

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

AN ORDINANCE

APPROVING A MASTER ECONOMIC INCENTIVE AGREEMENT AMONG THE CITY OF SAN ANTONIO, TAX INCREMENT REINVESTMENT ZONE #11 AND ALAMO BEER L.L.C. IN AN AMOUNT NOT TO EXCEED \$794,000.00 FOR THE ALAMO BEER MICROBREWERY PROJECT TO BE LOCATED IN CITY COUNCIL DISTRICT 2.

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WHEREAS, Alamo Beer L.L.C. (“Developer”) is the owner of approximately 3.58 acres of real property located at 415 Burnett, San Antonio, TX 782__, as more particularly described on “**Exhibit A**” attached hereto (the “Developer’s Property”); and

WHEREAS, the City of San Antonio (the “City”) is the owner of approximately 1.69 acres of unimproved property located within the boundaries of the Tax Increment Reinvestment Zone #11 (the “TIRZ”), specifically at 803 N. Cherry Street, San Antonio, TX 782__, as more particularly described on “**Exhibit B**” attached hereto (the “Cherry Street Parcel”); and

WHEREAS, Developer is engaged in an economic development project that will be located within the City limits of San Antonio and will consist of the construction and operation of a micro-brewery facility to include: 1) the construction, establishment and operation of a microbrewery and its associated office functions, 2) a restaurant/beer garden; 3) indoor/outdoor event venue; and 4) outdoor activity area to be used in conjunction with activities from the microbrewery (the “Project”); and

WHEREAS, once completed the Project is anticipated to result in the investment of approximately \$7,495,000.00 in real and personal property improvements and create a cumulative 40 full-time jobs within the TIRZ after seven (7) years; and

WHEREAS, Developer is seeking economic incentives from the City and the TIRZ to include transfer of the Cherry Street Parcel, grants, loans, and property license agreements; and

WHEREAS, City has agreed to the sale of the Cherry Street Parcel and has authorized City-property license agreements as part of the incentive package offered to Developer as consideration for undertaking, completing and operating the Project; and

WHEREAS, the City and the TIRZ have identified funds which can be made available to Developer in the form of a grant and a loan for use in undertaking and completing the Project in accordance with the terms and conditions of the Master Economic Incentive Agreement (the “Agreement”); and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code and Section 311.010(b) and Section 311.010 (h) of the Texas Tax Code, the City and the TIRZ are authorized to grant and loan funds to promote state or local economic development and to stimulate business and commercial activity in the municipality and within the TIRZ; and

WHEREAS, the City finds that the Project will meet the goals of Chapter 380 and has agreed to utilize TIRZ funds upon the approval of the Agreement by the TIRZ Board of Directors to provide a Chapter 380 economic development loan and grant to Developer; **NOW THEREFORE**:

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

SECTION 1. The City Council approves the terms and conditions of a Master Economic Incentive Agreement among the City of San Antonio, Tax Increment Reinvestment Zone #11 and Alamo Brewery L.L.C. in an amount not to exceed \$794,000.00.

SECTION 2. The City Manager or her designee is authorized to execute the Agreement in accordance with this Ordinance. A copy of the Agreement, in substantially final form, is attached to this Ordinance as "**Exhibit C.**" The final agreements shall be filed with this Ordinance upon execution.

SECTION 3. Funding for the \$794,000.00 Economic Development Grant and Loan will come from various sources: 1) up to \$449,000.00 shall come from the ad valorem tax increment generated as a result of project improvements; 2) up to \$295,000.00 in a public improvement grant shall come from the proceeds resulting from the sale of 803 North Cherry Street; and 3) \$50,000.00 shall come from the Inner City Incentive Fund.

SECTION 4. Payment not to exceed the budgeted amount is authorized to Alamo Brewery L.L.C. and should be encumbered with a purchase order.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance shall be effective immediately upon its passage by eight (8) votes or after the 10th day after its passage by less than eight (8) affirmative votes.

PASSED AND APPROVED this ___ day of _____ 2012.

M A Y O R
Julián Castro

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Michael D. Bernard, City Attorney

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