finds that providing for the assignment, assumption and amendment of the Agreement would continue the goals of the City by maintaining 600 full-time jobs and significant investment in the manufacturing industry; **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of an Assignment, Assumption and Third Amendment (the "Amendment") to the Tax Phase-In Agreement with Maxim Integrated Products, Inc. are hereby approved. The City Manager, or her designee, is authorized to execute the Amendment in accordance with this Ordinance. A copy of the Amendment in substantially final form is attached as "Exhibit A" and is made a part of this Ordinance. The final copy of the Amendment shall be attached when fully executed.

SECTION 2. This Ordinance shall become effective immediately upon its passage by eight (8) votes or more and upon ten (10) days following its passage if approved by fewer than eight (8) votes.

PASSED AND APPROVED this ____ day of April, 2016.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek
City Clerk

Martha G. Sepeda
Acting City Attorney