

**CITY OF SAN ANTONIO, TEXAS
EMPOWERMENT ZONE DEVELOPMENT CORPORATION**

TO: Empowerment Zone Development Corporation Board of Directors

FROM: Ramiro A. Cavazos, Executive Director

THROUGH: Terry M. Brechtel, City Manager

COPIES: J. Rolando Bono; Andrew Martin; Milo Nitschke; Trey Jacobson; File

SUBJECT: Board Resolution adopting Bylaws and Appointing Officers to the Empowerment Zone Development Corporation.

DATE: June 24, 2004

SUMMARY AND RECOMMENDATIONS:

[Council will recess and convene as the Board of Directors for the San Antonio, Texas Empowerment Zone Development Corporation]

The Empowerment Zone Development Corporation (EZDC) was formed on June 3, 2004 by the City Council to establish a legal entity to issue tax-exempt Empowerment Zone Facility Revenue Bonds on behalf of the City of San Antonio. The City Council serves as the permanent Board of Directors with the Director of the Economic Development Department serving as Executive Director. In order to file Articles of Incorporation, the Board of Directors must select a President and Vice President from among its members. The City Clerk serves as Secretary and the City Finance Director serves as Treasurer. The corporation must also adopt bylaws. This resolution will fulfill these requirements.

Staff recommends approval of the resolution.

BACKGROUND:

On June 3, 2004, the City Council created the EZDC for the purpose of reviewing applications and authorizing the issuance of tax-exempt Empowerment Zone Facility Revenue Bonds. The bonding capacity of the City of San Antonio is \$230 million.

POLICY ANALYSIS:

The Empowerment Zone is an economic development tool to promote private sector investment in targeted areas of the City and provide jobs for economically disadvantaged Zone residents. The Empowerment Zone Development Corporation may issue bonds to qualifying businesses

that meet location and operational criteria, with capital projects of sufficient cost to justify going to the public bond market, and a good credit rating or a letter-of-credit from a bank.

In order to conduct business as the Corporation, they must first elect a President and Vice President and adopt bylaws, in order to file articles of incorporation with the State of Texas.

FISCAL IMPACT:

There is no fiscal impact to the Empowerment Zone Development Corporation associated with this action.

COORDINATION:

The Economic Development Department staff has coordinated this item with the City Attorney's Office, Finance Department and Bond Counsel.

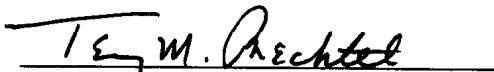


Ramiro A. Cavazos, Director
Economic Development Department



J. Rolando Bono
Deputy City Manager

Approved:



Terry M. Brechtel
City Manager