

A RESOLUTION

2003-07-07

RENOMINATING LA QUINTA INN & SUITES AT THE SAN ANTONIO CONVENTION CENTER PROJECT, LOCATED WITHIN THE CITY'S FEDERAL EMPOWERMENT ZONE AND THE INNER CITY TAX INCREMENT REINVESTMENT ZONE #11, TO THE TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT (TXED) AS A "STATE ENTERPRISE ZONE PROJECT," WHICH WILL QUALIFY LA QUINTA CORPORATION AND ITS SUBSIDIARY CORPORATIONS AND OTHER AFFILIATES FOR STATE SALES AND USE TAX REFUNDS AND FRANCHISE TAX CREDITS BASED ON JOB CREATION AND INVESTMENT AND SPECIFYING THAT LA QUINTA CORPORATION AND ITS SUBSIDIARY CORPORATIONS AND OTHER AFFILIATES MEET THE STATUTORY REQUIREMENTS FOR STATE ENTERPRISE ZONE PROJECTS IN ACCORDANCE WITH CHAPTER 2303 OF THE TEXAS GOVERNMENT CODE.

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WHEREAS, the United States Department of Housing and Urban Development ("HUD") designated the San Antonio Federal Empowerment Zone on December 31, 2001; and

WHEREAS, Texas Economic Development (the "Agency") designated the San Antonio Empowerment Zone Enterprise Zone (the "Zone") on January 11, 2002 pursuant to Section 2303.109(b), Subchapter C of the Texas Enterprise Zone Act, Texas Government Code (the "Act"); and

WHEREAS, the Agency will consider La Quinta Inn & Suites at the San Antonio Convention Center Project as an Enterprise Project pursuant to a nomination and an application made by the City of San Antonio, Texas (the "City"); and

WHEREAS, the City desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the Zone and to provide employment to residents of the Zone and to other economically disadvantaged individuals; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, La Quinta Corporation and its subsidiary corporations and other affiliates have applied to the City to designate La Quinta Inn & Suites at the San Antonio Convention Center Project as an Enterprise Project; and

WHEREAS, the City finds that La Quinta Inn & Suites at the San Antonio Convention Center Project meets the criteria for designation as an Enterprise Project under Chapter 2303, Subchapter F of the Act on the following grounds:

1. La Quinta Corporation and its subsidiary corporations and other affiliates are a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business in the Zone and at least twenty-five percent (25%) of the business' new employees will be residents of a Zone within the City's jurisdiction or economically disadvantaged individuals; and
2. La Quinta Inn & Suites at the San Antonio Convention Center Project is located in the Zone, or has made a substantial commitment to locate in the Zone, which has an unemployment rate of not less than one and one-half (1-1/2) times the state unemployment rate; and

- 3. There has been and will continue to be a high level of cooperation between public, private and neighborhood entities within the Zone; and
- 4. The designation of La Quinta Inn & Suites at the San Antonio Convention Center Project as an Enterprise Project will contribute significantly to the achievement of the plans of the City for development and revitalization of the Zone; and

WHEREAS, the City finds that La Quinta Inn & Suites at the San Antonio Convention Center Project meets the criteria for tax relief and other incentives adopted by the City and renominates the La Quinta Inn & Suites at the San Antonio Convention Center Project on the grounds that it will be located wholly within the Zone, will create a higher level of employment, economic activity and stability; and

WHEREAS, the City finds that it is in the best interest of the City to nominate La Quinta Inn & Suites at the San Antonio Convention Center Project as an Enterprise Project pursuant to the Act; **NOW THEREFORE**,

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

SECTION 1. The findings of the City Council set out above and its actions approving this resolution taken at the City Council meeting are hereby approved and adopted.

SECTION 2. La Quinta Corporation and its subsidiary corporations and other affiliates is a “qualified business”, as defined in Section 2303.402 of the Act, and the La Quinta Inn & Suites at the San Antonio Convention Center Project meets the criteria for designation as an Enterprise Project, as set forth in Section 2303, Subchapter F of the Act.

SECTION 3. The Enterprise Project shall take effect on the date of designation of the Enterprise Project by the agency and terminate five (5) years after that date of designation.

PASSED AND APPROVED this 20th day of FEBRUARY 2003.

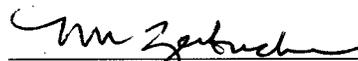

M A Y O R

EDWARD D. GARZA

ATTEST:


City Clerk

APPROVED AS TO FORM:


for Andrew Martin
City Attorney