

AN ORDINANCE 2012-02-02-0078

APPROVING AN AMENDMENT TO THE TAX ABATEMENT AGREEMENT WITH GLAZER'S, INC. AND INCREASING SAWS IMPACT FEE WAIVERS FROM \$300,000.00 TO \$400,000.00 BASED ON ADDITIONAL INVESTMENT.

* * * * *

WHEREAS, the City Council approved a Tax Abatement Agreement with Glazer's, Inc. ("Glazer's) through City Ordinance 2010-08-19-0723 and SAWS impact fee waivers associated with the Glazer's project through City Ordinance 2010-11-04-0956 based upon an investment of \$26 million; and

WHEREAS, Glazer's acquired HALO distributing and has expanded the scope of its project to include additional square footage to its facility, additional job retention and creation, and an additional investment of \$6 million; and

WHEREAS, based upon its additional requirements, Glazer's is seeking additional time to complete construction of its new facility and is seeking an increase in its SAWS impact fee waivers based upon its additional investment; and

WHEREAS, City staff recommends approval of an amendment to the Tax Abatement Agreement to provide Glazer's with additional time to complete the project and recommends increasing the SAWS impact fees based upon Glazer's additional investment; **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 the First Amendment to the Tax Abatement Agreement with Glazer's, Inc. and approves an increase in SAWS impact fee waivers from \$300,000.00 to \$400,000.00 based on Glazer's additional investment in the real and personal property improvements.

SECTION 2. The City Manager or her designee is authorized to execute the First Amendment to the Tax Abatement Agreement with Glazer's, Inc. in accordance with the terms and conditions of this Ordinance. A copy of the First Amendment, in substantially final form, is attached to this Ordinance as **Attachment I**. The final Amendment shall be filed with this Ordinance upon execution.

SECTION 3. This Ordinance shall be effective on the 10th day after passage.

PASSED AND APPROVED this 2nd day of FEBRUARY 2012.



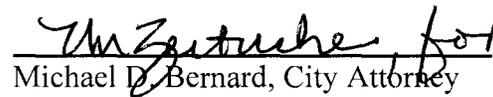
M A Y O R
Julián Castro

ATTEST:

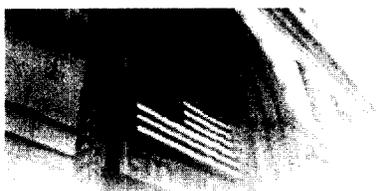


Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

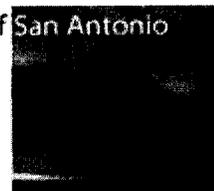


Michael D. Bernard, City Attorney



Request for
**COUNCIL
ACTION**

City of San Antonio



Agenda Voting Results - 22A

Name:	6, 7, 9, 10, 11, 12, 13, 14A, 14B, 14C, 14D, 14E, 14F, 16, 17, 18, 19, 20, 22A, 22B, 22C						
Date:	02/02/2012						
Time:	10:31:09 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance approving: (1) an Amendment to the existing Tax Abatement Agreement to change the term start date and add new investment and 225 retained jobs; and (2) an increase in the SAWS Impact Fee waiver from \$300,000.00 to \$400,000.00 based on additional investment;						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2	x					
Leticia Ozuna	District 3		x				
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x			x	
Cris Medina	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				x
Carlton Soules	District 10	x					

Attachment 1

FIRST AMENDMENT TO THE TAX ABATEMENT AGREEMENT

**BETWEEN THE CITY OF SAN ANTONIO AND GLAZER'S WHOLESALE
DRUG COMPANY, INC.**

This First Amendment to the Tax Abatement Agreement (this "First Amendment") is entered into by and between the City of San Antonio ("City"), a municipal corporation governed by the laws of the State of Texas and Glazer's Inc. ("Glazers"), a Texas corporation. Together, City and Glazers may be referred to, herein, as the "Party" or collectively as "the Parties."

RECITALS

A. City and Glazers entered into that certain TAX ABATEMENT AGREEMENT (the "Agreement") authorized by City of San Antonio Ordinance No. 2010-08-19-0723, passed and approved on August 19, 2010, and attached hereto as EXHIBIT A.

B. The Parties, now seek to amend the terms and conditions of the Agreement as stated in this First Amendment and affirm that all other provisions of the Agreement remain in full force and effect.

AMENDMENT

NOW THEREFORE, the Parties hereby agree and amend as follows:

1. Definitions. All capitalized terms used in this First Amendment without definition herein shall have the meanings assigned to such terms in the Agreement.
2. Amendment. The Parties hereby mutually agree to amend the Agreement as follows:
 - (A) Section 3(A) is amended by replacing Exhibit A with the attached Exhibit A1, which includes additional acreage purchased by Glazers.
 - (B) Section 3(B) is amended by deleting "250,000 sq. ft." and replacing with "450,000 sq. ft."
 - (C) Section 3(C) is amended by deleting it in its entirety and replacing with the following:

DISTRIBUTOR is investing approximately THIRTY-TWO MILLION DOLLARS (\$32,000,000.00) in real property and personal property improvements (the "Improvements") and TEN MILLION DOLLARS (\$10,000,000.00) in new inventory ("Inventory") to be located on the Property and used for DISTRIBUTOR's Business Activities. The

Personal Property Improvements and Inventory shall not be placed on the Property sooner than the effective date of this Agreement.

- (D) Section 5 (A)(2) is amended by deleting it in its entirety and replacing with the following:

“invest, or cause to be invested, approximately THIRTY-TWO MILLION DOLLARS (\$32,000,000.00) in Real and Personal Property Improvements and TEN MILLION DOLLARS (\$10,000,000.00) in New Inventory, defined as inventory exceeding NINE MILLION DOLLARS (\$9,000,000.00) by August 31, 2013; and “

- (E) Section 5(A)(3)(a) is amended by deleting it in its entirety and replacing with the following:

“shall hire a minimum of ONE HUNDRED (100) new full-time employees and retain THREE HUNDRED AND FIFTY (350) existing full-time jobs in San Antonio for a cumulative total of FOUR HUNDRED AND FIFTY (450) full-time jobs with the place of employment on the Property for the Term of this Agreement as follows:

- a. In Calendar Year 2013, DISTRIBUTOR shall retain THREE HUNDRED AND FIFTY (350) full-time jobs and create an additional FIFTY (50) full-time jobs for a cumulative total of FOUR HUNDRED (400) full-time jobs by December 31, 2013.
- b. In Calendar Year 2014, DISTRIBUTOR shall retain FOUR HUNDRED (400) full-time jobs and create an additional FIFTY (50) full-time jobs for a cumulative total of FOUR HUNDRED AND FIFTY (450) full-time jobs by December 31, 2014.
- c. In Calendar Years 2015 through 2023, DISTRIBUTOR shall retain FOUR HUNDRED AND FIFTY (450) full-time jobs in accordance with the terms of this Agreement.”

- (F) Section 6(A) is amended by replacing the date for commencement of the abatement period from “January 1, 2012” to “January 1, 2014” and replacing the Tax Base Year date from “January 1, 2011” to “January 1, 2012.”

- (G) Section 6(C) is amended by replacing “December 31, 2012” to “December 31, 2013.”

3. Effective Date. This First Amendment shall be effective upon passage of a duly authorized ordinance of the City Council of the City of San Antonio which shall be attached hereto as Attachment II and made a part of this First Amendment.
4. No Other Changes. Except as specifically set forth in this First Amendment, all of the terms and conditions of the Agreement shall remain the same and are hereby ratified and confirmed. The Agreement shall continue in full force and effect and with this First Amendment shall be read and construed as one instrument.
5. Choice of Law. This First Amendment shall be construed in accordance with and governed by the laws of the State of Texas.
6. Counterparts. This First Amendment may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this First Amendment it shall not be necessary to produce or account for more than one counterpart signed by each party hereto by and against which enforcement hereof is sought.

WITNESS HEREOF, the parties hereto have executed in triplicate originals this First Amendment on the _____ day of _____ 2012.

CITY OF SAN ANTONIO
a municipal corporation

Glazers, Inc.
a Texas corporation

Sheryl L. Sculley
City Manager

Name:
Title:

ATTEST:

ATTEST (if necessary):

Leticia Vacek
City Clerk

Name:
Title:

APPROVED AS TO FORM:

Michael D. Bernard
City Attorney