

TAX ABATEMENT



Program Description:

The City offers a Tax Abatement of up to 100% on real and/or personal property taxes on improvement values for a maximum term of up to 10 years. Applicants will be required to complete an application and submit an application fee. Individual Tax Abatement applications are subject to final negotiation and approval by City Council.

Program Eligibility Criteria:

Project must meet certain minimum capital investment, wages (not including benefits), and/or job creation requirements in Exhibit A:

- ❑ A project may be eligible for a tax abatement if the company is a Targeted Industry: Agribusiness, Aviation/Aerospace, Biotechnology, Creative Services, Environmental Technology (includes green technology), Finance, Information Technology and Cyber Security, Logistics and Distribution, Manufacturing (any industry), Oil and Gas Industry (excluding storage and distribution facilities), Telecommunications, Corporate and Regional Headquarters, or commercial, mixed-use and multi-family rental only housing projects locating in the Inner City Reinvestment/Infill Policy Target Area (ICRIP) (See ICRIP Area Map).
- ❑ **Living Wage Requirement:** This wage is based on the poverty level for a family of four, as determined annually (January) by the U.S. Department of Health and Human Services (HHS). As of January 20, 2011 this wage is \$10.75 per hour.

Median Hourly Wage for Manufacturing: This wage reflects the annual median hourly wage for all manufacturers in the San Antonio Metropolitan Statistical Area and is updated in May of each year. As of January 20, 2011, this wage is \$13.97 per hour.

Median Hourly Wage for All Industries (Companies): This wage reflects the annual median hourly wage for all industries in the San Antonio Metropolitan Statistical Area and is updated in May of each year. As of January 20, 2011, this wage is \$13.76 per hour.

- ❑ At least 25% of the new employees must be residents of Bexar County.
- ❑ Company must provide access to health care benefits for full-time employees and dependents.
- ❑ Individual tax abatement applications are subject to City Council approval and should be submitted at least 30 days prior to the start of construction.
- ❑ Term of an abatement is based on project location.
- ❑ Projects over the Edwards Aquifer Recharge/Contributing Zones are not eligible for an abatement (See Tax Abatement Map).

Summary of Capital Investment and Job Creation Requirements:

State statute allows the City to offer tax abatements for up to 10 years on up to 100% of real and personal property improvements. The City intends to aggressively negotiate and consider offering up to this maximum allowable tax abatement on projects that meet or exceed a total capital investment of \$30 million and/or create at least 500 new full-time jobs, regardless of where those projects choose to locate in the City, except for projects locating over the Edwards Aquifer Recharge/Contributing Zones. At the same time, the City is particularly focused on attracting investment and jobs to the Inner City (See Tax Abatement Map—Tier 1) and is therefore prepared to offer even more significant tax and other development incentives to projects in this targeted area. The following table in the Guidelines, serves as a guide in determining the potential maximum tax abatement incentive offered to a project.

EXHIBIT A

Potential Tax Abatements Available at Minimum Levels of Capital Investment & Job Creation	City of San Antonio		
	6-Year Term Area (See Tax Abatement Map) (Tier 3)	10-Year Term Area (See Tax Abatement Map) (Tier 1 & 2)	
Investments in Real & Personal Property	\$10 Million	\$1 Million	
New Full-Time Jobs (Note 1)	100	25	
Potential Tax Abatement (Note 2)	Up to 50% on real and personal property	Up to 100% on real and personal property in the Infill Policy Target Area (Tier 1)	Up to 75% on real and personal property in areas outside the Infill Policy Target Area (Tier 2)

Notes:

- (1) Eligible multi-family rental only housing, data centers, solar farms and mixed-use projects are exempt from the minimum job creation requirements.
- (2) A project will receive consideration toward achieving the maximum tax abatement allowable in a 6 or 10-year term area, based on the following:
 - Locating in the Inner-City Reinvestment/Infill Policy (ICRIP) Area (See ICRIP Map—Tier 1).
 - Meeting Leadership in Energy and Environmental Design (LEED) Green Building Rating System standards or equivalent acceptable methodology.
 - Enrolling in CPS Energy’s Windtricity, or another CPS Energy renewable energy program, or other renewable products.
 - Paying new and existing employees an hourly wage of 25% or greater above the medium hourly wage requirement.
 - Providing jobs and investment through renewable energy, green, or clean technology projects.

How to Apply:

For additional information or to apply, please call (210) 207-8080 or visit our Web site at www.sanantonio.gov/edd.

Inner-City Reinvestment/Infill Policy (ICRIP Area Map — Tier 1)

