

**CITY OF SAN ANTONIO  
ECONOMIC DEVELOPMENT DEPARTMENT  
CITY COUNCIL AGENDA MEMORANDUM**

AGENDA ITEM NO. 52

**TO:** Mayor and City Council

**FROM:** Ramiro A. Cavazos, Director, Economic Development Department

**SUBJECT:** Renewal of the CitiCorp Industrial District Non-Annexation and Fire Protection Agreements.

**DATE:** December 9, 2004

**SUMMARY AND RECOMMENDATIONS:**

An ordinance authorizing the negotiation and renewal of the Industrial District Non-Annexation and Fire Protection agreements, with CitiCorp Data Systems, Inc. (CitiCorp), for a time period of six years expiring on December 29, 2010. This ordinance also provides authorization for the Interim City Manager to execute the agreements with CitiCorp. The new Industrial District Non-Annexation Agreement will contain a condition-requiring CitiCorp to submit a Petition for Annexation at the time of signing to facilitate annexation of the facility for tax year 2010. CitiCorp will pay \$27,500 annually for Fire Protection Services.

**BACKGROUND:**

Section 42.044 of the Texas Local Government Code permits municipalities to contractually agree to not annex certain adjacent areas, as an economic development tool. Companies may choose to locate outside the city limits, which benefits the local economy by creating jobs and ultimately adding to the local tax base. Since 1990, the City of San Antonio has authorized four non-annexation agreements with companies located in areas outside of San Antonio. These areas are referenced in State law as, "Industrial Districts". In conjunction with non-annexation contracts, State law permits a municipality to contractually authorize the provision of fire protection and emergency medical services to an industrial district.

In some cases, the fire protection services agreement is desired by companies operating multi-million dollar facilities, as well as insurance companies for the facilities. In the past, these non-annexation and fire protection service agreements have been limited in term to seven years, and re-evaluated against the City's current annexation plan, as well as the possible benefits against costs to provide full municipal services to the property.

CitiCorp is a New Jersey based corporation that provides voice and data services. CitiCorp is located on 60 acres of land at 1680 Highway 211 approximately 5 miles northwest of San Antonio city limits and currently employs 2,931 full-time and part-time employees. In July 1992, City Council approved an Industrial District agreement that would expire October 23, 1999.

In 1998, CitiCorp requested an extension and renewal of the Industrial District Non-Annexation and Fire Protection agreements for a period through December 2005. CitiCorp has requested an additional extension of these agreements which would expire on December 29, 2010. The CitiCorp property is not included in the current proposed annexation plan, therefore December 31, 2010 is the earliest date that the CitiCorp property would be annexed if the property were to be placed in the City's annexation plan.

Under the Fire Protection agreement, CitiCorp will remit an annual payment of \$27,500 for the provisions of fire and EMS services to their facility, as permitted under Texas law.

**POLICY ANALYSIS:**

In order to be eligible for renewal of an Industrial District designation, a company must meet the following criteria:

1. The property must not be on the City's annexation plan.
2. The industrial district must be in compliance with the current Industrial District and Fire Protection agreements.
3. The company must pay an application fee of \$1,500.

CitiCorp is not on the City's current annexation plan. The Industrial District is also in compliance with the other requirements.

**FISCAL IMPACT:**

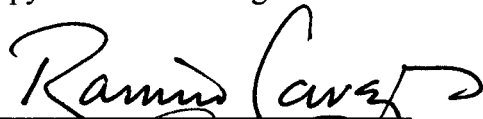
The Fire Protection agreement will generate \$27,500 annually to the General Fund. Additionally, CitiCorp will pay \$1,500 in application processing fees.

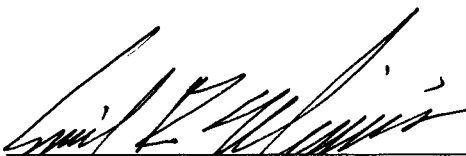
**COORDINATION:**

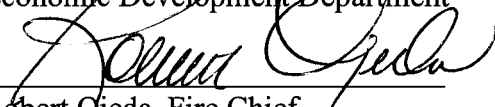
This item has been coordinated with the Planning, Fire, Finance departments and the City Attorney's Office.

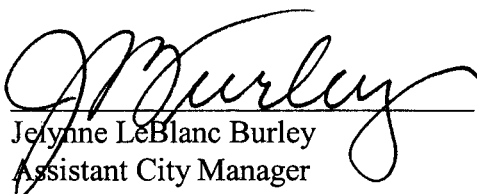
**SUPPLEMENTARY COMMENTS:**


A copy of the renewal agreement is attached.

  
\_\_\_\_\_  
Ramiro A. Cavazos, Director  
Economic Development Department

  
\_\_\_\_\_  
Emil Moncivais, Director  
Planning Department

  
\_\_\_\_\_  
Robert Ojeda, Fire Chief  
Fire Department

  
\_\_\_\_\_  
Jeynne LeBlanc Burley  
Assistant City Manager

  
\_\_\_\_\_  
J. Rolando Bono  
Interim City Manager

## City of San Antonio Discretionary Contracts Disclosure\*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

\* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

### Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract;

Not Applicable

(2) the identity of any **business entity**<sup>1</sup> that would be a party to the discretionary contract;

Citicorp Data System Incorporated

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

Not Applicable

and the name of:

(B) any individual or business entity that is known to be a **partner** or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

Not Applicable

<sup>1</sup> A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

(3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

W. Bebb Francis, III

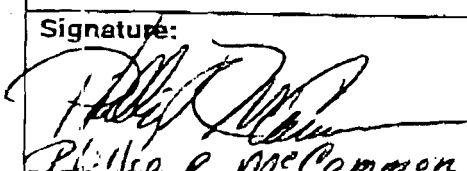
#### Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorney, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
Not Applicable		

#### Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question<sup>2</sup> as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

Not Applicable		
Signature:  Philip R. McCammon	Title: General Counsel  Company: Citicorp Data Systems Incorporated	Date:  December 1, 2004

<sup>2</sup> For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.