

AN ORDINANCE **2012-06-14-0452**

AUTHORIZING AN ECONOMIC DEVELOPMENT PROGRAM GRANT AGREEMENT WITH MARUCHAN, INC. IN AN AMOUNT NOT TO EXCEED \$2.4 MILLION FOR AN ECONOMIC DEVELOPMENT PROJECT IN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF SAN ANTONIO CONSISTING OF A \$318 MILLION INVESTMENT AND THE CREATION OF 538 FULL-TIME JOBS.

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WHEREAS, Maruchan, Inc (“Maruchan”) is Japanese food manufacturer undertaking an economic development project in the extraterritorial jurisdiction of the City of San Antonio (the “City”) that will be comprised of an investment of approximately \$318 million to establish and operate a food manufacturing facility which is anticipated to create approximately 538 full-time jobs (the “Project”); and

WHEREAS, the City has agreed to establish the Maruchan Industrial District in accordance with Texas Local Government Code §42.044 and has agreed to enter into a five (5) year non-annexation agreement with Maruchan as an incentive to undertake and complete the Project; and

WHEREAS, Maruchan has requested as an additional incentive, for the City to provide an Economic Development Program Grant in an amount not to exceed \$2.4 million; 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, the City finds that the goals of Chapter 380 will be met by assisting Maruchan in undertaking and completing the Project and has identified economic development funds for use in carrying out this purpose; **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 an Economic Development Program Grant Agreement with Maruchan, Inc.

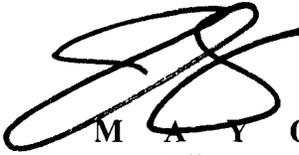
SECTION 2. The City Manager or her designee is authorized to negotiate and execute an Economic Development Program Grant Agreement with Maruchan, Inc. in accordance with the terms and conditions of this Ordinance. A copy of the final Agreement shall be attached to this Ordinance as **Attachment I**.

SECTION 3. Contingent upon the City terminating the Non-Annexation Agreement and upon the City's annexation of the project site, payment not to exceed the amount of \$2,365,716.00 which will be broken out in annual payments up to 5 years is authorized to Maruchan, Inc through Fund 29086018 with Cost Center and General Ledger to be determined by the Office of Budget and Management. Annual payments to Maruchan, Inc shall not exceed the amount equal to the previous year's ad valorem taxes remitted to the City for a period not to exceed 5 years and at such time funds are authorized to be encumbered. This amount reflects the estimated maximum grant to Maruchan assuming annexation in Year 6. The amount of the grant will be less if annexation occurs in Years 7-10.

SECTION 4. 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 5. 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 14th day of June, 2012.

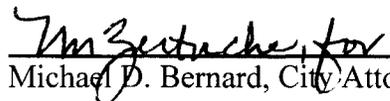

M A Y O R
Julián Castro

ATTEST:

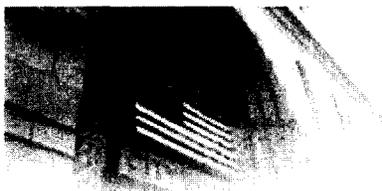


Letricia M. Vacek, City Clerk

APPROVED AS TO FORM:



Michael D. Bernard, City Attorney



Request for
COUNCIL
ACTION

City of San Antonio



Agenda Voting Results - 38B

Name:	4, 5, 6, 8, 11, 12, 13, 15, 16, 17, 21, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37A, 38A, 38B, 39A, 39B, 39C, 39D, 39E, 40A, 40B, 40C, 40D, 40E, 40F						
Date:	06/14/2012						
Time:	09:27:40 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing an Economic Development Program Grant Agreement with Maruchan, Inc. in an amount not to exceed \$2.4 million for an economic development project in the City's extraterritorial jurisdiction consisting of a \$318 million investment and the creation of 538 full-time jobs.						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				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				
Carlton Soules	District 10		x				