

AN ORDINANCE 2017-10-19-0821

AUTHORIZING A TAX ABATEMENT AGREEMENT WITH CREDIT HUMAN TO EXEMPT ONE HUNDRED PERCENT (100%) OF AD VALOREM TAXES FOR A PERIOD OF TEN (10) YEARS ON REAL AND PERSONAL PROPERTY IMPROVEMENTS AT AN ESTIMATED VALUE OF \$113,000,000.00 AT 1803 BROADWAY STREET, WHICH IS WITHIN A TEXAS ENTERPRISE ZONE.

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WHEREAS, Credit Human, a credit union with over 200,000 members in five states and assets in excess of \$3 billion, has chosen to establish its corporate headquarters in San Antonio at 1803 Broadway Street, in City Council District 1 (the "Project Site"); and

WHEREAS, in establishing its corporate headquarters, Credit Human is anticipated to invest approximately \$113 million in improvements, retain 435 Full-Time Jobs and create an additional 50 full-time jobs at the Project Site (the "Project"); and

WHEREAS, in accordance with the City of San Antonio Tax Phase-In Guidelines (the "Guidelines") property located within a Tax Abatement Reinvestment Zone with an \$80 million investment is eligible for a 100% abatement of real and personal property taxes for a term of up to ten (10) years; and

WHEREAS, the City Council finds that offering Credit Human a Tax Abatement Agreement for its real and personal property improvements is a reasonable incentive to help induce Credit Human to invest in the Project, retain 435 Full-Time Jobs and create an additional 50 Full-Time Jobs in San Antonio; and

WHEREAS, the City Council also finds that it is in the best interest of the City to approve a Tax Abatement Agreement with Credit Human to induce the desired and beneficial economic development in the Project Site which is located in a Texas Enterprise Zone; **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 a Tax Abatement Agreement with Credit Human granting a one hundred percent (100%), ten (10) year abatement of ad valorem real and personal property taxes located at 1803 Broadway Street, San Antonio, TX. A copy of the Agreement, in substantially final form, is attached hereto and incorporated herein as **Exhibit "A"**.

SECTION 2. The City Manager or a designated representative is authorized to execute the Tax Abatement Agreement as approved in Section 1 of this Ordinance.

SECTION 3. This Ordinance shall be effective on and after the tenth day after passage hereof.

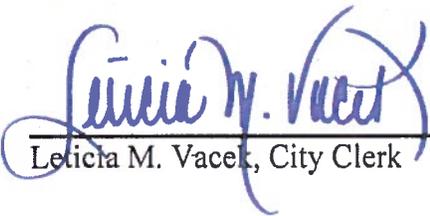
RR
10/19/17
Item No. 28A

PASSED AND APPROVED this 19th day of October, 2017.



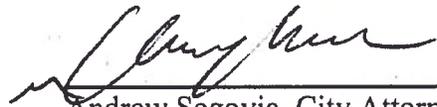
M A Y O R
Ron Nirenberg

ATTEST:



Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



Andrew Segovia, City Attorney

| | | | | | | | |
|---------------------|---|--------------------|------------|------------|----------------|---------------|---------------|
| Agenda Item: | 28A (in consent vote: 28A, 28B, 28C) | | | | | | |
| Date: | 10/19/2017 | | | | | | |
| Time: | 11:55:34 AM | | | | | | |
| Vote Type: | Motion to Approve | | | | | | |
| Description: | An Ordinance authorizing a Tax Abatement Agreement with Credit Human to exempt one hundred percent (100%) of Ad Valorem taxes for a period of ten years on real and personal property improvements estimated at \$113,000,000 at 1803 Broadway Street, which is within a Texas Enterprise Zone. | | | | | | |
| Result: | Passed | | | | | | |
| Voter | Group | Not Present | Yea | Nay | Abstain | Motion | Second |
| Ron Nirenberg | Mayor | | x | | | | |
| Roberto C. Treviño | District 1 | | x | | | x | |
| William Cruz Shaw | District 2 | | x | | | | x |
| Rebecca Viagran | District 3 | | | | x | | |
| Rey Saldaña | District 4 | | x | | | | |
| Shirley Gonzales | District 5 | | x | | | | |
| Greg Brockhouse | District 6 | | x | | | | |
| Ana E. Sandoval | District 7 | | x | | | | |
| Manny Pelaez | District 8 | | x | | | | |
| John Courage | District 9 | | x | | | | |
| Clayton H. Perry | District 10 | | x | | | | |

CITY COUNCIL A SESSION



Credit Human

October 19, 2017

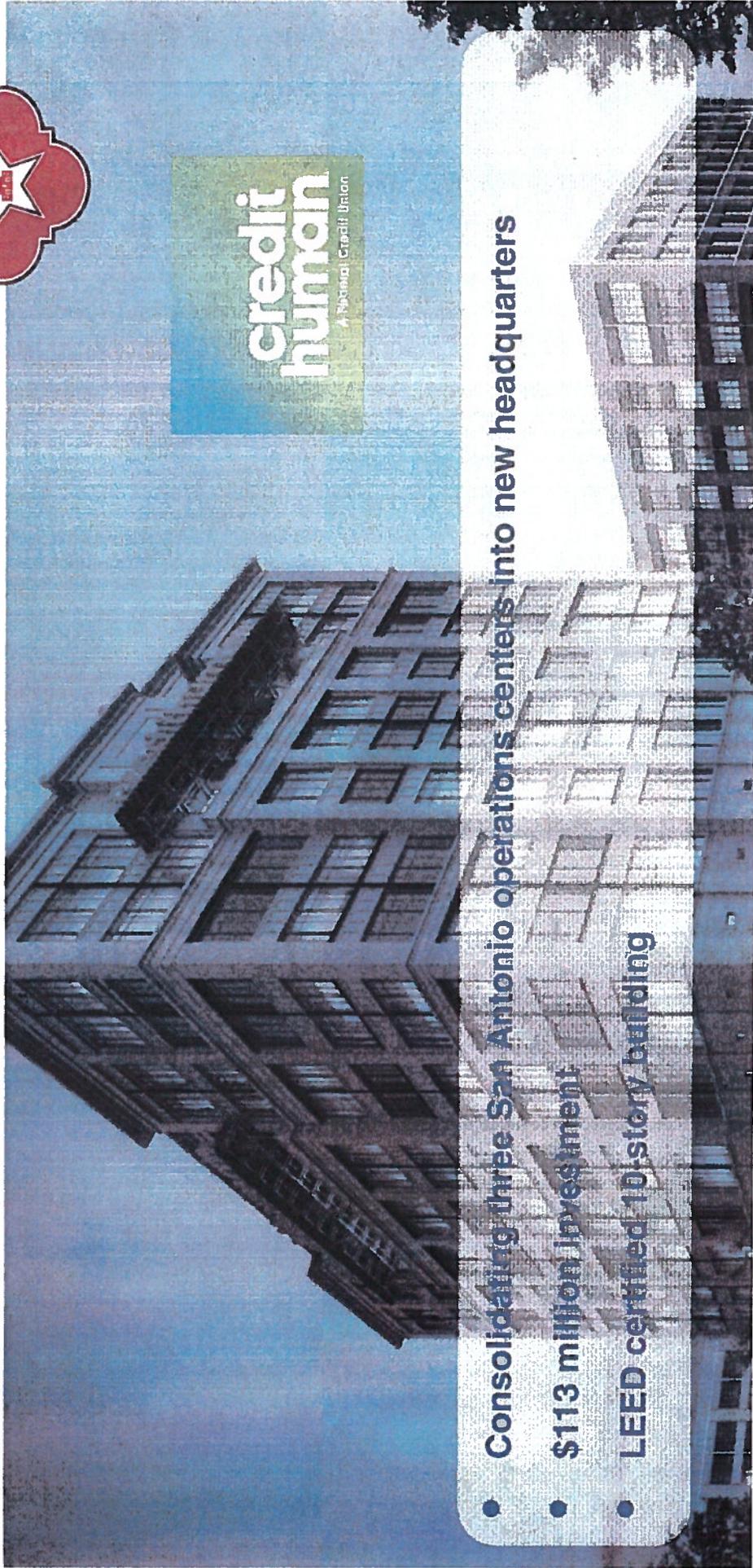
Rene Dominguez, Director, Economic Development Department

Item# 28

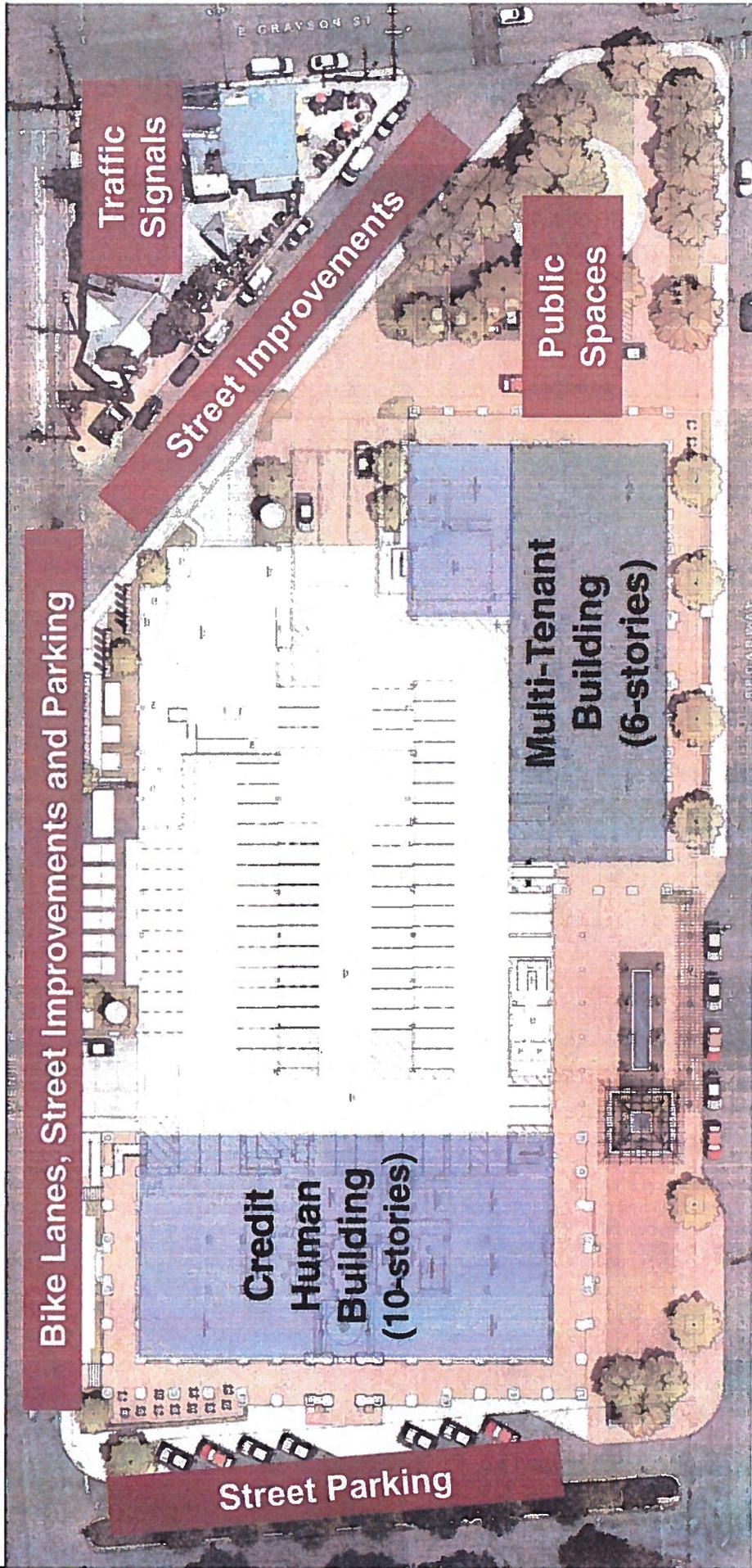
BACKGROUND



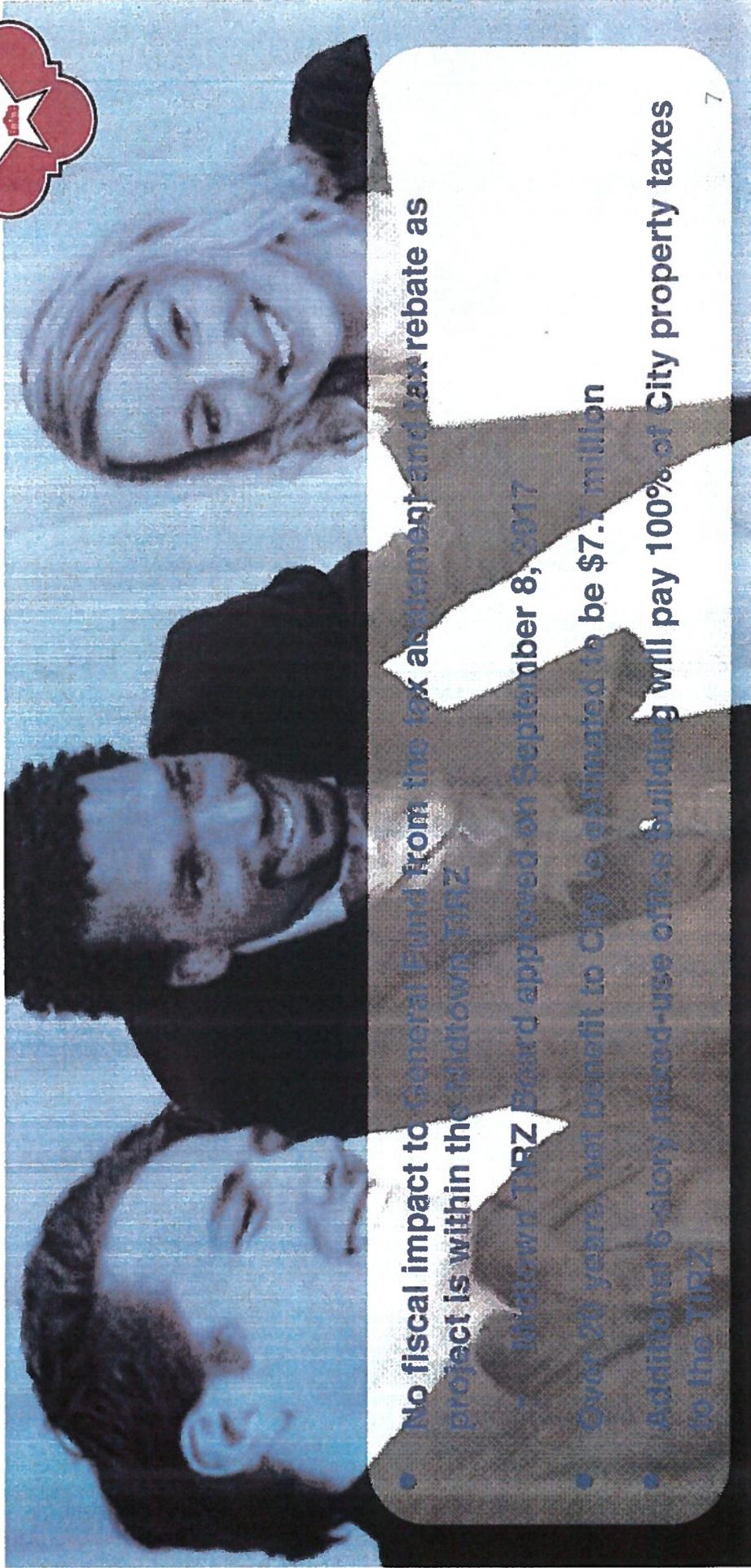
- Consolidating three San Antonio operations centers into new headquarters
- \$113 million investment
- LEED certified 10-story building



PROJECT SITE

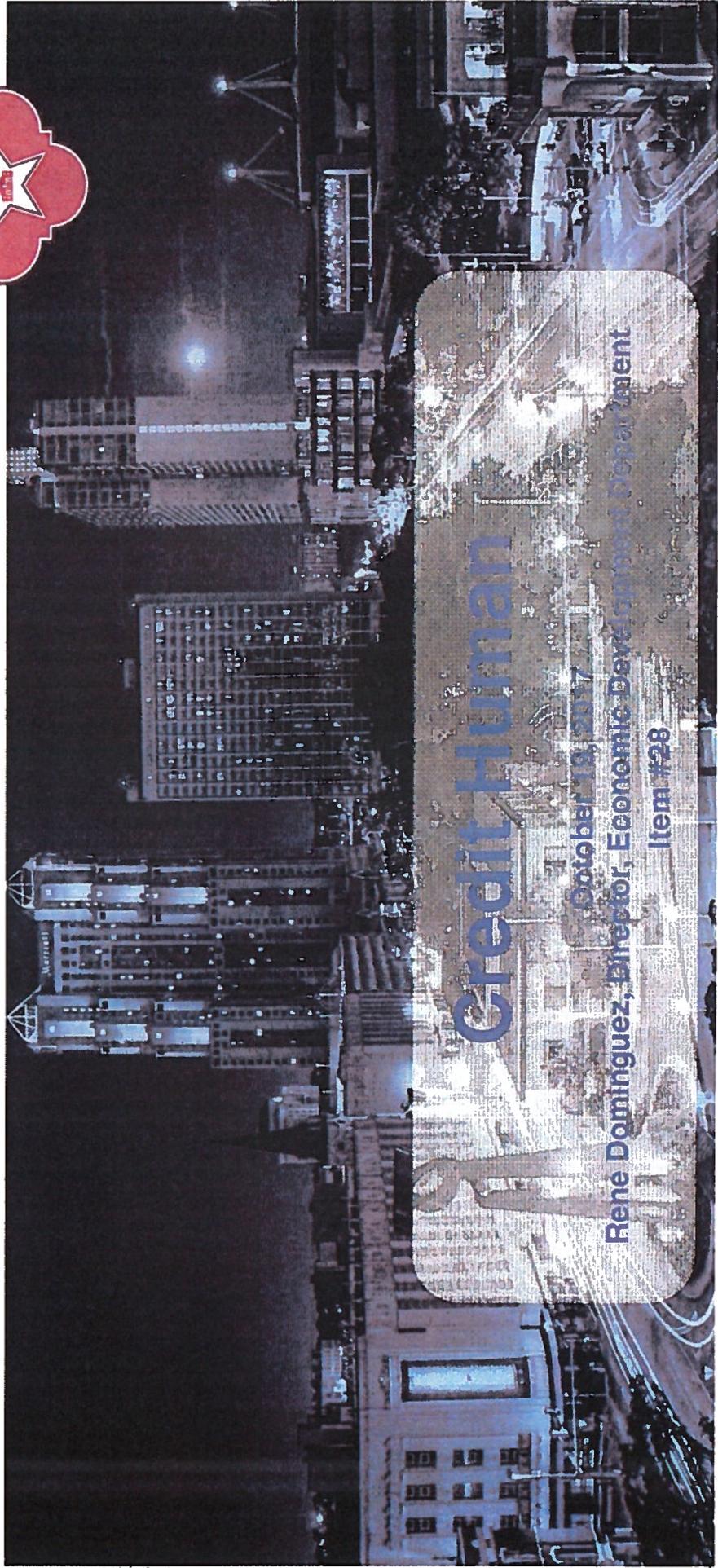


FISCAL IMPACT



- No fiscal impact to General Fund from the tax abatement and tax rebate as project is within the Midtown TIRZ
- Midtown TIRZ Board approved on September 8, 2017
- Over 20 years, net benefit to City is estimated to be \$7.1 million
- Additional 6-story mixed-use office building will pay 100% of City property taxes to the TIRZ

CITY COUNCIL A SESSION



Credit Human

October 19, 2017

Rene Dominguez, Director, Economic Development Department

Item #28

RR
10/19/17
Item No. 28A

EXHIBIT A

STATE OF TEXAS

§
§
§
§

CITY OF SAN ANTONIO
TAX ABATEMENT AGREEMENT
FOR REAL & PERSONAL PROPERTY

COUNTY OF BEXAR

1. PARTIES

THIS AGREEMENT (the "Agreement") is entered into on this ___ day of _____, 2017, by and between CREDIT HUMAN FEDERAL CREDIT UNION, a federally chartered credit union authorized to transact business in Texas (hereinafter referred to as "CREDIT HUMAN") and the CITY of SAN ANTONIO, a municipal corporation, (hereinafter referred to as the "CITY"), acting by and through its City Manager under the authority of its City Council.

2. AUTHORIZATION AND FINDINGS

A. This Agreement is entered into pursuant to the following authorities:

(1) The Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312, as amended;

(2) CITY COUNCIL RESOLUTION No. 89-07-12, dated the 15th day of February 1989, and most recently revised by Ordinance No. 2016-12-15-1003 on December 15, 2016, together which established the City of San Antonio Guidelines and Criteria for tax abatements, (hereinafter referred to as the "Guidelines and Criteria");

(3) The Project Site is located within an existing Texas Enterprise Zone area, and in accordance with Section 312.2011 of the Texas Tax Code, designation of an area as a State Enterprise Zone constitutes designation of the area as a Reinvestment Zone ("Reinvestment Zone") without further hearing or other procedural requirements;

(4) The Project Site is located within Tax Increment Reinvestment Zone #31, City of San Antonio, known as the Midtown TIRZ. Under Chapter 311 of the Texas Tax Code, a taxing unit seeking to abate or rebate taxes on real property in a reinvestment zone must obtain a resolution authorizing a tax abatement or tax rebate from the following entities in order for the agreements to be effective. On September 8, 2017 this project was taken to the Board of Directors of the Reinvestment Zone for consideration of a Resolution authorizing CITY to enter into tax abatement and tax rebate agreements. A copy of the signed Resolution is attached hereto as Exhibit A and incorporated herein;

(5) CITY COUNCIL ORDINANCE NO. 2017-10-12-_____, dated _____, 2017, which specifically approved this Agreement and authorized execution hereof.

B. Following the Effective Date, CREDIT HUMAN intends to: 1) develop and construct on the Project Site (as hereinafter defined) a new corporate headquarters, to include the headquarters building and its allocable share of a parking garage and other general and limited common elements; 2) relocate 435 Full-Time Jobs to the Project Site; 3) create an additional 50 Full-Time Jobs at the Project Site; and 4) construct certain public improvements, as herein described on the Project Site (the "Project").

C. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement abide by the Guidelines and Criteria and approving this Agreement will not have any substantial long-term adverse effect on the provision of city services or the City's tax base and the planned use of the Project Site (defined below) inside the qualifying Reinvestment Zone by CREDIT HUMAN for the uses contemplated herein will not constitute a hazard to public safety, health or morals.

3. **PROPERTY**

A. On or before the completion of construction of the Project, CREDIT HUMAN will have ownership in a portion of the real property located at 1803 Broadway Avenue, San Antonio, TX 78215, legally described on Exhibit B, attached hereto and incorporated herein on which the Project will be constructed (such portion of the real property being the "Project Site"). The Project Site is located within a qualifying Reinvestment Zone for the purposes of the Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312.

B. CREDIT HUMAN shall own, hold an interest in or otherwise control the Project Site and will conduct certain business activities including, but not limited to, those activities typically conducted by the corporate headquarters of a federally chartered credit union with at least \$2 billion in assets or the business activities of a Related Organization, (as such term is defined in Article 5, Paragraph I), so long as such business activities include the business activities of the corporate headquarters of a credit union with at least \$2 billion in assets or similar activity (all of such activities hereinafter collectively referred to as the "Business Activities").

C. CREDIT HUMAN is investing by December 31, 2020, a cumulative total of approximately ONE HUNDRED THIRTEEN MILLION DOLLARS (\$113,000,000) in Project Costs (as hereinafter defined) ("Required Capital Investment") to acquire the Project Site and to develop, construct and equip the Project, where it will conduct its Business Activities within the Reinvestment Zone. The personal property improvements shall not be placed on the Project Site sooner than the Effective Date (defined below) of this Agreement. For purposes hereof and the Tax Abatement Agreement, "Project Costs" shall include all expenditures made by CREDIT HUMAN, directly or indirectly, and/or its parents, partners, subsidiaries and/or affiliates to acquire the Project Site and to develop, construct and/or acquire real property improvements and new personal property improvements on or at the Project Site, including without limitation: architectural, engineering and surveying expenses, financing costs and fees, construction period interest, closing and settlement expenses, demolition, construction, site preparation, Required Public Improvements, fencing, paving, landscaping,

permit fees, title insurance, installation of equipment (including the full value of equipment installed pursuant to a lease purchase agreement and paid through periodic installments by CREDIT HUMAN and/or affiliates) and other related expenses so long as such Project Costs are documented and identifiable and made available to the CITY.

D. CREDIT HUMAN shall, promptly after its acquisition of the Project Site, establish a separate tax account for the real property improvements and personal property improvements with the Bexar Appraisal District and provide these tax account numbers to the CITY and shall apply for the abatement each year as required by the Bexar Appraisal District. From and after the establishment of a separate tax account as provided above, CREDIT HUMAN's failure to apply for an abatement each year after the passage of 180 days after receiving its tax bill shall constitute a waiver resulting in the company's loss of the abatement for such year.

E. CITY acknowledges and agrees that, in consideration of the mutual provisions contained herein and in an effort to allow for more creative designs and a better overall appearance in commercial areas, architectural features not included in habitable floor space of the buildings located at the Project Site may encroach into the public right-of-way airspace, subject to:

- (1) the encroachment(s) shall not project more than three feet (thirty-six inches) into the right-of-way;
- (2) the encroachment shall provide for a minimum clearance height of eight feet over any pedestrian right-of-way and a minimum clearance height of eleven feet over any vehicular right-of-way, whichever is greater;
- (3) the encroachment shall not interfere nor create unusual maintenance issues with street lights, signals and other traffic control devices;
- (4) when the encroachment is onto a public right-of-way including, but not limited to, streets, roads, alleys, trails, sidewalks, bike paths, pedestrian easements, and any other easement intended for the use of the public, the applicant will be required to provide and continually maintain a certificate of insurance naming the city as an additional insured, with respect to liability and providing that it shall be primary as to any other policy of insurance. The policy must contain the additional insured statement, coverage amounts and cancellation notification indicated on the sample insurance form provided by CITY. In addition, CREDIT HUMAN shall sign a covenant to hold harmless and indemnify CITY for any hazard which may result from the use of the right-of-way, may be recorded by CITY and run with the land in a form approved by the city attorney.
- (5) all encroachments permitted in this Agreement may be revoked at the sole discretion of CITY upon thirty days' notice in the event (i) any such use or encroachment shall become dangerous; or (ii) any structure or obstruction so permitted shall become insecure or unsafe, shall become a public nuisance, or shall not be constructed, maintained or used in accordance with this Agreement, unless such condition is cured within such 30-day period or such longer period of time if the condition is not capable of being cured within thirty (30) days and diligent and continuous efforts are being made to cure it. The determination by

Economic Development Director of CITY that a structure is dangerous, insecure, unsafe, a nuisance or has not been constructed, used or maintained in accordance with this Agreement shall be conclusive.

4. CREDIT HUMAN'S REPRESENTATIONS

A. CREDIT HUMAN represents that it has no knowledge that any interest in the Project Site is presently owned, held or leased by a member of the San Antonio City Council, Zoning Commission, Planning Commission, the City's Economic Development Department, or any other City officer or employee. CREDIT HUMAN further represents that it shall not knowingly sell, lease or otherwise convey such an interest to a member of the San Antonio City Council, the Zoning Commission, the Planning Commission, the City's Economic Development Department or any other City officer or employee, as long as this Agreement remains in effect.

B. CREDIT HUMAN represents that there is no litigation pending against CREDIT HUMAN for any violations under the Occupational Safety and Health Act.

5. OBLIGATIONS OF CREDIT HUMAN

A. In addition to all other obligations and/or duties imposed on CREDIT HUMAN by any other incentive agreements it has entered into with the State of Texas, Bexar County and/or the City of San Antonio, CREDIT HUMAN shall:

(1) from and after the completion of construction of the Project, own, hold an interest in or otherwise control the Project Site and the real property improvements and the personal property improvements that constitute the Project;

(2) invest, or cause to be invested, a cumulative amount of approximately ONE HUNDRED THIRTEEN MILLION DOLLARS (\$113,000,000) in Project Costs by December 31, 2020;

(3) from and after the completion of construction of the Project, shall use the Project Site for its Business Activities and Incidental Activities (as hereinafter defined in Section 5I);

(4) from and after the completion of construction of the Project, retain until the expiration of the Term of this Agreement or the expiration of the Term of the Tax Rebate Agreement (defined below), whichever is later, a cumulative total of FOUR HUNDRED THIRTY-FIVE (435) Full-Time Jobs at the Project Site;

(5) shall create and maintain at least an additional FIFTY (50) Full-Time Jobs in accordance with the following:

(i) Create at least ten (10) Full-Time Jobs prior to December 31, 2021;

- (ii) Create at least an additional ten (10) Full-Time Jobs prior to December 31, 2022 (for a cumulative total of at least twenty (20) newly created Full-Time Jobs);
- (iii) Create an additional ten (10) Full-Time Jobs prior to December 31, 2023 (for a cumulative total of thirty (30) newly created Full-Time Jobs);
- (iv) Create at least an additional ten (10) Full-Time Jobs prior to December 31, 2024 (for a cumulative total of forty (40) newly created Full-Time Jobs); and
- (v) Create an additional ten (10) Full-Time Jobs prior to December 31, 2025 (for a cumulative total of fifty (50) newly created Full-Time Jobs).

Upon hiring and meeting each annual Full-Time Job creation requirement, CREDIT HUMAN shall maintain such jobs until the expiration of the Term of this Agreement or the expiration of the Term of the Rebate Agreement, whichever is later;

(6) complete construction of Public Improvements identified on Exhibit C attached hereto and incorporated herein, in accordance with all applicable federal, state and CITY laws and regulations, including the City's Unified Development Code and implementation manuals. A final acceptance letter issued by CITY's Development Services Department, or successor department, after the end of the one (1) year warranty bond period, shall be conclusive proof of completion of the Public Improvements provided, however, in no event shall this Agreement or the Tax Rebate Agreement be deemed to require acceptance of the Public Improvements by CITY; and

(7) comply with all other terms and conditions contained in this Agreement and those contained in the Tax Rebate Agreement.

B. CREDIT HUMAN covenants and agrees that following completion of construction of the Project and thereafter during the term of this Agreement it shall pay one hundred percent (100%) of its employees located at the Project Site (without respect to the number of jobs CREDIT HUMAN is required to maintain and hire hereunder) the City's effective prevailing "living" wage as determined by the City Council in its Tax Abatement Guidelines as of the Effective Date, which is Eleven Dollars and Eighty-three Cents (\$11.83) per hour, excluding benefits, commissions, shift differentials and bonuses. On or before December 31, 2021, seventy percent (70%) of all employees at the Project Site (without respect to the number of jobs CREDIT HUMAN is required to maintain and hire hereunder) must earn at least Fifteen Dollars and Sixty-eight Cents (\$15.68) per hour, excluding benefits, commissions, shift differentials and bonuses.

C. A "Full-Time Job," for the purposes of this Agreement, shall include any employee that works primarily at the Project Site receiving pay equivalent to two

thousand eighty (2,080) straight-time paid hours in a fiscal year and who is an employee of CREDIT HUMAN.

D. CREDIT HUMAN covenants and agrees that it shall offer all of its non-temporary, full-time employees employed at the Project Site substantially similar employee benefits as those employee benefits offered to similarly situated employees of CREDIT HUMAN as set forth on Exhibit D attached hereto and incorporated herein.

E. CREDIT HUMAN covenants and agrees that it shall comply with all applicable federal and state laws governing the employment relationship between employers and employees.

F. CREDIT HUMAN also covenants and agrees that it shall conduct its Business Activities (as defined in Article 3, Paragraph B) on the Project Site in accordance with all applicable federal, state and local laws.

G. Any construction CREDIT HUMAN performs or causes to perform on the Project Site shall be in accordance with all applicable federal, state and local laws including, but not limited to, Texas Commission on Environmental Quality regulations, Bexar County and City of San Antonio laws, Building Codes and ordinances, Historic Preservation and Urban Design ordinances, flood, subdivision, building, electrical, plumbing, fire and life safety codes and regulations, current and as amended.

H. RESERVED.

I. Except as provided herein, CREDIT HUMAN covenants and agrees that it shall use the Project Site only to conduct its Business Activities and Incidental Activities. Incidental Activities include the master lease of the ground floor space or the incidental use, lease or occupancy of other portions of the headquarters building for retail, service or other uses that CREDIT HUMAN determines to be incidental or complimentary to, or compatible with, the Business Activities ("Incidental Activities"). Without additional consent or approval by the City Council, a parent, subsidiary or affiliate organization of CREDIT HUMAN or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of CREDIT HUMAN, or any component thereof (hereinafter "Related Organization") may occupy and use the Project Site for such Related Organization's normal business activities, so long as such business activities are those typically conducted by the corporate headquarters of a federally chartered credit union with at least \$2 billion in assets comparable to the Business Activities of CREDIT HUMAN on the Project Site. To be eligible for the tax abatements as provided in this Agreement, such Related Organization must notify the CITY in writing prior to such merger, acquisition or corporate restructure or reorganization, and such Related Organization shall agree in writing to fully to assume and comply with all applicable terms of this Agreement. Except as authorized above, CREDIT HUMAN covenants and agrees not to change the principal use of the Project Site without prior approval by the City Council, as evidenced in a duly approved ordinance.

J. CREDIT HUMAN covenants and agrees that following completion of construction of the Project, it shall maintain the Project Site and any constructed improvements in good repair and condition during the Term of this Agreement (other than the Public Improvements once they have been formally accepted by CITY), normal wear and tear and damage by fire or other casualty not caused as a result of the negligence, intentional act or misconduct of CREDIT HUMAN excepted. Compliance with the maintenance obligations imposed herein shall be presumed if CREDIT HUMAN follows its normal and customary maintenance procedures and schedules.

K. Upon five business days prior notice to CREDIT HUMAN by CITY, CREDIT HUMAN covenants and agrees that they shall allow designated representatives of the CITY access to the Project Site during normal business hours for inspection to determine if the terms and conditions of this Agreement are being met. This inspection is independent of CITY'S police powers to inspect for purposes of assuring compliance with applicable City Codes and Ordinances. The CITY'S access to CREDIT HUMAN'S books and records will be limited to information needed to verify that CREDIT HUMAN is and has been conducting Business Activities, and to verify the number of full-time employees at the Facility. Any information that is not required by law to be made public shall be kept confidential by CITY. Should any good faith dispute or question arise as to the validity of the data provided, the CITY reserves the right to require CREDIT HUMAN to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of CREDIT HUMAN. CITY representatives may be accompanied by CREDIT HUMAN representatives and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of the Project Site or the Facility; and (b) comply with CREDIT HUMAN'S reasonable security requirements.

L. Commencing upon the completion of construction of the Project and thereafter during the term of this Agreement, CREDIT HUMAN covenants and agrees to furnish each year, as applicable, the Chief Appraiser of Bexar Appraisal District with information outlined in Chapter 22, V.A.T.S. Tax Code, as amended, as may be necessary for the tax abatement and for appraisal purposes.

M. Commencing upon the completion of construction of the Project and thereafter during the term of this Agreement, CREDIT HUMAN covenants and agrees that it shall provide the CITY'S Director of Economic Development or designated representative with a semi-annual certification from an officer of CREDIT HUMAN attesting to the number of full-time jobs created at the Project Site, as well as wages paid, by CREDIT HUMAN at this office. Commencing upon the completion of construction of the Project and thereafter during the term of this Agreement, CREDIT HUMAN shall also submit this information to the CITY upon request, as deemed necessary at the sole discretion of the CITY. The information provided shall be on the form set forth on **Exhibit E** attached hereto and incorporated herein.

N. Commencing upon the completion of construction of the Project and thereafter during the term of this Agreement, CREDIT HUMAN covenants and agrees to make a

good faith effort to hire local employees for its Project Site to fulfill its requirements under Article 5, Paragraph A. "Local" is defined, for the purposes of this Paragraph, as an employee whose principal residence is located within the city limits of the City of San Antonio or within the county limits of Bexar County.

O. CREDIT HUMAN covenants and agrees to notify CITY in writing at least 30 days prior to any sale, transfer or lease by CREDIT HUMAN of more than ten percent (10%) the Project Site during the Agreement Term, other than for Incidental Activities. CITY shall not unreasonably withhold approval of any requests for Assignment of this Agreement by CREDIT HUMAN under Article 11 and any new purchaser or transferee requesting Assignment shall be bound by same. Failure to provide the required notification under this Article 5, Paragraph O may render CREDIT HUMAN subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

P. Commencing upon the completion of construction of the Project and thereafter during the term of this Agreement, CREDIT HUMAN covenants and agrees to notify CITY in writing at least 30 days prior to Relocating or Ceasing its Business Activities (as defined in Article 7, Paragraphs B and C). Failure to provide the required notification under this Article 5, Paragraph P may, at City's sole discretion, render CREDIT HUMAN subject to the termination and recapture provisions under Article 7 without benefit of the Cure Period (as defined in Article 7, Paragraph E).

Q. If CREDIT HUMAN fails to create and then retain the cumulative four hundred eighty-five (485) Full-Time Jobs as and when required under Article 5, Paragraph A (5) of this Agreement, or fails to pay at least the minimum wages required under Article 5, Paragraph B of this Agreement for a period of two (2) or more consecutive months, then the termination and recapture provisions of Article 7 of this Agreement shall apply against CREDIT HUMAN.

R. During this Agreement, CREDIT HUMAN shall not allow its ad valorem taxes due on the land, real and personal property or inventory and supplies to become delinquent; provided that the foregoing shall not preclude CREDIT HUMAN's protest or contest of such taxes so long as it timely and properly follows the legal procedures for their protest and/or contest.

S. In the event CREDIT HUMAN receives the Maximum Benefit (defined in Article 6 Paragraph C) set forth herein, then, in such event, CREDIT HUMAN shall have no further right to the abatement of ad valorem taxes hereunder or to receive the rebate of any ad valorem taxes under the Tax Rebate Agreement, and CITY shall not be obligated to perform any obligations hereunder and under the Tax Rebate Agreement. Notwithstanding anything contained herein to the contrary, if and once CREDIT HUMAN receives the Maximum Benefit, CREDIT HUMAN's obligations hereunder and under the Tax Rebate Agreement including, without limitation, CREDIT HUMAN's job creation, job retention, Required Capital Investment, obligations, shall continue in full

force and effect from and after the commencement of the Term of this Agreement through the expiration of the Term of the Tax Rebate Agreement.

T. If, during the Term of this Agreement, CREDIT HUMAN defaults under the Tax Rebate Agreement, subject to any cure rights set forth therein, then CREDIT HUMAN shall be deemed to be in default hereunder and the termination and recapture provisions of Article 7 of this Agreement shall apply against CREDIT HUMAN after the expiration of the applicable cure periods.

U. If CREDIT HUMAN, any Related Organization, and/or other CITY-approved assignee permitted under this Agreement files any petition for bankruptcy, then this Agreement shall automatically be deemed to have terminated one (1) day prior to the filing of the petition for bankruptcy and, upon such termination, all taxes previously abated by CITY for the benefit of CREDIT HUMAN under this Agreement which have not been previously recaptured by CITY shall be recaptured by CITY from CREDIT HUMAN according to the schedule set forth in Article 7 of this Agreement below.

V. CREDIT HUMAN shall maintain written and/or digital records and supporting documentation (the "Records") relating to and sufficient to reasonably determine: (1) the amount of Required Capital Investment in real and personal property at the Project Site; (2) the hire and termination dates of each Full-Time Employee at the Project Site; (3) employee records sufficient to determine if they live within Bexar County when hired; (4) the creation, maintenance and retention of Full-Time Jobs at the Project Site; (5) the fulfillment of all obligations of CREDIT HUMAN under this Agreement; and (6) the wages and healthcare benefits offered to all Full-Time employees at the Project Site Offices. CREDIT HUMAN shall retain records pertaining to the amount of the Required Capital Investment in real and personal property at the Project Site and any supporting documentation from and after the commencement of the term of this Agreement and the date which falls 4 years after the expiration of the Term of this Agreement. CREDIT HUMAN shall provide copies of the applicable Records to CITY other than those: (i) pertaining to the Required Capital Investment in real and personal property at the Project Site and any supporting documentation) when it delivers the Semi-Annual Certification to CITY. Within ninety (90) days following receipt of the Records applicable to the first Semi-Annual Certification delivered hereunder to CITY, CITY shall notify CREDIT HUMAN of any additional information required to reasonably satisfy CREDIT HUMAN's obligation to provide Records in connection with such Semi-Annual Certification and for all subsequent Semi-Annual Certifications hereunder. CREDIT HUMAN acknowledges and agrees that retention of the Records by CREDIT HUMAN and CITY'S right to inspect the Records as set forth below, are required in order to permit CITY's representatives to determine with certainty CREDIT HUMAN's compliance with all of CREDIT HUMAN'S obligations under this Agreement including, without limitation, job creation and retention requirements, wage requirements, healthcare benefits requirements and residency requirements.

W. In alignment with CITY's and CREDIT HUMAN's shared interests in sustainability, to qualify for the tax abatement hereunder, CREDIT HUMAN must, by

December 31, 2021 offer a written commuter benefits program for all employees which should include at least one of the following:

- (1) employees excluding transit/vanpool costs from taxable income up to \$255/month;
- (2) employer provided transit or vanpool subsidy or a transit pass up to \$38/month;
- (3) employer provided transit;
- (4) a carpool and bicycle employer subsidy;
- (5) a telework program; or
- (6) a compressed work week program.

X. To maintain eligibility for the abatement of taxes hereunder CREDIT HUMAN shall, by December 31, 2021, establish a written workforce program which should include at least one of the following:

- (1) strategies to promote hiring employees from qualifying State Enterprise Zones areas within the City and Bexar County;
- (2) partnering with SA Works by providing experiential learning opportunities via student internships (high school and/or college), apprenticeships for college and technical school students, job-shadows and teacher externships;
- (3) a tuition reimbursement program to all employees throughout the organization, including banking service centers, to encourage employees to obtain college degrees; or
- (4) signing a participation agreement with the Upgrade program provided by the San Antonio Education Partnership (SAEP) to assist CREDIT HUMAN employees seeking to complete degrees.

Y. CREDIT HUMAN agrees to sponsor a student for an internship through SA Works for at least one year during the Abatement Term, and also agrees to do at least one of the following:

- (1) Enter into an R&D collaboration with local college or university;
- (2) Host a community blood drive with the South Texas Blood and Tissue Center;
or
- (3) Participate in no less than two job fair events in the two years following the City approval of this Agreement.

Z. CREDIT HUMAN agrees to work with CITY to identify existing or newly created non-traditional CREDIT HUMAN loan products that could be marketed to individuals within the San Antonio market.

AA. All funds for public improvements associated with the Project Site derived from the Broadway Street 2017 Bonds (\$400,000) and/or from the FY 2018 CIP Budget (\$500,000) are not a part of this Agreement or the Rebate Agreement, are subject to City Council approval, and will be managed by the CITY's Transportation and Capital

Improvement Department (TCI) under other agreement(s). The tax abatement commitment being made herein and the tax rebate commitment being made in the Tax Rebate Agreement are intended to fund the difference between CREDIT HUMAN's cost estimate for the construction of the Public Improvements associated with the Project Site and the amount TCI intends to contribute from the sources set forth above. In the event the scope of the Project is adjusted downward, the City shall have the option of adjusting its commitment downward accordingly. Specifically, in the event CREDIT HUMAN's cost estimate for the Public Improvements is greater than the actual final cost of constructing the Public Improvements, the total combined value cap on the tax abatement and tax rebate of \$5,767,844 shall be adjusted downward to reflect the lower cost. CREDIT HUMAN will work with TCI in determining the actual cost of the Public Improvements and TCI's determination shall be final.

6. TAX ABATEMENT

A. The tax abatement period (the "Abatement Term") for the real property improvements and personal property improvements shall be ten (10) years beginning on January 1, 2020. The base year for calculating the value of the Project Site and the real property and personal property improvements existing and located upon the Project Site prior to the Effective Date of this Agreement shall be January 1, 2018. The "Base Year Value" of the real and personal property not covered by this Agreement shall be its assessed value (determined by the Bexar Appraisal District), as of the Base Year. This Agreement only provides for the abatement of taxes on tangible personal property brought onto the site after the execution of this Agreement.

B. At the commencement of the Abatement Term, CREDIT HUMAN shall own, have an interest in or otherwise control the Project Site and shall be conducting its Business Activities on a daily basis and continuously throughout the Term.

C. Provided that CREDIT HUMAN: (1) invests in both real property improvements and personal property improvements as and when required under Article 5, Paragraph A (2) of this Agreement; (2) hires and retains the number of employees as and when specified in Article 5, Paragraph A (5) of this Agreement; (3) pays at least the minimum wages required under Article 5, Paragraph B of this Agreement; (4) uses the Project Site for its Business Activities or the Business Activities of one or more Related Organizations; and (5) is otherwise in compliance with the terms and conditions of this Agreement and the Tax Rebate Agreement, then ONE HUNDRED PERCENT (100%) of the ad valorem taxes for the increased taxable value of the Project Site, the increased taxable value of real property improvements, and increased taxable value of new personal property improvements, above the Base Year Value, shall be abated for the Abatement Term up to FIVE MILLION NINE HUNDRED TWENTY-THREE THOUSAND EIGHT HUNDRED EIGHTY-TWO DOLLARS (\$5,923,882.00) (the "Maximum Benefit"). There shall be no abatement of taxes hereunder for the underlying land Base Year Value, inventory or supplies.

D. CREDIT HUMAN acknowledges and agrees the Base Year Value of the Project Site and the tax levy based on said Base Year Value of the Project Site in the Reinvestment Zone shall not decrease, but taxes may increase and that the amount of property taxes paid by CREDIT HUMAN to CITY attributable to the Project Site during the Term of this Agreement shall not be less than the amount of taxes attributable to the Project Site paid to CITY for the Base Year, if any, except in the event of casualty or condemnation of the Project Site in the Reinvestment Zone.

E. CREDIT HUMAN shall have the right to protest appraisals of the Project Site, real or personal, or any portion thereof, over and above the Base Year Value as applicable, provided, however, CREDIT HUMAN shall: (i) notify CITY of the protest within ninety (90) days after the protest is initiated; and (ii) any reductions to the appraised value of the Project Site, real or personal, shall cause a proportional decrease to the taxes abated under this Agreement and/or those rebated under the Rebate Agreement, and CITY shall be entitled to the payment of such decrease in rebated taxes within thirty (30) calendar days from the date CREDIT HUMAN receives a rebate or return of any overpayment of taxes.

F. The term of this Agreement (herein referred to as the "Term of this Agreement") shall commence on the Effective Date and shall continue in force and effect, unless terminated pursuant to the provisions of Article 7, until December 31, 2034, which is the end of the sixth (6th) calendar year after the expiration of the Abatement Term. The Term of this Agreement includes the Rebate Term which is defined herein as the period between January 1, 2030 (the end of the Abatement Term) and December 31, 2036.

G. In the event CREDIT HUMAN receives the Maximum Benefit set forth herein, then, in such event, CREDIT HUMAN shall have no further right to the abatement of ad valorem taxes hereunder or to receive any rebate of any ad valorem taxes under any other agreement with the CITY and CITY shall not be obligated to perform any obligations hereunder. Notwithstanding, should CREDIT HUMAN receives the Maximum Benefit under this Agreement, CREDIT HUMAN shall still be obligated to perform all obligations under this Agreement for the Term of this Agreement.

H. Should CREDIT HUMAN default under this Agreement, subject to any right to cure, and such default results in the termination of this Agreement, then CREDIT HUMAN shall have no rights to have any taxed abated or reimbursed under this or any other agreement with the CITY.

7. **DEFAULT/TERMINATION/RECAPTURE**

A. For purposes of this section, "Relocation" or "Relocate" shall mean CREDIT HUMAN or a Related Organization which has taken the place of CREDIT HUMAN, transferring Business Activities to a location outside the CITY's municipal limits.

B. Should CREDIT HUMAN occupy and use the Project Site for its Business Activities and subsequently Relocates (as defined in this Article 7, Paragraph A) during

the Agreement Term, unless such Relocation is caused by a Force Majeure, as defined in Article 8, then CITY shall have the right to terminate this Agreement. Said termination shall be effective for the calendar year during which the Relocation occurred. Unless CREDIT HUMAN presents credible evidence to clearly indicate a date of Relocation, CITY's determination shall be final and conclusive.

Upon termination, any and all taxes otherwise abated for that calendar year and that percentage of the previously abated taxes under this Agreement specified in Section 7H below shall be recaptured by CITY and CITY shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies CREDIT HUMAN in writing of termination.

C. If CREDIT HUMAN occupies and uses the Project Site for its Business Activities and subsequently ceases conducting Business Activities (or a substantial portion thereof) at the site for a continuous period of three (3) months during the Term of this Agreement for any reason, except if such cessation is caused by a Force Majeure as defined in Article 8, then the CITY shall have the right to terminate this Agreement. Said terminations shall be effective for the calendar year during which the Project Site was no longer used for the required purposes stated herein. Unless CREDIT HUMAN presents credible evidence to clearly indicate a date of cessation, CITY's determination of a date of cessation shall be final and conclusive.

Upon termination, any and all taxes otherwise abated for that calendar year and that percentage of previously abated taxes under this Agreement specified in Section 7H below shall be recaptured by CITY and CITY shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies CREDIT HUMAN in writing of termination.

D. If CREDIT HUMAN, a Related Organization or City-approved assignee fails to hire and retain the minimum number of permanent full-time employees as required in Article 5, Paragraph A above, calculated by the averaging of the two most current semi-annual Incentive Reporting Form for such calendar year of noncompliance, then for each such calendar year of noncompliance, the tax abatement shall be reduced in the following tax year by the same percentage as the deficiency in the number of employees. For example, if CREDIT HUMAN hires and retains ninety percent (90%) of the minimum number of full-time employees in a given year, CREDIT HUMAN shall be entitled to ninety percent (90%) of the one hundred percent (100%) ad valorem personal property tax abatement for the Project Site for that following year. However, should CREDIT HUMAN fail to hire and retain at least fifty percent (50%) of the minimum number of full-time employees in a given year then, at the option of CITY, this failure may be grounds for termination of this Agreement. Said termination shall be effective for the calendar year during which the number of permanent full-time employees stated herein have not been hired or retained as required.

Upon termination, any and all taxes otherwise abated for that calendar year and all previously abated taxes under this Agreement shall be recaptured by CITY and CITY

shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies CREDIT HUMAN in writing of termination.

E. During the Term, CITY may declare a default if CREDIT HUMAN fails to comply with any of the terms of this Agreement, which shall also be deemed to be a default under the Rebate Agreement. Should CITY determine CREDIT HUMAN is in default under any of the terms of this Agreement, CITY will notify CREDIT HUMAN in writing at the address below in Article 9. If said default is not cured within sixty (60) calendar days from the date of such notice (hereinafter the "Cure Period"), then CITY shall have the right to terminate this Agreement and the Rebate Agreement. CITY may, in its sole discretion, extend the Cure Period if CREDIT HUMAN commences the cure within the Cure Period and CREDIT HUMAN is diligently pursuing such cure. If the Agreement is terminated as a result of default, all taxes abated shall be due for the tax year during which the termination occurred and shall accrue without further abatements for all tax years thereafter; in addition, CITY shall have the right to recapture from CREDIT HUMAN all previously abated property taxes under this Agreement and said taxes shall be paid by CREDIT HUMAN within sixty (60) calendar days of receiving CITY'S written notification of recapture, provided, however, the CITY, may as a settlement, based on substantial compliance, other material and specific facts pertaining to the Project Site or CREDIT HUMAN, or non-material defaults, all in the CITY'S sole discretion, permit CREDIT HUMAN, in lieu of a total recapture of the taxes abated hereunder (or partial recapture of the taxes abated hereunder during those years in the Abatement Term that limit the percentage of the recapture), not terminate this Agreement and instead may employ some other equitable remedy such as, for example purposes only, have CREDIT HUMAN pay CITY an amount proportionate to the shortage in the number of jobs required hereunder.

F. Other Remedies Available. CITY shall have the right to seek any remedy at law to which it may be entitled, in addition to termination and/or recapture, if CREDIT HUMAN defaults under the terms of this Agreement. However, such termination and/or recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which CREDIT HUMAN may be entitled. The termination and/or recapture of taxes provided in this Article 7 are not applicable to situations involving minor changes to the description of the Project Site, or changes in ownership or in management thereof, so long as CREDIT HUMAN, its parent, subsidiary, affiliate or its CITY-approved successor or assignee continues conducting Business Activities or other authorized activities thereon as provided hereinabove.

G. Calculation of Taxes Subject to Recapture. If CREDIT HUMAN fails to comply with any of the terms of this Agreement including, but not limited to, those pertaining to this Article 7, after notice and cure periods, then the City Council shall have the right to recapture from CREDIT HUMAN a percentage of the abated real property and personal property taxes based on the following table:

TERM YEAR

TOTAL TAX PREVIOUSLY ABATED
SHALL BE MULTIPLIED BY:

| | |
|------|------|
| 1-10 | 100% |
| 11 | 100% |
| 12 | 80% |
| 13 | 60% |
| 14 | 40% |
| 15 | 20% |
| 16 | 10% |

FORMULA: The recapture formula shall be:

$$\text{Total Taxes Abated} \times \begin{array}{l} \text{Applicable Percentage} \\ \text{from above Schedule} \end{array} = \begin{array}{l} \text{Amount to be} \\ \text{Recaptured} \end{array}$$

CITY shall recalculate the amount of recapture pertaining to each tax year utilizing the above formula. A bill for each year will then be sent to CREDIT HUMAN.

H. Should CREDIT HUMAN reach the Maximum Benefit prior to year 10 of this Agreement and then fail to maintain or create the required number of Full-Time Jobs in accordance with Sections 5(A)(4) and (5) of this Agreement, and failing to cure in accordance with the terms herein, then CREDIT HUMAN shall pay CITY TWELVE THOUSAND DOLLARS (\$12,000.00) for each Full-Time Job below the required number provided that CREDIT HUMAN is above 50% of the required number of Full-Time Jobs for that year. Notwithstanding the preceding, in calculating the number of deficient Full-Time Jobs, the City shall average CREDIT HUMAN's last two years of reports and the resulting average number of deficient jobs in those two years shall be the number subject to the \$12,000.00 payment. Furthermore, CREDIT HUMAN shall only be assessed a percentage of the \$12,000.00 based upon the following table:

| | |
|---------|------|
| Year 1 | 100% |
| Year 2 | 90% |
| Year 3 | 80% |
| Year 4 | 70% |
| Year 5 | 60% |
| Year 6 | 50% |
| Year 7 | 40% |
| Year 8 | 30% |
| Year 9 | 20% |
| Year 10 | 10% |

8. AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)

For purposes of this section, "Force Majeure" is defined to include an act of war, order of legal authority, act of God, terrorism, social unrest, strike, natural disaster, casualty,

condemnation or other event beyond the reasonable control of CREDIT HUMAN. In addition to relief expressly granted in this Agreement, CITY shall grant relief from performance of this Agreement to the extent CREDIT HUMAN is prevented from compliance and performance by an event of Force Majeure. The burden of proof for the need for such relief shall rest upon CREDIT HUMAN. To obtain release based upon this Article 8, CREDIT HUMAN must file a written request with the CITY'S Economic Development Department.

9. **NOTICE**

Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if: (a) delivered in person to the address set forth herein below for the party to whom the notice is given; (b) placed in the United States mail with postage prepaid, return receipt requested, properly addressed to such party at the address hereinafter specified; or (c) deposited, with fees prepaid, into the custody of a nationally recognized overnight delivery service such as FedEx, addressed to such party at the address hereinafter specified. Any notice mailed in the above manner shall be effective upon its deposit into the custody of the United States Postal Service or such nationally recognized delivery service as applicable; all other notices shall be effective upon receipt. From time to time, either party may designate another address for all purposes under this Agreement by giving the other party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.

TO CREDIT HUMAN:

- (Whether personally delivered or mailed):

CREDIT HUMAN Federal Credit Union
Attn: Steven Hennigan
6061 W. IH 10
San Antonio, Texas 78201

With a copy to:
Martin & Drought, P.C.
Attn: Frank Burney
Bank of America Plaza, 25th Floor
300 Convent Street
San Antonio, Texas 78205

TO CITY:

- If mailed:

Economic Development Department
Attn: Director

P.O. Box 839966
San Antonio, Texas 78283-3966

- If by personal or overnight delivery:

Economic Development Department
Attn: Director
Frost Bank Tower, 19th Floor
San Antonio, Texas 78205

10. **CONDITION**

This Agreement is conditioned entirely upon the approval of the San Antonio City Council, as evidenced by duly approved Ordinance Number 2017-10-12-_____, dated _____, 2017.

11. **ASSIGNMENT**

Except as otherwise expressly provided herein, this Agreement may be assigned or otherwise transferred only with City Council's prior approval (which approval shall not be unreasonably withheld), as reflected in a duly adopted ordinance. CREDIT HUMAN must submit a written request to CITY for approval of the proposed assignment or other transfer at least sixty (60) days prior to the effective date of the assignment or transfer of any part of the Project Site; however, no City Council consent is required for an assignment or transfer to a parent of CREDIT HUMAN, a subsidiary of CREDIT HUMAN, an affiliate entity of CREDIT HUMAN, or to any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of CREDIT HUMAN. However, CREDIT HUMAN shall give CITY 30 days' prior written notice of all assignments or other transfers that do not require City Council consent, as required under Article 5, Paragraph P. All future assignees shall be bound by all terms and/or provisions and representations of this Agreement, and the CITY may, at its option, require CREDIT HUMAN to guarantee the performance and payment of the assignee under this Agreement.

12. **GENERAL PROVISIONS**

A. None of the property improvements described in this Agreement are financed by tax increment bonds.

B. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the CITY related to this project. No bonds for which the CITY is liable have been used to finance this project.

C. No amendment, modification, or alteration of the terms hereof shall be binding unless in writing dated subsequent to the date of this Agreement and duly authorized by

the parties. CREDIT HUMAN acknowledges that City Council approval may be required for any and all of these actions.

13. SEVERABILITY

In the event any section, subsection, paragraph, subparagraph, sentence, phrase or work herein is held invalid, illegal or unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase or word. In such event there shall be substituted for such deleted provisions a provision as similar as possible in terms and in effect to such deleted provision that is valid, legal and enforceable. This Agreement constitutes the entire Agreement between the parties hereto relating to the subject matter contained herein and supersedes all prior, oral or written agreements, commitments or understandings with respect to the matters provided for herein.

14. ESTOPPEL CERTIFICATE

Any party hereto may request an estoppel certificate related to this project (hereafter referred to as "Certificate") from another party hereto so long as the Certificate is requested in connection with a bona fide business purpose. The Certificate, which if requested, will be addressed to a subsequent purchaser or assignee of CREDIT HUMAN or other party designated by CREDIT HUMAN which shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default, if such is the case, the remaining Term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the party(ies) to receive the Certificate.

15. OWNER STANDING

CREDIT HUMAN, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or City Council actions authorizing same, and CREDIT HUMAN shall be entitled to intervene in said litigation.

16. APPLICABLE LAW

This Agreement shall be construed under the laws of the State of Texas and is performable in Bexar County, Texas.

17. TRIPLICATE ORIGINALS

This Agreement shall be executed in three triplicate originals, with an original going to each party and the Economic Development Department.

EXECUTED and **AGREED** to as of the _____ day of _____, 2017 (“Effective Date”).

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

**CREDIT HUMAN FEDERAL
CREDIT UNION**
a federally chartered credit union

Sheryl L. Sculley
CITY MANAGER

Name
Title

ATTEST:

Leticia Vacek
CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A: TIRZ BOARD RESOLUTION

PLAT NUMBER 170149

**REPLAT & SUBDIVISION PLAT
ESTABLISHING
BROADWAY OFFICE
DEVELOPMENT**

A.3.03 ACRES TRACT OF LAND BEING COMPRISED OF ALL OF LOT 18, BLOCK 1, REPLICAS SAME, BOUNDARIES AS SHOWN IN VOLUME 7500 PAGE 57 OF THE DEED AND RECORDS OF THE COUNTY OF TARRANT, TEXAS, AND ALSO ALL OF LOTS 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35, 37, 39, 41, 43, 45, 47, 49, 51, 53, 55, 57, 59, 61, 63, 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87, 89, 91, 93, 95, 97, 99, 101, 103, 105, 107, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, 525, 527, 529, 531, 533, 535, 537, 539, 541, 543, 545, 547, 549, 551, 553, 555, 557, 559, 561, 563, 565, 567, 569, 571, 573, 575, 577, 579, 581, 583, 585, 587, 589, 591, 593, 595, 597, 599, 601, 603, 605, 607, 609, 611, 613, 615, 617, 619, 621, 623, 625, 627, 629, 631, 633, 635, 637, 639, 641, 643, 645, 647, 649, 651, 653, 655, 657, 659, 661, 663, 665, 667, 669, 671, 673, 675, 677, 679, 681, 683, 685, 687, 689, 691, 693, 695, 697, 699, 701, 703, 705, 707, 709, 711, 713, 715, 717, 719, 721, 723, 725, 727, 729, 731, 733, 735, 737, 739, 741, 743, 745, 747, 749, 751, 753, 755, 757, 759, 761, 763, 765, 767, 769, 771, 773, 775, 777, 779, 781, 783, 785, 787, 789, 791, 793, 795, 797, 799, 801, 803, 805, 807, 809, 811, 813, 815, 817, 819, 821, 823, 825, 827, 829, 831, 833, 835, 837, 839, 841, 843, 845, 847, 849, 851, 853, 855, 857, 859, 861, 863, 865, 867, 869, 871, 873, 875, 877, 879, 881, 883, 885, 887, 889, 891, 893, 895, 897, 899, 901, 903, 905, 907, 909, 911, 913, 915, 917, 919, 921, 923, 925, 927, 929, 931, 933, 935, 937, 939, 941, 943, 945, 947, 949, 951, 953, 955, 957, 959, 961, 963, 965, 967, 969, 971, 973, 975, 977, 979, 981, 983, 985, 987, 989, 991, 993, 995, 997, 999, 1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019, 1021, 1023, 1025, 1027, 1029, 1031, 1033, 1035, 1037, 1039, 1041, 1043, 1045, 1047, 1049, 1051, 1053, 1055, 1057, 1059, 1061, 1063, 1065, 1067, 1069, 1071, 1073, 1075, 1077, 1079, 1081, 1083, 1085, 1087, 1089, 1091, 1093, 1095, 1097, 1099, 1101, 1103, 1105, 1107, 1109, 1111, 1113, 1115, 1117, 1119, 1121, 1123, 1125, 1127, 1129, 1131, 1133, 1135, 1137, 1139, 1141, 1143, 1145, 1147, 1149, 1151, 1153, 1155, 1157, 1159, 1161, 1163, 1165, 1167, 1169, 1171, 1173, 1175, 1177, 1179, 1181, 1183, 1185, 1187, 1189, 1191, 1193, 1195, 1197, 1199, 1201, 1203, 1205, 1207, 1209, 1211, 1213, 1215, 1217, 1219, 1221, 1223, 1225, 1227, 1229, 1231, 1233, 1235, 1237, 1239, 1241, 1243, 1245, 1247, 1249, 1251, 1253, 1255, 1257, 1259, 1261, 1263, 1265, 1267, 1269, 1271, 1273, 1275, 1277, 1279, 1281, 1283, 1285, 1287, 1289, 1291, 1293, 1295, 1297, 1299, 1301, 1303, 1305, 1307, 1309, 1311, 1313, 1315, 1317, 1319, 1321, 1323, 1325, 1327, 1329, 1331, 1333, 1335, 1337, 1339, 1341, 1343, 1345, 1347, 1349, 1351, 1353, 1355, 1357, 1359, 1361, 1363, 1365, 1367, 1369, 1371, 1373, 1375, 1377, 1379, 1381, 1383, 1385, 1387, 1389, 1391, 1393, 1395, 1397, 1399, 1401, 1403, 1405, 1407, 1409, 1411, 1413, 1415, 1417, 1419, 1421, 1423, 1425, 1427, 1429, 1431, 1433, 1435, 1437, 1439, 1441, 1443, 1445, 1447, 1449, 1451, 1453, 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EXHIBIT C Public Improvements

Street Infrastructure

- (1) Street Improvements - Ave B (includes lane striping at E. Grayson & Josephine) & Bike Lane
- (2) Street Improvements - Broadway Complete Streets
- (3) Street Improvements - Newell & I-35 to Broadway only
- (4) Street Improvements - Pavers at Broadway & Pearl Parkway
- (5) Street Improvements - Traffic Signal(s) – Josephine
- (6) Street Improvements - Traffic Signal(s) - Broadway Mods
- (7) Bike Station
- (8) Street Improvements – Repairs
- (9) Parking/Traffic Revisions Pearl Parkway & Ave B (Pull-In Parking)

Utility Infrastructure

- (1) Electric Utility Infrastructure - CPS Fees
- (2) Gas Utility Infrastructure - CPS Fees/Meter
- (3) Telecom Utility Infrastructure - ATT/TW/Grande/L3 Fees

Other Construction

- (1) Bus Station
- (2) Construction in the Right of Way
 - a. Storm Sewer - Broadway ROW
 - b. Clean Streets
 - c. Traffic Control/Sidewalk Control
 - d. Lane Closures
 - e. Curb/Gutter
 - f. Sidewalks
 - g. Pavers
 - h. Board Formed Concrete Walls
 - i. New Trees/Landscape
 - j. Tree Replacement
 - k. Underground Utility Ductbank
 - l. Bike Racks
 - m. Mill & Overlay
 - n. OH&P

Public/Green/Patio Spaces

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EXHIBIT D: BENEFITS

[to be attached]

EXHIBIT E: REPORTING FORM

AN ORDINANCE 2017-10-19-0822

AUTHORIZING A CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM GRANT AGREEMENT WITH CREDIT HUMAN TO PROVIDE A GRANT IN AN AMOUNT, WHEN COMBINED WITH THE AMOUNT OF ABATED TAXES PROVIDED THROUGH A TAX ABATEMENT AGREEMENT, DOES NOT EXCEED \$5,923,882.00.

* * * * *

WHEREAS, Credit Human, a credit union with over 250,000 members across the U.S. and assets in excess of \$3 billion, has chosen to establish its corporate headquarters in San Antonio at 1803 Broadway Street, in City Council District 1 (the "Project Site"); and

WHEREAS, in establishing its corporate headquarters, Credit Human is anticipated to invest approximately \$113 million in improvements, retain 435 Full-Time Jobs and create an additional 50 full-time jobs at the Project Site (the "Project"); 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 Credit Human in undertaking and completing the Project and has identified economic development funds for use in carrying out this purpose; and

WHEREAS, in addition to the Chapter 380 Economic Development Grant Agreement, the City is providing a Tax Abatement Agreement and combined, the total amount of benefit to Credit Human will not exceed \$5,923,882.00, which is equal to the amount Credit Human is providing in public improvements on the Project Site; **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 a Chapter 380 Economic Development Program Grant Agreement with Credit Human for the relocation of its corporate headquarters to 1803 Broadway, the retention of 435 Full-Time Jobs and the creation of an additional 50 Full-Time Jobs and the investment of \$5,923,882.00 in public improvements. The Chapter 380 Economic Development Grant Agreement is contingent upon the approval of the Midtown Tax Increment Reinvestment Zone #31 Board of Directors.

SECTION 2. The City Manager or her designee is authorized to execute a Chapter 380 Economic Development Program Grant Agreement with Credit Human in accordance with this Ordinance. A copy of the Agreement, in substantially final form, is attached to this Ordinance as **Attachment I**. The final agreement shall be filed with this Ordinance upon execution.

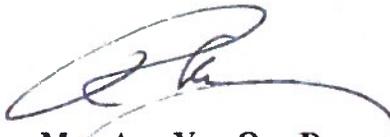
SECTION 3. Funding in the amount of \$1,515,741 for this Ordinance shall be made available in TIRZ Midtown #31, Fund 29086024, Cost Center 8002900001 and General Ledger 5201040 and is authorized to Credit Human. Payment is limited to the amounts budgeted in the operating budget funding sources identified and should be encumbered with a purchase order. Payments for future fiscal years are contingent upon the availability of funds from the City's operating budget and City Council approval. All expenditures will comply with the approved budget for current and future fiscal years.

SECTION 4. Payment not to exceed the amount of \$1,515,741 is authorized to Credit Human. Annual payments to Credit Human shall not exceed the amount equal to the M&O portion of ad valorem taxes remitted by Credit Human to the City for a period not to exceed 5 years and at such time funds are authorized to be encumbered.

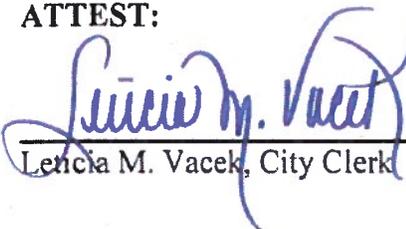
SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, 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 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.

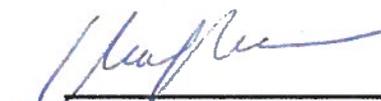
PASSED AND APPROVED this 19th day of October, 2017.


M A Y O R
Ron Nirenberg

ATTEST:


Lencia M. Vacek, City Clerk

APPROVED AS TO FORM:


Andrew Segovia, City Attorney

| | | | | | | | |
|---------------------|--|--------------------|------------|------------|----------------|---------------|---------------|
| Agenda Item: | 28B (in consent vote: 28A, 28B, 28C) | | | | | | |
| Date: | 10/19/2017 | | | | | | |
| Time: | 11:55:34 AM | | | | | | |
| Vote Type: | Motion to Approve | | | | | | |
| Description: | An Ordinance authorizing a Chapter 380 Economic Development Program Grant Agreement with Credit Human to provide a grant in an amount, when combined with the amount of abated taxes provided through a Tax Abatement Agreement, does not exceed \$5,923,882.00. | | | | | | |
| Result: | Passed | | | | | | |
| Voter | Group | Not Present | Yea | Nay | Abstain | Motion | Second |
| Ron Nirenberg | Mayor | | x | | | | |
| Roberto C. Treviño | District 1 | | x | | | x | |
| William Cruz Shaw | District 2 | | x | | | | x |
| Rebecca Viagran | District 3 | | | | x | | |
| Rey Saldaña | District 4 | | x | | | | |
| Shirley Gonzales | District 5 | | x | | | | |
| Greg Brockhouse | District 6 | | x | | | | |
| Ana E. Sandoval | District 7 | | x | | | | |
| Manny Pelaez | District 8 | | x | | | | |
| John Courage | District 9 | | x | | | | |
| Clayton H. Perry | District 10 | | x | | | | |

RR
10/19/17
Item No. 28B

ATTACHMENT I

**CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM GRANT AGREEMENT
BETWEEN THE CITY OF SAN ANTONIO AND CREDIT HUMAN FEDERAL CREDIT
UNION**

THIS CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM GRANT AGREEMENT (hereinafter referred to as this "Agreement") is made and entered into by and between the City of San Antonio (hereinafter referred to as "GRANTOR"), a municipal corporation of the State of Texas, acting by and through its City Manager or her designee, and Credit Human Federal Credit Union (hereinafter referred to as "GRANTEE"), a federally chartered credit union. Together, GRANTOR and GRANTEE may be referred to herein as the "Parties," or individually as a "Party."

WHEREAS, GRANTEE is engaged in an economic development project consisting of the development and construction of a new corporate headquarters; ~~located on~~ its allocable share of a parking garage; and other general and limited common elements (the "Project") to be located on a portion of the land generally known as 1803 Broadway Avenue, San Antonio, Texas 78215 and more specifically described in EXHIBIT A (such portion of the land being referred to herein as the "Project Site"); and

WHEREAS, the Project is anticipated to result in a capital investment in Project Costs (as defined in Section 2.13 below) on the Project Site of at least \$113,000,000, and the Project will be owned or occupied by GRANTEE where it will conduct its Business Activities (as defined in this Agreement), retain at least four hundred thirty-five (435) "Full-Time Jobs"; and create at least fifty (50) "New Full-Time Jobs" as those requirements are set forth in the Tax Abatement Agreement between the Parties and attached hereto as Exhibit B as well as the construction of certain public improvements listed on EXHIBIT C (the "Required Public Improvements") and the GRANTOR's acceptance thereof; and

WHEREAS, GRANTEE has requested economic development incentive funds to assist GRANTEE to defer costs associated with undertaking the Project and completing the Required Public Improvements at the Project Site; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, GRANTOR is authorized to grant funds to promote state or local economic development and to stimulate business and commercial activity in the municipality and, pursuant to City Ordinance No. 100684, GRANTOR adopted an economic development program which meets the requirements of Chapter 380 of the Texas Local Government Code; and

WHEREAS, GRANTOR has identified funds to be made available to incentivize GRANTEE to undertake and complete the Project at the Project Site; and

WHEREAS, the City Council of GRANTOR has authorized the City Manager or her designee to enter into this Agreement with GRANTEE in accordance with City Ordinance No. 2017-10-19-_____, passed and approved on _____, 2017 to grant said funds;

NOW THEREFORE:

The Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described:

SECTION 1. AGREEMENT PURPOSE

GRANTOR and GRANTEE have as of even date herewith also entered into that certain Tax Abatement Agreement approved by City Ordinance No. 2017-10-19-_____ (the "Tax Abatement Agreement"), whereby GRANTEE is entitled to a 10-year, one hundred percent (100%) tax abatement of ad valorem real and personal property taxes on the Project Site, up to an amount not to exceed FIVE MILLION NINE HUNDRED TWENTY-THREE THOUSAND EIGHT HUNDRED EIGHTY-TWO DOLLARS AND NO CENTS (\$5,767,844.00) (the "Maximum Benefit") provided GRANTEE complies with the terms and conditions set forth therein.

The purpose of this Agreement is to provide an economic development grant to GRANTEE in an amount necessary to supplement the Tax Abatement Agreement to meet up to an amount as an incentive for GRANTEE to undertake the Project at the Project Site. GRANTOR anticipates that if the Project is undertaken at the Project Site, the Project will promote local economic development and stimulate business and commercial activity in the City of San Antonio through (a) the completion of the Required Public Improvements, (b) the construction of a corporate headquarters for a federally chartered credit union with at least \$2 billion in assets, (c) the retention of at least four hundred thirty-five (435) Full-Time Jobs (as defined below), and (d) the creation of fifty (50) New Full-Time Jobs (as defined below) as set forth in the Tax Abatement Agreement. As such, GRANTOR is willing to support the Project through the economic development grants provided in this Agreement to provide funds to be used to pay or defer Required Public Improvements costs associated with the Project.

SECTION 2. PROJECT INCENTIVE CONDITIONS

In order to receive the economic development grants provided in Section 3 of this Agreement, GRANTEE must satisfy the following conditions:

A. Project Site. GRANTEE shall own, hold an interest in or otherwise control the Project Site for the Term of this Agreement.

B. Investment. Prior to December 31, 2020 GRANTEE shall have invested at least ONE HUNDRED THIRTEEN MILLION DOLLARS AND NO CENTS (\$113,000,000.00) in ~~real property~~ Project Costs (the "Required Capital Investment"). For purposes hereof and the Tax Abatement Agreement, "Project Costs" shall include all expenditures made by GRANTEE, directly or indirectly, and/or its parent, partners, subsidiaries and/or affiliates to acquire the Project Site and to develop, construct and/or acquire real property improvements and new personal property improvements ~~at the Project Site (the "Required Capital Investment")~~ on or at the Project Site, including without limitation: architectural, engineering and surveying

expenses, financing costs and fees, construction period interest, closing and settlement expenses, demolition, construction, site preparation, Required Public Improvements, fencing, paving, landscaping, permit fees, title insurance, installation of equipment (including the full value of equipment installed pursuant to a lease purchase agreement and paid through periodic installments by GRANTEE and/or affiliates) and other related expenses. The Required Capital Investment shall be calculated in the same manner and shall include the same costs and expenses as are included in the term "Required Capital Investment" under the Tax Abatement Agreement.

C. The Parties acknowledge that pursuant to the terms and conditions of the Tax Abatement Agreement, GRANTEE is entitled to a 10-year, one hundred percent (100%) tax abatement of ad valorem real and personal property improvement taxes on the Project Site, up to an amount not to exceed the Maximum Benefit, provided GRANTEE makes the Required Capital Investment, completes the Required Public Improvements and meets the jobs retention and creation requirements, and all other requirements set forth therein. This Agreement requires GRANTEE's compliance with and/or satisfaction of the Required Capital Investment, the completion of the Required Public Improvements, and Full-Time Jobs and New Full-Time Jobs retention and creation requirements set forth herein, and all other GRANTEE obligations contained herein. The Parties further acknowledge that, notwithstanding anything contained in this Agreement, upon GRANTEE-receiving's having received the Maximum Benefit under either the Tax Abatement Agreement alone or in combination with this Agreement (e.g., the cumulative benefit to GRANTEE under both the Tax Abatement Agreement and this Agreement), GRANTEE shall have no further right, to any rebate of ad valorem taxes hereunder or to receive any further abatement of ad valorem taxes under the Tax Abatement Agreement, and following such date GRANTOR shall not be obligated to perform any obligations hereunder and under the Tax Abatement Agreement.

D. Notwithstanding anything contained herein, ~~if and once~~ the fact that GRANTEE receives may have received the Maximum Benefit, shall not limit, impair or terminate GRANTEE's obligations hereunder and under the Tax Abatement Agreement prior to the expiration of the respective Terms of such agreements, including, without limitation, GRANTEE's job creation, job retention, Required Capital Investment, and Required Public Improvements completion obligations, all of which shall continue in full force and effect ~~through~~ throughout the remainder of the respective Terms of this Agreement and the Tax Abatement Agreement.

E. Public Improvements. As a condition precedent to GRANTOR's obligation to rebate personal and real property improvement ad valorem taxes hereunder, GRANTEE shall have completed construction of the Required Public Improvements and ~~the~~ GRANTOR shall have accepted such Required Public Improvements in accordance with GRANTOR's customary acceptance requirements for similar public improvements prior to the commencement of the Rebate Term under this Agreement.

F. Business Activities. On or before December 31, 2020, GRANTEE shall own, hold an interest in or otherwise control the Project Site and will conduct certain business activities including, but not limited to, those activities typically conducted at the corporate headquarters of a federally chartered credit union with assets if at least \$2 billion or the business activities of a

Related Organization (as such term is defined below), so long as such business activities include the business activities of a corporate headquarters of a federally chartered credit union with assets of at least \$2 billion, or an approved credit union service organization activity or service with similar value and assets of GRANTEE (all of such activities hereinafter collectively referred to as the "**Business Activities**"). Except as provided herein, GRANTEE shall use the Project Site only in connection with Business Activities, provided that the master lease of the ground floor or the incidental use, lease or occupancy of other portions of the headquarters building for retail, service or other uses that GRANTEE determines to be incidental or ancillary to or compatible with, the Business Activities (collectively, the "**Incidental Uses**") shall be permitted. For the purposes of this Agreement and the Tax Agreement only, GRANTEE or new entity created as a result of a merger, acquisition, or other corporate restructure or reorganization of GRANTEE, or any component thereof (hereinafter "**Related Organization**") may, without additional consent or approval by the City Council occupy and use portions of the Project Site for such Related Organization's normal business activities, so long as such business activities are those of a federally chartered credit union headquarters, or an approved credit union service organization, comparable to the Business Activities and value and assets of GRANTEE and such activities and uses are otherwise in compliance with all terms of this Agreement. To be eligible for the tax abatements as provided in this Agreement, such Related Organizations, other than a GRANTEE Subsidiary (as defined in the Tax Abatement Agreement), must agree in writing to assume and fully comply with all applicable terms of this Agreement. Except as authorized above, GRANTEE shall not change the principal use of the Project Site without prior approval by the City Council, as evidenced in a duly-approved ordinance.

G. Full-Time Jobs. By December 31, 2025, GRANTEE must have at least four hundred eighty-five (485) Full-Time Jobs at the Project Site. For the purposes of this Agreement, the term "Full-Time Job" shall have the same meanings ascribed to such term in the Tax Abatement Agreement.

H. Employee Benefits. GRANTEE shall offer all Full-Time Employees at Project Site their eligible dependents substantially similar employee benefits as those employee benefits offered to similarly-situated employees of GRANTEE as set forth in **EXHIBIT "E"** of the Tax Abatement Agreement. The term "**Full-Time Employee**" shall mean each employee of GRANTEE who has a Full-Time Job.

I. Certification. On or before February 1 and August 1 of each year during the Term of this Agreement, GRANTEE shall provide GRANTOR's Director of Economic Development Department with a certification (the "**Semi-Annual Certification**") from an officer of GRANTEE attesting to the following information as of the preceding December 31st and June 30th respectively: (i) the number of Full-Time Jobs and New Full-Time Jobs maintained as of such date, (ii) the hire dates of each Full-Time Employee and New Full-Time Employee, (iii) the healthcare benefits offered to all Full-Time Employees and New Full-Time Employees and their respective eligible dependents, (iv) the total wages paid in connection with the Full-Time Jobs and the New Full-Time Jobs during the six months preceding such date, (v) the ~~sublease~~ release of any portion of the Project Site owned by GRANTEE other than for Incidental Uses or to a Related Organization (which certification shall include the number of square feet ~~subleased~~leased, the uses permitted under the ~~sublease~~release and the trade name and parent

company name of the ~~sublessee~~lessee), and (vi) the aggregate investments made prior to such date that qualify toward the Required Capital Investment hereunder. The information provided shall be on the form set forth in, or substantially similar to the form labeled "Incentive Reporting Form" attached as **EXHIBIT "C"**, as the same may be revised by GRANTOR from time to time.

J. **Tax Abatement Agreement.** A default hereunder shall be deemed a default under the Tax Abatement Agreement.

K. Notwithstanding anything contained herein to the contrary, in the event GRANTEE fails to locate all of the 485 required Full-Time Jobs to the Project Site by December 31, 2025 as provided in Section 2G above, such failure shall be an event of default hereunder. GRANTEE shall have sixty (60) days to cure the default. If GRANTEE fails to cure the default within such sixty (60) day period, GRANTOR may exercise its rights under Section 16B(3) of this Agreement.

SECTION 3. ECONOMIC DEVELOPMENT PROGRAM GRANT

In exchange for GRANTEE undertaking and completing the Project at the Project Site, GRANTOR will provide an economic development incentive grant to GRANTEE as follows:

A. **Annual Property Tax Rebate.** Subject to the terms and conditions of this Agreement and conditioned upon GRANTEE not being in default under the Tax Abatement Agreement, for each of the five (5) tax years commencing with the 2030 tax year (beginning on January 1, 2030) and ending with the 2034 tax year (ending on December 31, 2034) (the "**Rebate Term**") until such time as the cumulative benefit to GRANTEE under the Tax Abatement Agreement and this Agreement has reached the Maximum Benefit, GRANTOR shall pay GRANTEE an "**Annual Property Tax Rebate.**" The Annual Property Tax Rebate shall be paid to GRANTEE by GRANTOR within forty-five (45) days following the submission of a tax statement indicating payment of taxes by GRANTEE, in an amount equal to:

1. the actual amount of real property and personal property taxes paid by GRANTEE to GRANTOR with respect to the Project Site (including both land and improvements thereon) for the subject year during the Rebate Term, *less*:

(a) the actual amount of real property and personal property taxes paid by GRANTEE to GRANTOR with respect to the Base Year Value for the Project Site real property and personal property. The "**Base Year Value**" is the taxable property value (as determined by the Bexar County Appraisal District), as of January 1, 2018 (the "**Base Year**"); and

(b) The actual amount of real property and personal property taxes paid by GRANTEE to GRANTOR with respect to the Project Site (including improvements) attributable to the ad valorem tax levied by GRANTOR exclusively for municipal debt purposes. GRANTEE acknowledges GRANTOR is not permitted by GRANTOR's Charter to rebate portions of the ad valorem

taxes collected exclusively for municipal debt purposes, *as set each year* based upon the approved property tax rate. As of the Effective Date, THIRTY-SEVEN AND EIGHTY-EIGHT ONE HUNDREDTH PERCENT (37.88%) of GRANTOR's ad valorem tax rate is collected exclusively for municipal debt purposes.

B. The Annual Property Tax Rebate contemplated hereunder shall be payable by GRANTOR to GRANTEE upon satisfaction of the following: (1) the expiration of the Abatement Term of the Tax Abatement Agreement; (2) the submission by GRANTEE of evidence of expenditures meeting the Required Capital Investment; (3) the submission by GRANTEE of evidence of completion of the Required Public Improvements; and (4) submission of the Semi-Annual Certification evidencing GRANTEE's satisfaction of the job creation and retention requirement under the Tax Abatement Agreement and hereunder.

C. **Maximum Benefit Reconciliation.** In no case shall (i) rebates made to GRANTEE under this Agreement *plus* (ii) the abatements of ad valorem real property improvement and personal property improvement taxes under the Tax Abatement Agreement *exceed* the Maximum Benefit. Should such rebates and/or abatements exceed the Maximum Benefit, no further disbursements shall be due to GRANTEE and any excess funds disbursed shall be due and payable by GRANTEE to GRANTOR within sixty (60) calendar days following written notice from GRANTOR to GRANTEE.

D. The Parties acknowledge and agree this Agreement does not provide for the rebate of taxes on real property improvements and personal property improvements brought on or made to the Project Site on or before the Effective Date.

E. GRANTEE acknowledges GRANTEE shall continue to pay all taxes owed on the Project Site as required by law. Taxes owed or paid shall be determined by the Bexar County Appraisal District, Bexar Appraisal Review Board or court of competent jurisdiction. Prior to GRANTOR disbursing funds under this Section 3, GRANTEE must provide to GRANTOR evidence indicating that all taxes owed on the Project Site have been paid in full for the tax year for which payment of the Annual Property Tax Rebate is sought, subject to GRANTEE's right to protest taxes as permitted by law; provided, however, any reductions to ~~the appraised value~~ of the ad valorem taxes, real or personal, shall cause a proportional decrease to the taxes rebated under this Agreement or those abated under the Tax Abatement Agreement, and GRANTOR shall be entitled to the payment of such decrease in rebated taxes within thirty (30) calendar days from the date GRANTEE receives a refund of any overpayment of taxes. GRANTEE shall notify GRANTOR of the tax protest within ninety (90) days after the tax protest is initiated.

F. GRANTEE shall not allow its ad valorem taxes due on the land, real and personal property or inventory and supplies to become delinquent or fail to timely and properly follow the legal procedures for their protest and/or contest. A violation of this Section 3, Paragraph F may, at CITY's discretion, subject GRANTEE to the termination and recapture provisions of Section 16 of this Agreement, subject to GRANTEE having thirty (30) calendar days from the date it receives notice from the taxing authority of such violation to cure the violation.

SECTION 4. TERM

As used herein, the "Term of this Agreement" shall mean the period of time commencing on the Effective Date and ending on December 31, 2034, unless earlier terminated as set forth herein.

SECTION 5. CONTINUING OBLIGATIONS AND CROSS DEFAULT.

A. Notwithstanding receipt of the Maximum Benefit prior to the expiration of the Term of this Agreement, GRANTEE's obligations hereunder (including, without limitation, GRANTEE's job creation, job retention, Required Capital Investment, and Required Public Improvements completion obligations) shall continue in full force and effect through the Term of this Agreement.

B. GRANTEE acknowledges that the payment of funds hereunder shall be subject to, and made solely from, annual appropriations of GRANTOR in the budget year in which they are to be paid as may be legally set aside for the implementation of ARTICLE III, Section 52A of the Texas Constitution, Chapter 380 of the Texas Local Government Code, or any other economic development or financing program authorized by statute or home-rule powers of GRANTOR under applicable Texas law, subject to any applicable limitations or procedural requirements. In the event that GRANTOR does not appropriate funds necessary to pay the rebates herein provided in any budget year (as reflected in GRANTOR's adopted budget for such year), GRANTOR shall not be liable to GRANTEE for such payments or expenditures unless and until such appropriation of funds is made, provided however that, in such event, GRANTEE may, in its sole discretion, terminate this Agreement, in which event GRANTEE and GRANTOR shall have no further obligations under this Agreement including, but not limited to, any obligations for the year in respect to which said unappropriated funds relate. In the event GRANTOR does not appropriate funds necessary to pay GRANTEE in a particular budget year, GRANTOR shall use reasonable efforts to appropriate funds the following budget year(s) to pay funds due to GRANTEE. Failure of GRANTOR to appropriate funds in a particular budget year in which they are due and owing to GRANTEE shall not relieve GRANTOR of the obligation to pay GRANTEE such funds in the subsequent year(s) when funds are appropriated.

C. If, during the Term of this Agreement, GRANTEE defaults under the Tax Abatement Agreement, then GRANTEE shall be deemed to be in default hereunder and the termination and recapture provisions of Section 16 of this Agreement shall apply against GRANTEE.

D. Except as set forth in this Agreement, GRANTOR shall not be liable to GRANTEE or any other entity or third party for any costs incurred by GRANTEE in connection with this Agreement.

SECTION 6. RESERVED

SECTION 7. RETENTION AND ACCESSIBILITY OF RECORDS

A. GRANTEE shall maintain written and/or digital records and supporting documentation (the "Records") relating to and sufficient to reasonably determine: (1) the amount of Required Capital Investment in real and personal property at the Project Site; (2) the hire and termination dates of each Full-Time Employee and New Full-Time Employee in GRANTEE's offices at the Project Site; (3) employee records sufficient to determine if they live within Bexar County when hired; (4) the creation, maintenance and retention of Full-Time Jobs and New Full-Time Jobs in GRANTEE's offices at the Project Site; (5) the fulfillment of all obligations of GRANTEE under this Agreement; and (6) the wages and healthcare benefits offered to all Full-Time Employees at the Project Site. GRANTEE shall retain records pertaining to the amount of the Project Costs and any supporting documentation from and after the Effective Date through the date which falls 4 years after the expiration of the Term of this Agreement. GRANTEE shall provide copies of the applicable Records to CITY (other than those: (i) pertaining to the Required Capital Investment and any supporting documentation; and (ii) which GRANTEE is prohibited by law from disclosing) when it delivers the Semi-Annual Certification to City. Within ninety (90) days following receipt of the Records applicable to the first Semi-Annual Certification delivered hereunder to GRANTOR, GRANTOR shall notify GRANTEE of any additional information required to reasonably satisfy GRANTEE's obligation to provide Records in connection with such Semi-Annual Certification and for all subsequent Semi-Annual Certifications hereunder. GRANTEE acknowledges and agrees that retention of the Records by GRANTEE and GRANTOR's right to inspect the Records as set forth below, are required in order to permit GRANTOR's representatives to determine with certainty GRANTEE's compliance with all of GRANTEE'S obligations under this Agreement, including, without limitation, job creation and retention requirements, wage requirements, healthcare benefits requirements and residency requirements.

B. Upon at least five (5) business days' prior notice to GRANTEE, GRANTEE shall allow designated representatives of GRANTOR access to the Records at the Project Site or such other location in Bexar County where the Records are kept during normal business hours for inspection to determine if the obligations of GRANTEE hereunder and the terms and conditions of this Agreement are being met by GRANTEE. If the Records are kept in any location outside of Bexar County, GRANTEE shall provide access to GRANTOR to inspect the Records within Bexar County. Any information that is not required by law to be made public shall be kept confidential by GRANTOR. GRANTEE shall not be required to disclose to GRANTOR any information that by law GRANTEE is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data inspected, GRANTOR reserves the right to require GRANTEE to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of GRANTEE. The rights to access the Records shall continue through the Term of this Agreement. Failure to provide reasonable access to the Records to authorized GRANTOR representatives shall give GRANTOR the right to suspend or terminate this Agreement as provided for herein, or any portion thereof, for reason of default, and to exercise GRANTOR's right to recapture all abated taxes. GRANTEE may require GRANTOR's representatives to be accompanied by GRANTEE representatives and such inspections shall be conducted in such a manner as to (a) not unreasonably interfere with the operation of Business Activities at the Project Site, and (b) comply with GRANTEE's reasonable security requirements.

SECTION 8. MONITORING

On or before February 1 and August 1 of each year during the Term of this Agreement (including the Recapture Period), GRANTEE shall provide CITY's Director of Economic Development Department with a certification (the "**Semi-Annual Certification**") from an officer of GRANTEE attesting to the following information as of the preceding December 31st and June 30th respectively: (i) the number of Full-Time Jobs and New Full-Time Jobs maintained as of such date, (ii) the hire dates of each Full-Time Employee and New Full-Time Employee, (iii) the healthcare benefits offered to all Full-Time Employees and New Full-Time Employees and their respective eligible dependents, (iv) the total wages paid in connection with the Full-Time Jobs and the New Full-Time Jobs during the six months preceding such date, (v) the sublease of any portion of the Project Site for Incidental Uses or to GRANTEE's Subsidiary (which certification shall include the number of square feet subleased, the uses permitted under the sublease and the trade name and parent company name of the sublessee), and (vi) the aggregate investments in Project Costs made prior to such date that qualify toward the Required Capital Investment hereunder. The information provided shall be on the Incentive Reporting Form, as the same may be revised by GRANTOR from time to time.

SECTION 9. CONFLICT OF INTEREST

A. GRANTEE acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a CITY officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the CITY or any CITY agency such as CITY-owned utilities. An officer or employee of the CITY has a "prohibited financial interest" in a contract with CITY or in the sale to CITY of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a CITY officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a CITY contract, a partner or a parent or subsidiary business entity.

B. Pursuant to Section 9(A) above, GRANTEE warrants and certifies, and this Agreement is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the CITY. GRANTEE further warrants and certifies that it has tendered to the CITY a Contracts Disclosure Form in compliance with the CITY's Ethics Code.

SECTION 10. SECTARIAN ACTIVITY

A. Sectarian Activity. None of the performances rendered by GRANTEE under this Agreement shall involve, and no portion of the funds received by GRANTEE under this Agreement shall be used in support of, any sectarian or religious activity, nor shall any facility used in the performance of this Agreement be used for sectarian instruction or as a place of religious worship.

SECTION 11. LEGAL AUTHORITY

A. Legal Authority. Each Party assures and guarantees to the other that it possesses the legal authority to enter into this Agreement, to receive/deliver the funds authorized by this Agreement, and to perform their respective obligations hereunder.

B. Signatories. Each Party represents and warrants to the other that the person or persons signing and executing this Agreement on behalf of such Party has been duly authorized to execute this Agreement on behalf of that Party and to validly and legally bind that Party to all terms, performances and provisions herein set forth.

SECTION 12. GOVERNING LAW AND VENUE

A. Notice to GRANTOR. GRANTEE shall give GRANTOR immediate notice in writing of: (i) any OSHA investigation of GRANTEE concerning the Business Activities at the Project Site; (ii) bankruptcy of GRANTEE; and (iii) any notice given by GRANTEE to its employees at the Project Site required under any applicable laws pertaining to contemplated job reductions at the Project Site. GRANTEE shall submit a copy of each such notice required hereunder to GRANTOR within fifteen (15) calendar days after receipt or issuance, as applicable.

B. Texas Torts Claims Act. GRANTEE acknowledges that GRANTOR is a political subdivision of the State of Texas and is subject to, and complies with, the applicable provisions of the Texas Tort Claims Act, as set out in the Civil Practice and Remedies Code, Section 101.001 et seq., and the remedies authorized therein regarding claims and causes of action that may be asserted by third parties for accident, injury or death.

C. Venue. This Agreement is performable in Bexar County, Texas and shall be interpreted according to the Constitution and the laws of the State of Texas. Venue and jurisdiction of any court action brought directly or indirectly by reason of this Agreement shall be in Bexar County, Texas.

SECTION 13. ATTORNEY'S FEES

In the event GRANTEE or GRANTOR should default under any of the provisions of this Agreement and the other should employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting Party herein contained, the defaulting Party agrees to pay to the other Party its reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting Party so ordered by a court having jurisdiction over the Parties.

SECTION 14. CHANGES AND AMENDMENTS

A. Amendments in Writing. Except as provided below, any alterations, additions or deletions to the terms of this Agreement shall be by amendment hereto in writing and executed by the Parties to this Agreement.

B. Economic Development Program. It is understood and agreed by the Parties hereto that performances under this Agreement shall be rendered in accordance with the laws and rules governing the Economic Development Program as set forth in Texas Local Government Code Chapter 380, and the terms and conditions of this Agreement.

SECTION 15. DEFAULT. SUSPENSION

A. Notice and Cure Period. If GRANTEE fails to comply with any of the terms of this Agreement (including Section 16), then such non-compliance shall be deemed an "event of default." Upon the occurrence of an event of default, GRANTOR shall provide GRANTEE with written notification as to the nature of the default, whereupon GRANTEE shall have sixty (60) calendar days following the date of GRANTEE's receipt of GRANTOR's written notification (the "Cure Period") to cure such event of default. Subject to Section 16(B)(3) below, as applicable, if GRANTEE fails to cure an event of default within its applicable Cure Period, or such longer period of time as may be reasonably necessary for GRANTEE to cure the default in question if the same cannot reasonably be cured within such sixty (60) calendar day period, GRANTOR may, upon written notice of suspension to GRANTEE, suspend this Agreement in whole or in part and withhold further payments to GRANTEE until the default is cured. Such notice of suspension shall include: (1) the reason for such suspension; (2) the effective date of such suspension; and (3) in the case of partial suspension, the portion of this Agreement to be suspended.

B. Lifting of Suspension. A suspension under this Section shall be lifted upon a showing by GRANTEE that the event of default has been cured or by a written waiver of GRANTOR of the term(s) in question.

C. No Liability. GRANTOR shall not be liable to GRANTEE or to GRANTEE's creditors for costs incurred during any term of suspension of this Agreement.

SECTION 16. TERMINATION AND RECAPTURE, OTHER REMEDIES

A. Relocation Defined. For purposes of this section, "Relocation," "Relocated" or "Relocate" shall mean GRANTEE or a Related Organization, or any other permitted transferee of GRANTEE's rights under this Agreement which has taken the place of GRANTEE, transferring all Business Activities from the Project Site to a location outside of City limits for reasons other than the inability to conduct the Business Activities at the Project Site due to a Force Majeure Event (as defined in Section 17 below).

B. DEFAULT/TERMINATION/RECAPTURE.

1. Relocation. If during the Term of this Agreement, GRANTEE occupies and uses the Project Site for its Business Activities and subsequently Relocates (as defined in Section 16(A) during the Term of this Agreement, then GRANTOR shall have the right to terminate this Agreement. Said termination shall be effective for the tax year during which the Relocation is completed. Unless GRANTEE presents credible evidence to clearly indicate a date of Relocation, GRANTOR's

determination shall be final and conclusive. Upon termination, GRANTOR shall have the right to recapture from GRANTEE all funds previously disbursed to GRANTEE, and/or for the benefit of GRANTEE, under this Agreement and not previously recaptured by GRANTOR in accordance with the recapture schedule set forth in Section 16(C) below, and GRANTOR shall be entitled to the payment of the amounts to which it is entitled within sixty (60) calendar days from the date it notifies GRANTEE in writing of termination and its election to recapture such amounts.

2. Cessation of Business Activities. If, after the conditions set forth in Section 2(B) of this Agreement are met, GRANTEE occupies and uses the Project Site for its Business Activities and subsequently ceases conducting Business Activities at the Project Site for a continuous period of three (3) months during the Term of this Agreement for any reason, except if such cessation is caused by a Force Majeure Event, then GRANTOR shall have the right to terminate this Agreement. Said termination shall be effective for the tax year during which the cessation occurred. Unless GRANTEE presents credible evidence to clearly indicate a date of cessation, GRANTOR's determination of a date of cessation shall be final and conclusive. Upon termination, GRANTOR shall have the right to recapture from GRANTEE all funds previously disbursed to GRANTEE, and/or for the benefit of GRANTEE, under this and not previously recaptured by GRANTOR in accordance with the recapture schedule set forth in Section 16(C) below and GRANTOR shall be entitled to the payment of the amounts to which it is entitled within sixty (60) calendar days from the date it notifies GRANTEE in writing of termination and its election to recapture such amounts.

3. If GRANTEE, a Related Organization, GRANTEE's Subsidiary, or GRANTOR-approved assignee fails to hire and retain the minimum number of permanent Full-Time Employees and/or New Full-Time Employees as and when required in Section 2 above, or fails to satisfy the requirements for Full-Time Jobs and New Full-Time Jobs set forth in Section 2 above in a given year, then the Annual Tax Rebate shall be reduced that tax year by the same percentage as the percentage deficiency in the total number of Full-Time Jobs and New Full Time Jobs identified in such given year. For example, if GRANTEE employs only ninety percent (90%) of the Full-Time Employees and/or New Full-Time Employees required in a given year under Section 2 above, then GRANTEE shall be entitled to ninety percent (90%) of the Annual Tax Rebate for the Project Site for that tax year. Such Annual Tax Rebate reduction percentage shall be independent from and in addition to any such Annual Tax Rebate reduction percentage applicable in any instance under Section 16, Paragraph B(4) below. Should GRANTEE fail to employ at least fifty percent (50%) of the minimum number of Full-Time Employees and/or New Full Time Employees required in a given year under Section 2, then, at the option of GRANTOR, this failure may be grounds for termination of this Agreement by GRANTOR. Said termination shall be effective for the calendar year during which the number of Full-Time Employees and/or New Full Time Employees falls below fifty percent (50%) of the minimum number of Full-Time Employees and/or New Full-Time Employees in a given year under Section 2. Upon termination, any and all taxes rebated for that tax year and all previously-rebated taxes under this shall be recaptured by GRANTOR and

GRANTOR shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies GRANTEE in writing of the termination. For purposes hereof, compliance with the requirements for the Full-Time Jobs and/or New Full-Time Jobs for each calendar year shall be determined by averaging of the two Semi-Annual Certifications for such calendar year.

4. If GRANTEE fails to make the Required Capital Investment required in Section 2 above by the deadline set forth in Section 2B, then the Annual Tax Rebate shall be reduced in the following tax year and any succeeding tax year in which the Required Capital Investment has not been fully satisfied by the same percentage as the percentage deficiency in the Required Capital Investment identified in such given year. For example, if GRANTEE has completed ninety-five percent (95%) of the Required Capital Investment required in a given year, GRANTEE shall be entitled to ninety-five percent (95%) of the Annual Tax Rebate for the Project Site for that following year. Such Annual Tax Rebate reduction percentage shall be independent from and in addition to any such Annual Tax Rebate reduction percentage applicable in any instance under Section 16, Paragraph B(3) above. Should GRANTEE fail to make at least ninety percent (90%) of the Required Capital Investment as required ~~in a given year~~ under Section 2, then, at the option of GRANTOR, this failure may be grounds for termination of this Agreement by GRANTOR. Said termination shall be effective for the calendar year during which the Required Capital Investment falls below ninety percent (90%) of the minimum Required Capital Investment in a given year under Section 2. Upon termination, any and all taxes otherwise rebated for that tax year under this Agreement and all previously-rebated taxes under this shall be recaptured by GRANTOR and GRANTOR shall be entitled to the payment of such recaptured taxes within sixty (60) calendar days from the date it notifies GRANTEE in writing of the termination. For purposes hereof, compliance with the requirements for the minimum Required Capital Investment shall be determined by Semi-Annual Certification, subject to GRANTOR's right to inspect the Records of GRANTEE as set forth herein.
5. Bankruptcy. If GRANTEE, any Related Organization, and/or other GRANTOR-approved assignee permitted under this Agreement files any petition for bankruptcy, then this Agreement shall automatically be deemed to have terminated one (1) day prior to the filing of the petition for bankruptcy and, upon such termination, all funds previously disbursed to GRANTEE, and/or for the benefit of GRANTEE, under this which have not been previously recaptured by GRANTOR may be recaptured by GRANTOR according to the schedule set forth in Section 16(C) below.

C. In any circumstance that GRANTOR is entitled to and elects to recapture funds disbursed hereunder, the portion subject to recapture shall be as follows:

**TERM YEAR IN WHICH
RECAPTURE OCCURS**

**TOTAL PERCENTAGE OF
FUNDS TO BE RECAPTURED:**

1-5

100%

| | |
|----|-----|
| 6 | 90% |
| 7 | 70% |
| 8 | 50% |
| 9 | 30% |
| 10 | 10% |

That period of time beyond the Rebate Term set forth above as years __ through __ is referred to herein as the “**Recapture Period**”. GRANTOR shall be entitled to the payment of such disbursed funds within sixty (60) calendar days from the date it notifies GRANTEE in writing.

D. **Limitation on Recapture.** Notwithstanding the foregoing, any such recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which GRANTEE may be entitled at law or under this Agreement. The termination and/or recapture of grant funds provided in this Section 16 are not applicable to situations involving minor changes to the description of the Project Site, or GRANTOR-approved changes in ownership or in management thereof, so long as GRANTEE, its parent, subsidiary, affiliate or any successor or assignee allowed under the terms of this Agreement, continues conducting Business Activities or other authorized activities thereon as provided hereinabove and assumes in writing joint and severable liability for all of GRANTEE’s obligations hereunder and under the Tax Abatement Agreement and, in such event, GRANTEE shall remain liable for GRANTEE’s obligations hereunder and under the Tax Abatement Agreement.

E. **GRANTOR Default.** If the GRANTOR fails to make payment of any of the Annual Property Tax Rebates when due and fails to cure such failure within thirty (30) days following receipt of written notice thereof from GRANTEE, then the GRANTOR shall be deemed in default under this Agreement and (i) GRANTEE shall be excused from performance of any of the conditions or requirements hereunder (including the job and investment requirements) until such time as such default has been cured, provided, however, GRANTOR shall only be liable to GRANTEE for the Annual Property Tax Rebates, which shall be GRANTEE’s sole and exclusive remedy, and shall not be liable for any other damages including alleged consequential damages.

SECTION 17. AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)

In addition to relief expressly granted in this Agreement, GRANTEE may be granted relief from performance of this Agreement to the extent GRANTEE is prevented and/or impaired from compliance and performance by any Force Majeure Event. For purposes of this Agreement, a “**Force Majeure Event**” shall include an act of war, order of legal authority, act of God, terrorism, social unrest, strike, natural disaster casualty, condemnation or other event beyond the reasonable control of GRANTEE. The burden of proof for such relief shall rest upon GRANTEE. To obtain relief based upon this Section 17, GRANTEE must file a written notice with GRANTOR’s Economic Development Department for approval, specifying the Force Majeure Event and the performance under this Agreement that such event is impairing.

SECTION 18. RESERVED

SECTION 19. REASONABLENESS

The Parties agree to act reasonably and in good faith when acting under the terms of this Agreement.

SECTION 20. NO WAIVER

Failure by either Party to exercise any right or remedy hereunder available to it shall not constitute a waiver of the right to exercise that or any other right or remedy at any time in the future, absent a written agreement to the contrary.

SECTION 21. NON-ASSIGNMENT AND DEBARMENT

A. This Agreement is not assignable by any Party without thirty (30) calendar days' prior written consent of the non-assigning Party. GRANTOR will not unreasonably withhold, condition or delay its consent to any such assignment by GRANTEE. Notwithstanding the foregoing, GRANTEE may assign this Agreement to a Related Organization or GRANTEE's Subsidiary, without the written consent of GRANTOR. If GRANTEE so assigns this Agreement to a Related Organization or GRANTEE's Subsidiary, it shall provide notice of such assignment to GRANTOR on or before the thirtieth (30th) calendar day following prior to the date of assignment. Any assignment of this Agreement in violation of this Section shall enable GRANTOR to terminate this Agreement and exercise its rights under this Agreement, subject to Section 15 of this Agreement. Any assignment of this Agreement by GRANTEE, with the exception of an assignment to a Related Organization or GRANTEE Subsidiary, shall relieve GRANTEE of all obligations and liabilities under this Agreement.

B. By signing this Agreement, GRANTEE agrees that it will not knowingly award or pay funds provided under this Agreement to any party which is debarred, suspended or otherwise excluded from or ineligible for participation in assistance programs by GRANTOR.

SECTION 22. ORAL AND WRITTEN AGREEMENTS

All oral and written agreements between the Parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement have been reduced to writing and are contained in this Agreement.

SECTION 23. NOTICE

Any notice required or permitted to be given hereunder by one Party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if: (a) delivered in person to the address set forth herein below for the Party to whom the notice is given; (b) placed in the United States mail with postage prepaid, return receipt requested, properly addressed to such Party at the address hereinafter specified; or (c) deposited, with fees prepaid, into the custody of a nationally recognized overnight delivery service such as FedEx, addressed to such Party at the address hereinafter specified. Any notice mailed in the above manner shall be effective two (2) business days following its deposit into the custody of the

United States Postal Service or one (1) business day following its deposit into the custody of such nationally recognized delivery service, as applicable; all other notices shall be effective upon receipt. From time to time, either Party may designate another address for all purposes under this Agreement by giving the other Party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.

TO GRANTOR:
(Whether personally delivered or mailed):

City of San Antonio
Attn: Economic Development
P.O. Box 839966
San Antonio, Texas 78283-3966

TO GRANTEE:

Credit Human Federal Credit Union
Attn: Steve Hennigan
6061 IH-10 West
San Antonio, TX 78201

- If by personal or overnight delivery:

Economic Development
Attn: Director
19th Floor
100 W. Houston Street
San Antonio, Texas 78205

Copies to:

Martin & Drought, P.C.
Attn: Frank Burney
300 Convent #2500
San Antonio, TX 78205

SECTION 24. INCORPORATION OF EXHIBITS

Each of the Exhibits and Attachments listed below is an essential part of the Agreement, which governs the rights and duties of the Parties, and shall be interpreted in the order of priority as appears below:

Exhibit A - Project Site Description
Exhibit B - Public Improvements
Exhibit C-Incentive Reporting Form

[Signatures appear on next page.]

WITNESS OUR HANDS, effective as of _____, 2017 (the “**Effective Date**”):

Accepted and executed in triplicate originals on behalf of the City of San Antonio pursuant to Ordinance Number 2017-10-12-_____ and GRANTEE pursuant to its authority.

CITY OF SAN ANTONIO,
a Texas municipal corporation

**CREDIT HUMAN FEDERAL
CREDIT UNION**
a federally-chartered credit union

Sheryl L. Sculley
CITY MANAGER

Name:
Title:

ATTEST:

Leticia Vacek
CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT B
Public Improvements

Street Infrastructure

- (1) Street Improvements - Ave B (includes lane striping at E. Grayson & Josephine) & Bike Lane
- (2) Street Improvements - Broadway Complete Streets
- (3) Street Improvements - Newell & I-35 to Broadway only
- (4) Street Improvements - Pavers at Broadway & Pearl Parkway
- (5) Street Improvements - Traffic Signal(s) - Josephine
- (6) Street Improvements - Traffic Signal(s) - Broadway Mods
- (7) Bike Station
- (8) Street Improvements - Repairs
- (9) Parking/Traffic Revisions Pearl Parkway & Ave B (Pull-In Parking)

Utility Infrastructure

- (1) Electric Utility Infrastructure - CPS Fees
- (2) Gas Utility Infrastructure - CPS Fees/Meter
- (3) Telecom Utility Infrastructure - ATT/TW/Grande/L3 Fees

Other Construction

- (1) Bus Station
- (2) Construction in the Right of Way
 - a. Storm Sewer - Broadway ROW
 - b. Clean Streets
 - c. Traffic Control/Sidewalk Control
 - d. Lane Closures
 - e. Curb/Gutter
 - f. Sidewalks
 - g. Pavers
 - h. Board Formed Concrete Walls
 - i. New Trees/Landscape
 - j. Tree Replacement
 - k. Underground Utility Ductbank
 - l. Bike Racks
 - m. Mill & Overlay
 - n. OH&P

Public/Green/Patio Spaces

EXHIBIT C Incentive Reporting Form



City of San Antonio
Economic Development Department
Incentive Reporting Form

Company Name _____

Reporting Period _____

Name Phone Email of Person Preparing Report _____

| | |
|---|----|
| Real Property: expenditures associated with real property improvements during reporting period (Verification may include AIA forms, receipts, invoices, request for payment from contractor, etc.) | |
| 1. Real Property improvements reported last reporting period | \$ |
| 2. Real Property improvements made since last reporting period | \$ |
| 3. Total cumulative Real Property improvements made (Attach supporting documents) | \$ |
| Personal Property: expenditures associated with personal property improvements during reporting period (Verification may include receipts, invoices, requests for payment, etc.) | |
| 4. Personal Property improvements reported last reporting period | \$ |
| 5. Personal Property improvements made since last reporting period | \$ |
| 6. Total cumulative Personal Property improvements made (Attach supporting documents) | \$ |
| Inventory/Supplies: (Verification may include receipts, invoices, requests for payment, etc.) | |
| 7. Inventory and Supplies improvements reported last reporting period | \$ |
| 8. Inventory and Supplies improvements made since last reporting period | \$ |
| 9. Total cumulative investment in Inventory and Supplies made (Attach supporting documents) | \$ |
| Jobs: full-time (2,080 straight-time paid hours) jobs created during reporting period (Verification: payroll registers with total number of employees, dates of hire, hourly wages, etc.) | |
| 10. Total number of jobs reported at the facility last reporting period (For supporting documents see above) | |
| 11. Jobs created during reporting period | |
| 12. Total number of jobs reported at the facility this reporting period | |
| 13. What is the maximum hourly wage paid at the facility? (For supporting documents see above) | |
| 14. Percent of workforce receiving premium wages (Refers to percentage of workforce earning the all-industry wages) | |
| Additional Contractual Obligations (As applicable per your Agreement) | |
| 15. Percent of workforce that is local | |
| 16. Percent of workforce that is economically disadvantaged (attach information regarding company's good-faith efforts) | |
| 17. Regarding employee benefits, please attach separate sheet demonstrating compliance with your agreement | |
| Certification: | |
| I certify, under penalty of perjury, that the information provided in this report and the attached documents is correct, and that the company has complied with all terms and conditions of its agreement with the City of San Antonio. | |

Signature _____

Date _____

Printed Name _____

Title _____

Mail and sign return with supporting documents to: Economic Development Department, Operations & Monitoring, City of San Antonio, P. O. Box 210966, San Antonio, Texas 78233-0966. For questions regarding this report, please contact the Economic Development Department at 210-207-0160 or e-mail _____

