

**CITY OF SAN ANTONIO
City Manager's Office
Interdepartmental Correspondence**

To: Mayor & City Council

Through: Terry M. Brechtel, City Manager

From: Christopher J. Brady, Assistant City Manager

Copies: File

Subject: Starbright Industrial Development Corporation Resolution

DATE: December 18, 2003

Summary and Recommendation:

Resolution of Intent by the City of San Antonio, Texas, Starbright Industrial Development Corporation to issue limited obligation revenue bonds and/or notes and loan the proceeds thereof to the Applicant. The bonds would finance solid waste disposal and recycling and industrial sewage facilities to be acquired, constructed, and operated by Applicant in connection with a proposed vehicle manufacturing facility in the City. This will allow these projects to be financed with tax-exempt securities.

Staff recommends approval.

Background Information:

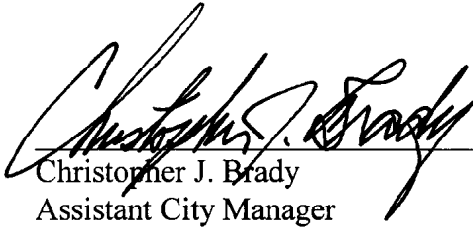
This resolution demonstrates the intention of the Starbright IDC to issue bonds if authorized by the State of Texas to issue tax-exempt bonds. Each October the IDC will file an application to the State of Texas for a \$25 million allocation of state volume cap authorizing issuance of that amount of tax-exempt bonds for the project in the next year. Historically, applications in this category have about one chance in three of being authorized to issue tax-exempt bonds. If an application is selected and cap is allocated, then the IDC would publish notice of and hold a public hearing as part of the process to qualify the bonds for tax-exempt status.

Financial Impact:

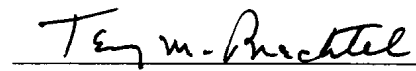
This resolution of intent does not have any financial impact on the Starbright IDC or the City of San Antonio.

Coordination:

This ordinance has been coordinated with the City Attorney's office and Finance Department.


Christopher J. Brady
Assistant City Manager

Approved:


Terry M. Brechtel
City Manager