

AN ORDINANCE 2011-06-09-0494

AUTHORIZING A TEN-YEAR, 100% TAX ABATEMENT AGREEMENT AND CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM GRANT AGREEMENT WITH GABLG, L.L.C. WHICH TOTAL \$743,775.48 IN ECONOMIC INCENTIVES FOR THE CAMDEN MEDICAL CENTER PROJECT LOCATED IN CITY COUNCIL DISTRICT 1.

* * * * *

WHEREAS, GABLG, L.L.C. (“Developer”) is undertaking a \$5,746,537.00 economic development project consisting of a 22,000 sq. ft. medical facility that will house ten (10) doctor’s offices, twelve (12) examination rooms and a 7,000 sq. foot Hepatitis C research facility that will create approximately forty (40) new jobs (the “Project”) to be located at 609 Camden Street in City Council District 1 (the “Project Site”), which is within a State designated Enterprise Zone thereby making it eligible for designation as a reinvestment zone for purposes of Chapter 312 of the Texas Tax Code; and

WHEREAS, in accordance with the City of San Antonio Tax Phase-In Guidelines (the “Guidelines”), the Project is eligible for a tax abatement term of up to ten (10) years at 100% of all personal and real property improvements; and

WHEREAS, the City Council finds that offering Developer a Tax Abatement Agreement for its real and personal property improvements made at the Project Site is a reasonable incentive to induce Developer to make said improvements; and

WHEREAS, the City Council also finds that it is in the best interest of the City to approve a Tax Abatement Agreement with Developer to induce the desired and beneficial economic development in the area; and

WHEREAS, the location of the Project makes it eligible for additional economic incentives including economic development grants and fee waivers; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, the City of San Antonio (the “City”) is authorized to establish and provide for the administration of one or more programs, including programs for making grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, in accordance with City Ordinance No. 100684, the City created an Economic Development Program (the “Program”) for the purpose of making grants available for economic development projects that the City finds will accomplish the purpose and goals of Chapter 380; and

WHEREAS, Developer is seeking a Chapter 380 Economic Development Grant in the amount of \$313,973.46 to assist defer construction costs associated with the Project; and

WHEREAS, the City finds that the goals of Chapter 380 will be met by assisting the Developer in undertaking and completing the Project and has identified economic development funds for use in carrying out this purpose; and

WHEREAS, the Project Site is within the Inner City Reinvestment/Infill Policy (the "ICRIP") Target Area, an area that has been identified by the City as needing reinvestment and revitalization; and

WHEREAS, a project located within the ICRIP is eligible for certain impact fee waivers and the Project has received combined fee waivers of \$28,406.00; **NOW THEREFORE**:

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

SECTION 1. City staff is authorized to negotiate and, upon the concurrence of the City Manager and City Attorney, or their designees, execute a Tax Abatement Agreement with GABLG, L.L.C. to abate one-hundred percent (100%) of real and personal property taxes for a term of ten (10) years. A final copy of the Agreement will be attached when executed.

SECTION 2. City staff is authorized to negotiate and, upon the concurrence of the City Manager and City Attorney, or their designees, execute a Chapter 380 Economic Development Program Grant Agreement with GABLG, L.L.C. in the amount of FOUR HUNDRED THIRTY-THREE THOUSAND NINE HUNDRED AND SEVENTY-THREE DOLLARS AND FORTY-SIX CENTS (\$433,973.46). A final copy of the Agreement will be attached when executed.

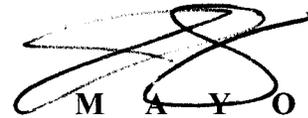
SECTION 3. Funding in the amount of \$240,000.00 for this ordinance is available in Fund 11001000, Cost Center 3401010003 and General Ledger 5201040, as part of the Fiscal Year 2011 Budget and payment is authorized to GABLG, LLC.

SECTION 4. Payment not to exceed the amount of \$193,973.46 is authorized to GABLG, LLC through Fund 11001000 with Cost Center and General Ledger to be determined at time of payment. Annual payments to GABLG, LLC shall not exceed the amount equal to the previous year's General Fund portion of ad valorem taxes remitted to the City for a period not to exceed 10 years and at such time funds are authorized to be encumbered.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Chief Financial Officer (CFO), City of San Antonio. The CFO may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

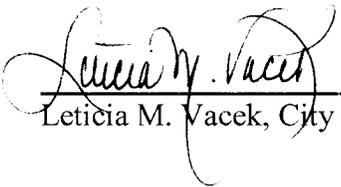
SECTION 6. This ordinance shall become effective immediately upon its passage by eight (8) votes or more and upon ten (10) days following its passage if approved by fewer than eight (8) votes.

PASSED AND APPROVED this 9th day of JUNE 2011.

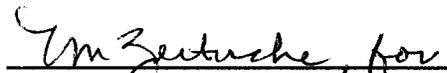

M A Y O R
Julián Castro

ATTEST:

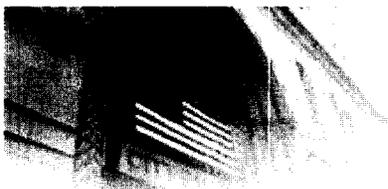
APPROVED AS TO FORM:



Leticia M. Vacek, City Clerk

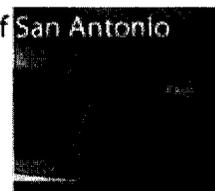


Michael D. Bernard, City Attorney



Request for
COUNCIL
ACTION

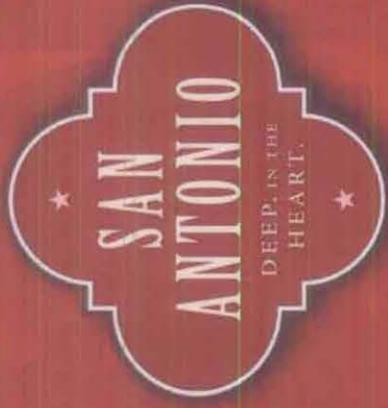
City of San Antonio



Agenda Voting Results - 25

Name:	25						
Date:	06/09/2011						
Time:	10:30:13 AM						
Vote Type:	Motion to Appr w Cond						
Description:	An Ordinance authorizing a ten-year, 100% Tax Abatement Agreement and Chapter 380 Economic Development Grant Agreement with GABLG, LLC in the amount of \$623,775.68 for the Camden Medical Center project, located in Council District 1. [Pat DiGiovanni, Deputy City Manager / Interim Director, Center City Development]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Mary Alice P. Cisneros	District 1		x			x	
Ivy R. Taylor	District 2		x				
Jennifer V. Ramos	District 3		x				
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x				
Justin Rodriguez	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				x
Carlton Soules	District 10		x				

CITY COUNCIL ITEM # 25



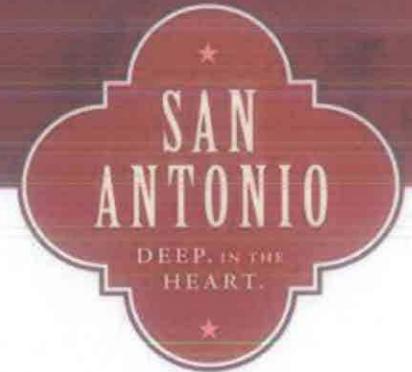
Camden Medical Center

**Tax Abatement and Chapter 380 Economic
Development Grant Agreement**

CENTER CITY DEVELOPMENT OFFICE

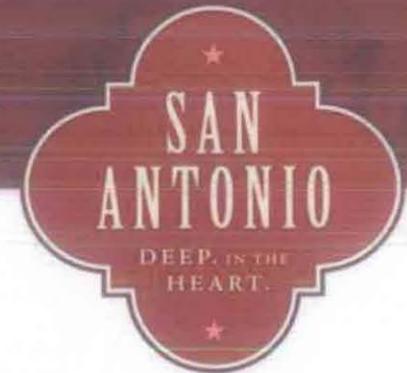
June 9, 2011

Item for Consideration



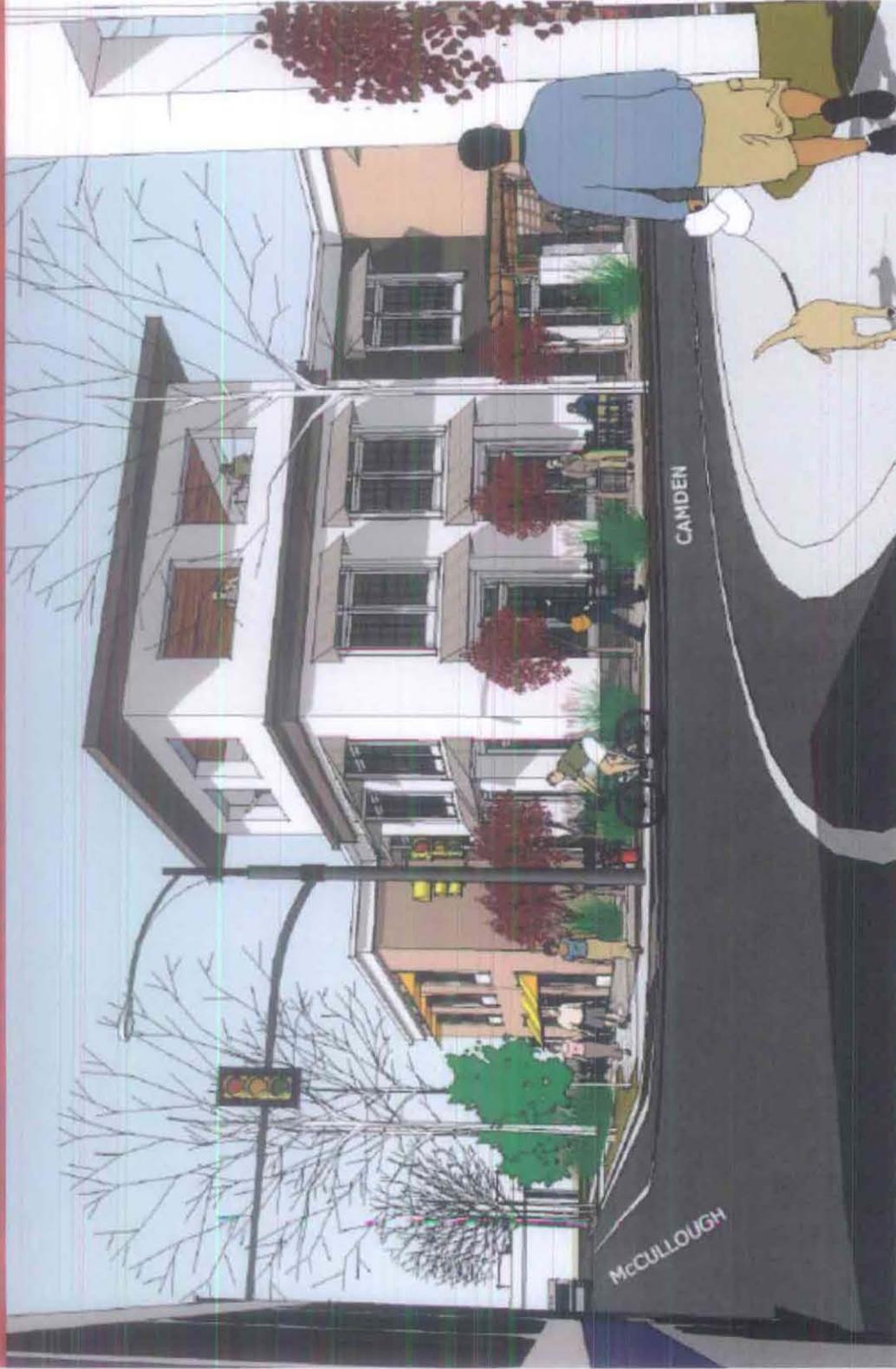
- An Ordinance authorizing a 10-year, 100% Tax Abatement Agreement and 10-year Chapter 380 Economic Development Grant Agreement with GABLG, LLC in the amount of \$623,775.68 for the Camden Medical Center project, located in Council District 1.

Background



- GABLG, LLC is constructing the Camden Medical Center, a 22,000 square foot, \$5.7 million medical practice in Council District 1.
- The Camden Medical Center project will create 40 new jobs
- The medical office will provide outpatient diagnostic and treatment services: Swallowing Disorder Center, Liver Institute of San Antonio, Anesthesiology Services, Clinical Laboratories Services, Pathology Services and Alamo Medical Research.
- Alamo Medical Research (AMR) will be a 7,000 square foot, state of the art Hepatitis C research facility within the Camden Medical Center. Currently, AMR conducts nationally acclaimed research in developing a cure for Hepatitis C.
- The Hepatitis C research facility will consist of 20 patient rooms and will permit 24 hour and 7 days a week patient observation.

Camden Medical Center



rendering by



NOT FOR REGULATORY APPROVAL
RENDERING FOR PRESENTATION

Proposed Medical Office

CAMDEN MEDICAL CENTER

drawn by:
GNB

7/14/08

Camden Medical Center



rendering by



NOT FOR REGULATORY APPROVAL
PERMITTING OR CONSTRUCTION

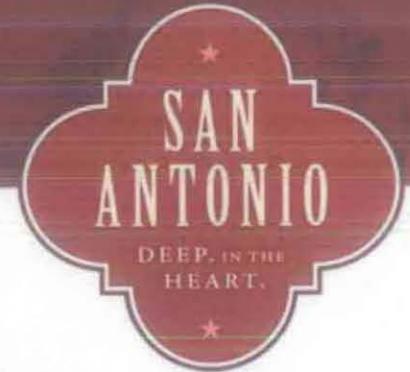
Proposed Medical Office

CAMDEN MEDICAL CENTER

drawn by:
GNB

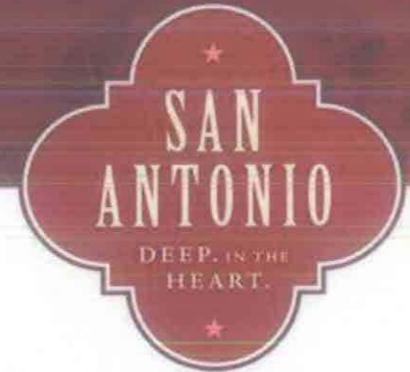
7/14/08

Background



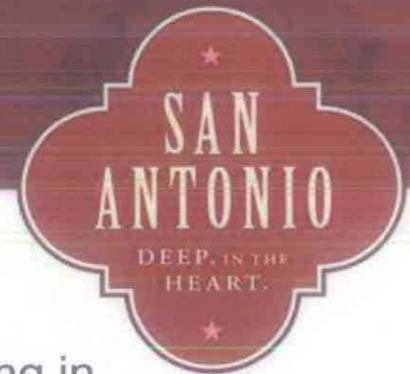
- The Camden Medical Office qualifies for the following incentives:
 - 10-year, 100% Tax Abatement on new and personal property improvements valued at \$309,802 based on planned investment and job creation.
 - The base year will be 2011 and the tax abatement will begin January 1, 2012
 - Inner City Incentive Fund Grant in the amount of \$120,000 based on \$3,000 per job created.
 - 10-year Chapter 380 Grant valued at approximately \$193,973.46 based on the project's improvement value.
- The Camden Medical Office is located in the ICRIP and received the following fee waivers:
 - City Fee Waivers in the amount of \$9,036.36
 - SAWS Fee Wavier in the amount of \$19,370

Issue and Alternatives



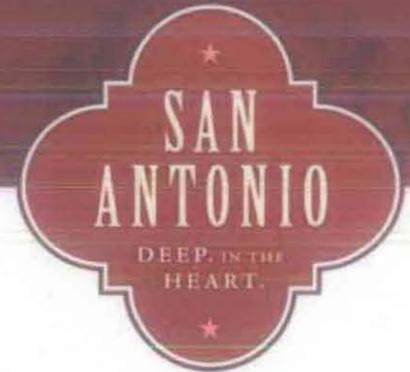
- This item authorizes \$623,775.68 in incentives for Camden Medical Center, if these incentives are not approved the developer will have to seek funding from other sources.
- The developer is requesting City incentives to help make this project a viable investment.

Fiscal Impact



- 10-year, 100% tax abatement starting in FY 2012 and ending in FY 2021 valued at approximately \$309,802.22.
- 10-year Chapter 380 starting in FY 2022 and ending in FY 2031 estimated to be \$193,973.46.
- Inner City Incentive Fund Grant in the amount of \$120,000 based on the creation of 40 new jobs.
- ICRIP City Fee Waivers of \$9,036.36 and SAWS Fee Waiver of \$19,370.
- **Total Incentive Package including ICRIP fee waivers is \$652,182.04.**

Recommendation



Staff recommends the approval of the following ordinances:

- (A) An ordinance approving a 10-year, 100% Tax Abatement Agreement valued at approximately \$309,802.22.
- (B) An ordinance approving a 10-year Chapter 380 Grant valued at approximately \$193,973.46.
- (C) An ordinance approving an Inner City Incentive Fund Grant in the amount of \$120,000