

**CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
FINANCE DEPARTMENT**

**TO:** Mayor and City Council and Board of Directors, City of San Antonio, Texas  
Starbright Industrial Development Corporation

**FROM:** Milo Nitschke, Director, Finance Department

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES:** Melissa Byrne Vossmer, Assistant City Manager; Christopher J. Brady, Assistant City Manager; Ramiro Cavazos, Director, Economic Development; City Attorney's Office; City Clerk; File

**SUBJECT:** Approving and Authorizing an Economic Development Contract between the City and the City of San Antonio, Texas Starbright Industrial Development Corporation

**DATE:** February 27, 2003

**SUMMARY AND RECOMMENDATIONS**

This Resolution approves and authorizes an Economic Development Contract between the City of San Antonio, Texas and the City of San Antonio, Texas Starbright Industrial Development Corporation; and makes various findings and provisions related to the subject.

Staff recommends approval of this Resolution.

**BACKGROUND INFORMATION**

On February 20, 2003, the City Council authorized creation of the Starbright Industrial Development Corporation for the purpose of undertaking authorized economic development activities to fulfill obligations under the Agreement. Such activities include, but are not limited to, the issuance of debt, acquisition and conveyance of real and/or personal property, and other related actions necessary to meet the anticipated terms of the City's commitments to Toyota Motor Manufacturing.

The City of San Antonio, Texas Starbright Industrial Development Corporation Contract Revenue Bonds, Series 2003 (the "2003 Bonds") are being issued to provide funds: (1) to purchase, or cause to be purchased, the project site for the proposed Toyota plant as provided in the Project Starbright Agreement; (2) reimburse Toyota or pay other costs of the project site including site preparation and a training facility as provided in the Project Starbright Agreement; and (3) to pay the costs of issuance.

The 2003 Bonds are secured by pledged contract payments to be made from the City to the City of San Antonio, Texas Starbright Industrial Development Corporation to be payable solely from net revenues of the gas and electric systems owned by the City and payable to the City in an amount not to exceed 14% of gross revenues. The estimated annual pledged contract payments are equal to the debt service requirements on the 2003 Bonds of approximately \$1,465,000.

This Resolution approves and authorizes an Economic Development Contract between the City of San Antonio, Texas and the City of San Antonio, Texas Starbright Industrial Development Corporation (the "Corporation") to secure the pledged contract payments.

### **POLICY ANALYSIS**

This action is will support the City's obligations under the Project Starbright Agreement. Approval of this Resolution will promote development that is consistent with the City's goals.

### **FISCAL IMPACT**

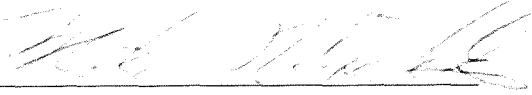
It is estimated that the City will make annual pledged contract payments to the Corporation in the approximate amount of \$1,465,000. This annual payment is required to pay the annual debt service requirements on the 2003 Bonds. The source of payment will be provided by the revenue received by the City from City Public Service as previously stated.

### **SUPPLEMENTAL COMMENTS**

The disclosures required by the City's Ethics Ordinance are not required.

## COORDINATION

This action was coordinated with the City Manager's Office, City Attorney's Office, the Departments of Finance, Economic Development, the Office of Management and Budget, the City's Underwriting Syndicate, Co-Financial Advisors and Co-Bond Counsel.



Milo D. Nitschke  
Director, Finance Department

Approved:



Melissa Byrne Vossmer  
Assistant City Manager



Christopher J. Brady  
Assistant City Manager



Terry M. Brechtel  
City Manager