

AN ORDINANCE 2007-01-18-0074

APPROVING AND AUTHORIZING THE EXECUTION OF A TAX PHASE-IN AGREEMENT WITH MICROSOFT CORPORATION TO EXEMPT 100% OF AD VALOREM TAXES FOR A PERIOD OF TEN (10) YEARS ON REAL AND PERSONAL PROPERTY IMPROVEMENTS OF APPROXIMATELY \$550 MILLION AND THE CREATION OF 75 JOBS; GRANTING CERTAIN EXCEPTIONS TO THE CITY'S TAX PHASE-IN GUIDELINES; AND RECOMMENDING TO THE BOARD OF DIRECTORS OF CPS ENERGY APPROVAL OF UP TO \$5.2 MILLION FROM THE COMMUNITY INFRASTRUCTURE AND ECONOMIC DEVELOPMENT (CIED) FUND TO SUPPORT THE MICROSOFT PROJECT.

\* \* \* \* \*

**WHEREAS**, Microsoft Corporation (hereinafter referred to as "Microsoft"), a world-wide leader in software development, services and solutions, is seeking to locate a data center in Texas; and

**WHEREAS**, Microsoft has identified a site consisting of 44 acres of land located in the Westover Hills development located at 5150 Rogers Road, more particularly described in ATTACHMENT I, where it would construct and operate a computer data center (the "Project"); and

**WHEREAS**, the Project will exceed an investment of \$550,000,000.00 in real and personal property improvements and will create at least 75 permanent full-time positions paying employees not less than \$9.62 an hour; and

**WHEREAS**, Microsoft has requested that exceptions be made relating to the term of the abatement and the job creation requirements under the City/County Joint Tax Phase-In Guidelines due to the exceptional investment being made in real and personal property; and

**WHEREAS**, Microsoft is also requesting that the City Council recommend to the Board of Directors of CPS Energy that \$5.2 million be allocated from the Community Infrastructure and Economic Development (CIED) Fund for the Project; and

**WHEREAS**, the City Council finds that the proposed Project furthers the objectives of the Economic Development Department and the City of San Antonio in promoting the development of local business interests and job creation; and

**WHEREAS**, the City Council also finds that authorizing and approving the proposed Tax Phase-In Agreement is a reasonable incentive to help induce Microsoft to locate its data center in San Antonio; and

**WHEREAS**, the City Council also finds that it is in the best interest of the City to approve a Tax Phase-In Agreement with Microsoft to induce the desired and beneficial economic development in the area; **NOW THEREFORE:**

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

**SECTION 1.** The City Council approves and authorizes the execution of a Tax Phase-In Agreement with Microsoft Corporation, which Agreement shall grant a one hundred percent (100%), ten (10) year abatement of ad valorem taxes on real and personal property improvements made by Microsoft in an estimated amount of \$550,000,000.00 million in the Westover Hills Reinvestment Zone. A copy of the Agreement, in substantially final form, is attached hereto and incorporated herein as Attachment I.

**SECTION 2.** The City Manager or a designated representative is authorized to execute the Agreement as approved in Section 1. The final Agreement shall be filed with this ordinance upon its execution.

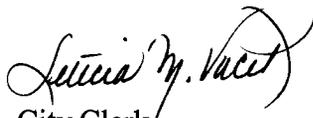
**SECTION 3.** The City Council recommends that \$5.2 million in Community Infrastructure and Economic Development (CIED) Funds be allocated for the Microsoft Data Center Project so long as the project qualifies under the CPS Energy CIED Fund Guidelines.

**SECTION 4.** This ordinance shall be effective on and after the tenth day after passage.

PASSED AND APPROVED this 18th day of JANUARY 2007.

  
M A Y O R  
PHIL HARDBERGER

ATTEST:

  
City Clerk

APPROVED AS TO FORM: \_\_\_\_\_

  
for City Attorney

# Agenda Voting Results

**Name:** 7. B

**Date:** 01/18/07

**Time:** 11:41:16 AM

**Vote Type:** Multiple selection

**Description:** B. An Ordinance approving and authorizing the execution of a Tax Phase-In Agreement with Microsoft Corporation to exempt 100% of ad valorem taxes for a period of ten (10) years on real and personal property improvements of approximately \$550 million and the creation of 75 jobs; granting certain exceptions to the City's Tax Phase-In Guidelines; and recommending to the Board of Directors of CPS Energy approval of up to \$5.2 million from the Community Infrastructure and Economic Development (CIED) Fund to support the Microsoft Project.

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1		x		
SHEILA D. MCNEIL	DISTRICT 2		x		
ROLAND GUTIERREZ	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
DELICIA HERRERA	DISTRICT 6		x		
ELENA K. GUAJARDO	DISTRICT 7			x	
ART A. HALL	DISTRICT 8		x		
KEVIN A. WOLFF	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR PHIL HARDBERGER	MAYOR		x		

