

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

ORDINANCE

AUTHORIZING CITY FEE WAIVERS IN THE AMOUNT OF \$1,000,000.00 AND SAWS IMPACT FEE WAIVERS IN THE ESTIMATED AMOUNT OF \$500,000.00 FOR THE H.E.B. HUB EXPANSION PROJECT WITH AN ESTIMATED INVESTMENT OF \$130 MILLION IN REAL AND PERSONAL PROPERTY IMPROVEMENTS TO THE 871 ACRE PROJECT SITE LOCATED ON THE SOUTHWEST CORNER OF EAST HOUSTON AND SOUTH FOSTER ROAD ("PROJECT SITE") IN CITY COUNCIL DISTRICT 2.

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WHEREAS, H.E.B. is Texas' largest privately held company and the largest food retailer in South and Central Texas operating 400 retail stores in Texas and Mexico and sales of \$25 billion; and

WHEREAS, H.E.B. is ranked No. 12 on Forbes' list of "America's Largest Private Companies" and was named to the Forbes list of "America's Best Employers"; and

WHEREAS, H-E-B desires to expand its existing investment in the City by developing a major new hub for distribution, manufacturing, and food processing activities (the "Project") at the Project Site; and

WHEREAS, the expansion meets several of the key long-term economic goals laid out in the community's economic development strategic plan including support to retain and expand local businesses and encourage job growth and to keep valued employers engaged and successfully operating in San Antonio; and

WHEREAS, the total number of new jobs to be created at the Project Site is at least 300 over five years, with 348 existing positions being retained from existing hub facilities; and

WHEREAS, the Project will not only create new jobs, but will also generate ad valorem real and personal property tax revenue for the City exceeding \$8 million over the next 10 years, over \$20 million to other taxing jurisdictions, with more than \$14 million to the local school district; and

WHEREAS, to support the Project, staff recommends approval of an exception to the ICRIP Fee Waiver Program Guidelines, which will permit the City to waive SAWS water and sewer impact fees in an amount up to \$500,000.00 and City of San Antonio development fees in an amount up to \$1,000,000.00; and

WHEREAS, staff's recommendation is based on the exceptional capital investment, creation and retention of full-time jobs, and the location of the Project Site being located in a traditionally underserved area in a State Enterprise Zone; **NOW THEREFORE:**

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

SECTION 1. The City Council authorizes City fee waivers in the amount of \$1,000,000.00 and SAWS fee waivers in the amount of \$500,000.00 for the HEB HUB Expansion Project. City staff is authorized to execute and process the necessary documents to effectuate this Ordinance.

SECTION 2. This Ordinance shall be effective immediately upon the receipt of at least eight (8) affirmative votes and, if approved by less than 8 votes, then on the tenth (10th) day following its passage.

PASSED AND APPROVED this 17th day of MAY, 2018.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney