

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

TO: Mayor and City Council

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

SUBJECT: Amendment to terminate both the City's Tax Phase-In Assignment and Tax Phase-in Agreement with Alcoa Inc.

DATE: December 16, 2004

SUMMARY AND RECOMMENDATIONS:

An Ordinance authorizing the execution of an amendment to terminate both the City's Tax Phase-in Assignment and Tax Phase-in Expansion Agreement with Alcoa Inc. approved on November 4, 1999 by Ordinance No. 90829 and March 23, 2000 by Ordinance No. 91486. This Ordinance will also authorize execution of a Settlement Agreement that will allow the recapture of \$430,944 of previously abated taxes through the Assignment and the Expansion Agreement. The termination is to be retroactive and effective October 1, 2004.

Staff recommends approval of this Ordinance.

BACKGROUND

On July 27, 1989, City Council approved Ordinance No. 69924 which authorized the Tax Abatement Agreement between Golden Aluminum and the City of San Antonio. The 15-year abatement was from January 1, 1991 through December 31, 2005 and abated 34% of the Real and Personal property improvements made at the plant located at 14555 Old Corpus Christi Road (City Council District 3). In August of 1999, Golden Aluminum announced its intentions to close its San Antonio plant and layoff its employees. In September of 1999, Alcoa Inc. made inquiries about both purchasing the Golden Aluminum plant and receiving an assignment of the Golden Aluminum Tax Abatement. Subsequently, Alcoa purchased the Golden Aluminum facility and requested an assignment, which was approved by Ordinance No. 90829 on November 4, 1999.

In December of 1999, Alcoa Inc. applied for a Tax Phase-In on their expansion project. On March 23, 2000, a Tax Phase-in Agreement was approved for the expansion project at the Alcoa Inc. plant. This Tax Phase-in was approved for a 10-year term beginning January 1, 2001 and expiring December 31, 2010. The Tax Phase-in was to abate 100% of tangible personal property taxes that resulted from improvements made to the property and/or the facility. As agreed, Alcoa Inc. was to make \$30 million

of improvements to retrofit the manufacturing facility and maintain at least 100 employees at a wage of at least \$10.14 per hour.

On April 14, 2004, the City was notified of Alcoa's intention to cease operations at their San Antonio facility. On July 6, 2004, City Councilman Ron Segovia and Economic Development Department staff went to the Alcoa facility to discuss timelines and expectations for the operation cessation at the Alcoa plant. The City then made efforts to pursue a termination of the Tax Phase-in Agreement and recapture abated taxes. The City Tax Abatement with Alcoa Inc. was suspended for the 2004 tax year. The Tax Phase-in Agreements allows for a 9.2% recapture on all taxes abated under the Alcoa Inc. Assignment and a 100% recapture on all taxes abated under the Alcoa Inc. Expansion Agreement.

POLICY ANALYSIS:

Alcoa Inc. has exceeded the required Personal Property investment by over \$20M and has met the required job creation and wage standards. Alcoa has exhibited due diligence in notifying the City regarding their plans to cease operations. At the time of their announcement Alcoa Inc. employed 175 people at the San Antonio facility. The wage for their employees exceeded \$10.14 per hour, as required by their agreement. Alcoa, Inc. is providing services and assistance to its employees in finding alternate employment, training and/or relocation. Both the Tax Phase-in Assignment and the Tax Phase-in Expansion Abatement allow for a recapture of a percentage of abated taxes if Alcoa ceases operations at their San Antonio facility.

Criteria in Tax Phase-In Guidelines	Contract Terms	Status as of June 18, 2004
<u>Investment</u> Real Property => \$1M Personal Property => \$10M	<u>Investment</u> Real Property Not defined Personal Property \$30M	<u>Investment</u> Real Property \$6.1M Personal Property \$58M
26 New Jobs	100 New Jobs	175 New Jobs
Benefits Package	Yes	Yes
Wage Standard	Yes	Yes

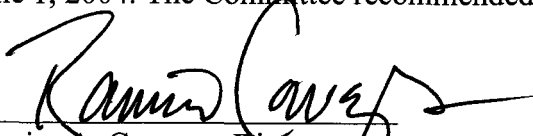
Staff recommends that the City's Tax Phase-in Agreement with Alcoa, Inc. be adjusted to terminate effective October 1, 2004. Staff also recommends that the Settlement Agreement be executed in order to proceed with the recapture of abated taxes allowable under the Agreement.

FISCAL IMPACT

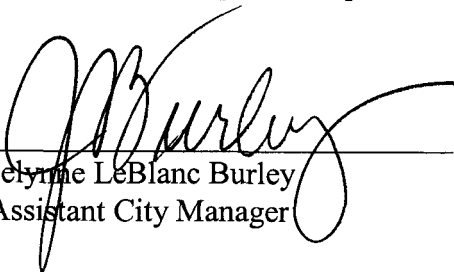
Alcoa is expected to pay approximately \$298,817 in ad valorem City taxes for tax year 2004. The total recapture amount, excluding the taxes due for tax year 2004, has been calculated to be \$430,943.91. This total consists of the recapture of \$123,928.64 from the Golden Aluminum Assignment agreement and \$307,015.27 from the Alcoa Tax Phase-in agreement. Taxes due for tax year 2004 and the total recapture amounts are both stated in the Settlement Agreement.

COORDINATION:

Economic Development Department staff has coordinated this item with the City Attorney's Office, City Finance Department, Bexar County Appraisal District and the Bexar County Tax Assessor. In addition, staff presented this item to the Economic and Human Development Council Committee on June 1, 2004. The Committee recommended that the item be taken to Council for further consideration.



Ramiro A. Cavazos, Director
Economic Development Department



Jelynn LeBlanc Burley
Assistant City Manager



J. Rolando Bono
Interim City Manager

STATE OF TEXAS	§	SETTLEMENT AND RELEASE
	§	AGREEMENT TO TERMINATE
CITY OF SAN ANTONIO	§	ALCOA AND GOLDEN ALUMINUM
	§	TAX PHASE-IN AGREEMENTS AND
COUNTY OF BEXAR	§	RECAPTURE ABATED TAXES

This settlement and release agreement (hereinafter referred to as "Settlement Agreement") is made and entered into, to be effective October 1, 2004, by and between the City of San Antonio, a municipal corporation of the State of Texas, hereinafter referred to as "CITY", acting by and through its Interim City Manager or his designee, and Alcoa Inc., a Pennsylvania corporation, hereinafter referred to as "ALCOA" (collectively, the "Parties").

WITNESSETH:

WHEREAS, pursuant to Ordinance No. 69924, passed and approved by City Council on July 27th, 1989, the CITY entered into a Tax Abatement Agreement with Golden Aluminum Company (the "Golden Agreement"), a copy of which is attached hereto and incorporated herein as Attachment I; and

WHEREAS, the CITY authorized assignment of the Tax Abatement Agreement from Golden to ALCOA pursuant to Ordinance No. 90829, passed and approved by City Council on November 4, 1999 (the "Assignment"); and

WHEREAS, this Assignment was effective on December 30, 1999, a copy of which is attached hereto and incorporated herein as Attachment II; and

WHEREAS, the CITY also authorized a separate Tax Phase-In Agreement with ALCOA for additional, new improvements to the former Golden property pursuant to Ordinance No. 91486, passed and approved by City Council on March 23, 2000 and Ordinance No. 91976, passed and approved by City Council on June 15, 2000 (the "Alcoa Agreement", a copy of which is attached hereto and incorporated herein as Attachment III); and

WHEREAS, ALCOA has informed the CITY that production at the property, which is the subject of the Golden and Alcoa Agreements (the "Agreements") and the Assignment, has ceased or will soon cease in contravention of the terms of the Agreements; and

WHEREAS, the CITY is entitled to terminate the Agreements and recapture the taxes previously abated pursuant to the terms of the Agreements; and

WHEREAS, the Parties mutually desire to enter into this Settlement Agreement to settle the matter expeditiously to further their individual interests;

NOW THEREFORE, for and in consideration of the release, mutual promises and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1.0 Settlement Agreement and Release

- 1.01 The Parties expressly acknowledge and agree that, in order to further the Parties' desires to settle this matter as expeditiously as possible, all rights under notice and cure provisions that may be applicable within the Agreements are hereby waived.
- 1.02 The Parties expressly acknowledge and agree that, under the Golden Agreement assigned to ALCOA, the previously abated taxes shall be recaptured pursuant to the percentage table listed in Article 7(a); specifically, the amount of taxes previously abated shall be multiplied by the year 2004 production discontinuation figure (listed as 9.2%).
- 1.03 The Parties expressly acknowledge and agree that, under the Alcoa Agreement, the previously abated taxes shall be recaptured pursuant to Article 7(b) and pursuant to the percentage table listed in Article 7(g); specifically, one hundred percent (100%) of the taxes previously abated shall be recaptured.
- 1.04 The Parties expressly acknowledge and agree that the abatement of City taxes for 2004 was suspended under the terms of the Alcoa and Golden Aluminum Agreements and those taxes will be due and payable as billed by the Bexar County Tax Assessor Collector in the amount of \$298,817.42.
- 1.05 The Parties expressly acknowledge and agree that the taxes to be recaptured under the terms of the Alcoa and Golden Aluminum Agreements will be billed separately by the Bexar County Tax Assessor-Collector and will be due and payable in the amount of \$430,943.91.
- 1.06 For and in consideration of the release and mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ALCOA shall RELEASE, ACQUIT AND FOREVER DISCHARGE the CITY from any and all claims, demands or causes of action of any kind whatsoever which ALCOA has or might have, known or unknown, now existing or that might arise hereafter, directly or indirectly related to the Golden Agreement and/or the Alcoa Agreement.

2.0 Breach

The failure of either Party to comply with the terms and conditions of this Settlement Agreement shall constitute a breach of this Settlement Agreement.

3.0 Waiver

The waiver by either party of a breach of this Settlement Agreement shall not constitute continuing waiver of such breach or of a subsequent breach of the same or a different provision, unless so stipulated by the party not in breach of this Settlement Agreement.

4.0 Texas Law to Apply

This Settlement Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the Parties created hereunder are performable in Bexar County, Texas.

5.0 Notice

5.01 All notices sent pursuant to this Settlement Agreement shall be in writing and may be hand-delivered, or sent by registered or certified mail, postage prepaid, return receipt requested.

5.02 Notices sent to ALCOA pursuant to this Settlement Agreement shall be delivered or sent to:

Alcoa Corporate Center
Attn: Daniel Fuchs, General Tax Attorney
201 Isabella Street
Pittsburgh, PA 15212-5858

5.03 Notices sent to CITY pursuant to this Settlement Agreement shall be delivered or sent to:

Director, Economic Development Department
City Hall, 4th Floor
100 Military Plaza
San Antonio, Texas 78205

With a copy to:

City Attorney
City Hall, 3rd Floor
100 Military Plaza
San Antonio, Texas 78205

5.04 When notices sent are hand-delivered, notice shall be deemed effective upon delivery. When notices are mailed by registered or certified mail, notice shall be deemed effective three (3) days after deposit in a U.S. mail box or at a U.S. post office.

5.05 Either Party may change its address for notice under this Settlement Agreement by providing a notice of the change in compliance with this paragraph to the other Party.

6.0 Legal Construction, Severability

In case any one or more of the provisions contained in this Settlement Agreement shall for any reason be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Settlement Agreement shall be construed as if such invalid, illegal, or unenforceable provisions have never been contained herein.

7.0 Entire Agreement

7.01 This Settlement Agreement supersedes any and all other agreements, either oral or in writing, between the Parties hereto with respect to the said matter. Each Party to this Settlement Agreement acknowledges that no representatives, inducements, promises, agreements, oral or otherwise have been made by any Party or anyone acting on behalf of any Party which are not embodied herein and that no other agreements, statements, or promises not contained in this Settlement Agreement shall be valid or binding. No modification concerning this instrument shall be of any force or effect, excepting a subsequent amendment in writing signed by the Parties and duly authorized by City Council Ordinance.

7.02 The attachments denominated below are hereby made a part of this Settlement Agreement and constitute promised performances of the Parties to this Settlement Agreement:

- | | |
|---------|--|
| 7.02.01 | Attachment I, Tax Abatement Agreement with Golden Aluminum |
| 7.02.02 | Attachment II, Assignment of Tax Abatement Agreement |
| 7.02.03 | Attachment III, Tax Phase-In Agreement with Alcoa Inc. |

8.0 Parties Bound

This Settlement Agreement shall be binding upon and inure to the benefit of the Parties to it and their respective legal representatives, successors and assigns where permitted by this Settlement Agreement. Upon execution, CITY confirms that its respective governing body has duly authorized this Settlement Agreement.

9.0 No Conferring of Third Party Rights

Nothing in this Settlement Agreement, express or implied, is intended to confer upon any person, other than the Parties herein, any benefits, rights, or remedies under or by reason of this Settlement Agreement.

10.0 Gender and Number

Words of gender used in this Settlement Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural and vice versa unless this Agreement requires otherwise.

EXECUTED on the date or dates indicated below:

ALCOA, INC.

CITY OF SAN ANTONIO, TEXAS

BY: _____

By: _____

J. Rolando Bono

Title: _____

INTERIM CITY MANAGER

DATE: _____

DATE: _____

ATTEST: _____

ATTEST: _____

Leticia Vacek

Title: _____

CITY CLERK

Approved as to Form:

Andrew Martin
CITY ATTORNEY

ATTACHMENT I

(606)

AN ORDINANCE **69924**

APPROVING A TAX ABATEMENT AGREEMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT WITH GOLDEN ALUMINUM COMPANY TO EXEMPT FROM TAXATION A PERCENTAGE OF REAL PROPERTY IMPROVEMENTS AND TANGIBLE PERSONAL PROPERTY LOCATED ON THE REAL PROPERTY FOR A PERIOD OF 15 YEARS PURSUANT TO THE PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT AND SECTION 312.204(A), OF THE TAX CODE, AS AMENDED BY SENATE BILL NO. 221.

WHEREAS, Golden Aluminum Company, a Colorado Corporation, will lease an undeveloped 111.302 acre tract of land, more particularly described in Exhibit A attached hereto and made a part hereof, from City Public Service, a tax-exempt entity; and

WHEREAS, Golden Aluminum Company will construct a single level 312,900 square foot building to house its aluminum rolling mill plant which will contain significant equipment required for the industrial process; and

WHEREAS, Golden Aluminum Company projects to employ approximately 150 individuals when the plant is complete and is projected to add 50 new jobs within the first year of operation; and

WHEREAS, on this date said land, described in Exhibit A, has been designated as the Golden Aluminum Company Reinvestment Zone by Ordinance # ~~69923~~ **69924** by the San Antonio City Council pursuant to the 1987 Property Redevelopment and Tax Abatement Act; and

WHEREAS, said real property and tangible personal property located on the real property is subject to ad valorem taxation by the City of San Antonio, Edwards Underground Water District, Bexar County Hospital District, Alamo Community College District, County Road Fund and County Flood Control Fund; and,

WHEREAS, the City Council finds that the terms of the Tax Abatement Agreement meet the City of San Antonio Guidelines and Criteria for Tax Abatement and Reinvestment Zones as adopted on February 16, 1989, as Resolution No. 89-07-12; and

WHEREAS, the tangible personal property located on the real property is eligible for abatement pursuant to Section 312.204(a) of the Tax Code, as amended by Senate Bill No. 221, Acts of the 71st Legislature, Regular Session, 1989; and

WHEREAS, to the best of its knowledge, no property in the Golden Aluminum Company Reinvestment Zone is owned or leased by a member of the City Council, Zoning Commission, Planning Commission, the City's Department of Economic & Employment Development, or other City officer or employee; and

WHEREAS, on July 27, 1989, the City Council held a public hearing in the Council Chambers of City Hall to receive evidence and testimony of interested persons for or against the proposed Tax Abatement Agreement; and

WHEREAS, the City Council has determined that it is in the best interest of the City of San Antonio to enter into a Tax Abatement Agreement with Golden Aluminum Company to exempt from taxation 34% of the real property improvements and tangible personal property located on the real property commencing on January 1, 1991 and expiring on December 31, 2005; NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

The Tax Abatement Agreement with Golden Aluminum Company is hereby approved. A copy of said Agreement is attached hereto and incorporated herein as Exhibit B.

The City Manager and/or his designee is hereby authorized to execute the Tax Abatement Agreement with Golden Aluminum Company.

Said PASSED AND APPROVED this 27th day of July, 1989.

Lila Cockrell
Mayor

ATTEST:

Norma I. Rodriguez
Norma Rodriguez
City Clerk

APPROVED AS TO FORM:

Tom Finlay
City Attorney

89-33

**TAX ABATEMENT AGREEMENT
WITH THE CITY OF SAN ANTONIO**

1. PARTIES.

THIS AGREEMENT is entered into on this 27th day of July, 1989, by and between Golden Aluminum Company, a Colorado Corporation and wholly-owned subsidiary of Colorado-based Adolph Coors Company, hereinafter referred to as "Golden", having an option to lease real property owned by City Public Service, legally described as a 111.302 acre tract being out of a 126.65 acre tract and a 266 2/3 acre tract, both of which are out of the Juan Montez Survey 6, Abstract 11, and recorded in Volume 1983, Pages 448 and 449 and Volume 4351, Pages 630-632, respectively, in the City of San Antonio, Bexar County, Texas, and the CITY OF SAN ANTONIO, a political subdivision of the State of Texas, hereinafter referred to as the "City".

2. AUTHORIZATION AND FINDINGS.

a. This Agreement is entered into pursuant to:

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

2. CITY COUNCIL RESOLUTION NO. 89-07-12 dated the 16th day of February, 1989, which established the City of San Antonio Guidelines and Criteria for Tax Abatement and Reinvestment Zones, hereinafter referred to as the "Guidelines and Criteria"; and

3. Section 312.204(a), Tax Code, as amended by Senate Bill No. 221, Acts of the 71st Legislature, Regular Session, 1989.

4. CITY COUNCIL ORDINANCE NO. 69923 dated the 27th day of JULY, 1989, which created the Golden Aluminum Company Reinvestment Zone; and

5. CITY COUNCIL ORDINANCE NO. 69924 dated the 27th day of JULY, 1989, which specifically approved this agreement and authorized execution hereof.

b. The City Council, by its approval of this agreement, hereby finds that the terms of this agreement and the property subject to it meet the "Guidelines and Criteria" as adopted by the City Council and Section 312.204(a) of the Tax Code, as amended by Senate Bill No. 221, Acts of the 71st Legislature, Regular Session, 1989. The City Council further finds that there will be (a) no substantial long-term adverse affect on the provision of City service or tax base; and (b) the planned use of the property will not constitute a hazard to public safety, health or morals.

3. PROPERTY.

a. The street address of the real property to be improved as set forth in this agreement is 14555 Corpus Christi, San Antonio, Texas. The legal description is a 111.302 acre tract being out of a 126.65 acre tract and a 266 2/3 acre tract, both of which are out of the Juan Montez Survey 6, Abstract 11, and recorded in Volume 1983, Pages 448 and 449 and Volume 4351, Pages 630-632, respectively, in the City of San Antonio, Bexar County, Texas. A metes and bounds description of said property is attached hereto as Appendix A and made a part hereof. Said property is hereinafter referred to as the "Property".

b. The tax account number of the Property is not yet assigned, but will be supplied at a later date.

4. OWNER'S REPRESENTATIONS.

a. Golden represents that it has an option to lease the property from City Public Service, a tax-exempt entity. A copy of said option is attached as Appendix B-1. A copy of said lease will be attached to this agreement, as Appendix B-2, immediately upon execution of said lease. If the lease is not executed within the parameters of the lease option, then this tax abatement agreement will terminate. Golden acknowledges the fact that intangible personal property as well as inventory and supplies, are not subject to abatement. Should Golden exercise any option to purchase said land, Golden acknowledges the fact that the land is not subject to abatement.

b. Golden represents that the proposed initial use of the Property is as follows: The construction and operation of an aluminum rolling mill plant which will produce approximately 200 million pounds of aluminum body stock primarily used by major can manufacturers worldwide.

c. Golden represents that anticipated commencement of construction of the new property improvements described in Paragraph 5a below will begin on or about the 1st day of January, 1990, and completion of the improvements will be on or about the 1st day of August, 1991. However, said start and completion dates are subject to receipt of air quality permits, replatting, construction permits and other governmental events beyond Golden's control.

d. Golden represents that they will supply audited reports to the Bexar County Appraisal District to establish the construction costs of the improvements.

e. Golden represents that an estimated 150 permanent jobs will be created by August, 1991; and an estimated 50 jobs will be added by August, 1992. Total employment estimated by August, 1992 is projected at 200. The dates of targeted employment are subject to change due to the need for air quality permits, replatting, construction permits and other governmental actions beyond Golden's control.

f. Golden represents that no interest in the property is presently held or leased, and that it shall not sell or lease any interest in the property, to a member of the San Antonio City Council, Zoning Commission, Planning Commission, the City's Department of Economic and Employment Development, or other City officer or employee as long as this agreement is in effect.

5. TERMS OF THE AGREEMENT.

a. The tax abatements contemplated by this agreement are conditioned on Golden completing the following proposed real property improvements and tangible personal property improvements to said real property. Golden will construct a single level 312,900 square foot (approximate) steel structure with metal exterior siding. The site development will include, but is not limited to, paving for approximately 300 cars; rail spur and siding; perimeter fencing; site lighting; signage, and underground utilities. Permanently attached to the structure will be a truck and rail dock system. The building will house certain significant equipment required for the industrial process such as furnaces, cranes and mill stands.

b. The location of the proposed improvements to be constructed are more particularly described in a preliminary site plan attached hereto as Appendix C and made a part hereof.

c. The improvements shall be completed in substantial accordance with the plans and specifications as submitted and approved by the City of San Antonio Building Inspections Department or any changes approved by the City.

d. The improvements shall be completed in substantial accordance with all applicable City of San Antonio Building Codes and Zoning Ordinances, including, but not limited to subdivision, building, electrical, plumbing, fire prevention codes and ordinances.

e. Golden shall use the property during the tax abatement period for the proposed use as specified in Section 4(b) of this agreement or for any other commercial or industrial use permitted under the applicable zoning designation for the property which would encourage further economic development in the zone.

f. Golden shall maintain the improvements in good repair and condition during the tax abatement period.

g. Upon twenty-four hours' notice, Golden shall allow designated representatives of the City of San Antonio access to the property to inspect the facility to determine if the terms and conditions of this agreement are being met and for the purpose of assuring compliance with applicable City Codes and Ordinances, so long as such City representatives are accompanied by a Golden representative and so long as such inspections are conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility.

h. Golden agrees to furnish the Chief Appraiser of Bexar County with such information outlined in Chapter 22, V.A.T.S. Tax Code, as amended, as may be necessary for the abatement and for appraisal purposes.

6. TAX ABATEMENT.

a. Golden acknowledges that inventory, supplies and non-tangible personal property are not subject to abatement.

b. During the construction phase, Golden agrees to supply the Bexar County Appraisal District with audited reports detailing total project costs. Total project costs are defined as real property improvements and tangible personal property located on the real property. The Bexar County Appraisal District may use the audited reports to determine the initial taxable value of the project. Once the project is completed and the total taxable value has been established, Golden is then subject to an annual appraisal by the Bexar County Appraisal District in accordance with State law.

c. The Bexar County Appraisal District will annually appraise real property improvements and tangible personal property located on the real property and the following percentages will be applied:

I. Of the property subject to abatement (being the real property improvements and tangible personal property located on the real property), thirty-four (34) percent will be abated if Golden completes the improvements in accordance with the terms and conditions of this agreement. The tax abatement is based on Section 2 (f) of the Guidelines and Criteria and Section 312.204(a) of the Tax Code, as amended by Senate Bill No. 221, Acts of the 71st Legislature, Regular Session, 1989. The thirty-four (34) percent will remain in effect over the term of the abatement and will be recalculated each time said property is revalued according to the following:

Appraised Value x 34% x Annual Tax Rate per \$100 = ANNUAL
ABATEMENT
(15 YRS.)

II. Of the property subject to abatement (being the real property improvements and tangible personal property located on the real property), sixty-six (66) percent will not be abated; therefore, Golden will pay the annual tax rate for sixty-six (66) percent. The sixty-six (66) percent will remain in effect over the term of the abatement according to the following calculation:

Appraised Value x 66% x Annual Tax Rate per \$100 = TAXES DUE
ANNUALLY
(15 YRS)

d. The tax abatement period, according to the Guidelines and Criteria, Section 2(f), Subsection (4), shall be fifteen (15) years beginning on January 1, 1991 and terminating on December 31, 2005.

e. It is hereby understood that the beginning and terminating dates of the abatement agreement are conditioned upon January 1, 1990, as

the anticipated start date of construction. If construction is delayed due to any governmental requirements, then the City Manager shall have the right to enter into an amended agreement whereby all dates in this agreement are extended due to the delay.

7. DEFAULT/RECAPTURE.

The taxing entities affected by this agreement include: City of San Antonio, Edwards Underground Water District, Bexar County Hospital District, Alamo Community College District, County Road Fund and County Flood Control Fund. All remedies given to the City in this section shall likewise be available to these entities and any other taxing entity whose taxes have been abated pursuant to the City tax abatement program, except that termination of this agreement may only be accomplished by the City of San Antonio.

a. In the event that the facility is completed and begins producing product or services, but subsequently discontinues producing product or services of any kind for any reason excepting fire, explosion or other casualty or accident or natural disaster, or labor disputes, strikes or materials shortages, for a period of one year during the abatement period, then the agreement shall terminate. The City of San Antonio by an Ordinance adopted by City Council shall then have the right to recapture a percentage of previously abated taxes based on the following table:

TAX YEAR GOLDEN DISCONTINUES PRODUCING PRODUCT/SERVICE	TOTAL TAXES PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
1991	100%
1992	92%
1993	84%
1994	76%
1995	68%
1996	60%
1997	52%
1998	44%
1999	36%
2000	28%
2001	23.3%
2002	18.6%
2003	13.9%
2004	9.2%
2005	4.5%

FORMULA: (Golden discontinues producing product/service)

Total Taxes Abated in Each Abatement Year	x	Applicable Percentage from above table	=	Amount to be Recaptured
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The City shall calculate the amount of roll back pertaining to each tax year utilizing the above formula. A bill for each year will then be sent and Golden will pay the roll back amount with 120 days after receipt of the bills. Penalty and interest does not start until Golden has failed to pay any roll back amount placed back on the tax roll within 120 days after receipt of the bill.

b. During the abatement period covered by this agreement, the City may declare a default by Golden hereunder if Golden refuses or neglects to comply with any of the terms of this agreement or if any representation made by Golden in this agreement or any representation or warranty made by Golden in the building plans and specifications or the Application for Tax Abatement is false or misleading in any material respect. Should the City of San Antonio determine that Golden is in default under this agreement, the City of San Antonio shall notify Golden in writing at the address stated in Section 8 of this agreement, and if such is not cured within sixty days from the date of such notice (the "Cure Period"), then the agreement may be terminated upon written notice to Golden; provided, however, that in the case of default that for causes beyond Golden's reasonable control cannot with due diligence be cured within such sixty day period, the Cure Period shall be deemed extended if Golden (i) shall immediately upon receipt of such notice advise the City of Golden's intention to institute all steps necessary to cure such default and (ii) shall institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same. If the contract is terminated, taxes without abatement will be due for the tax year during which the termination occurred and shall accrue without abatement for all tax years thereafter, but there shall be no recapture of prior years' taxes abated by virtue of this agreement.

c. In the event that (1) Golden allows its ad valorem taxes to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or (2) is in default after the expiration of any notice and cure periods, under any loan which has been made by the San Antonio Development Agency, San Antonio Local Development Company, City of San Antonio Industrial Development Authority or any other City sponsored loan/grant/bond program, this agreement may be terminated. Taxes will then be due for the tax year during which the termination occurred prior to the delinquency date for such year and shall accrue without abatement for all tax years thereafter, but there shall be no recapture of prior years' taxes abated by virtue of this agreement.

d. In the event that Golden, during the abatement period and up to the year 2011, decides to relocate the company to a location outside of San Antonio, the City of San Antonio by an Ordinance adopted by City Council shall have the right to recapture a percentage of abated taxes based on the following table:

TAX YEAR GOLDEN RELOCATES	TOTAL TAXES PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
1991-2006	100%
2007	92%
2008	84%
2009	76%
2010	68%
2011	60%

FORMULA: The relocation formula shall be:

Total Taxes Abated in Each Abatement Year	x	Applicable Percentage from above table	=	Amount to be Recaptured
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The City shall calculate the amount of roll back pertaining to each tax year utilizing the above formula. A bill for each year will then be sent and Golden will pay the roll back amount within 120 days after receipt of the bills. Penalty and interest does not start until Golden has failed to pay any roll back amount placed back on the tax roll within 120 days after receipt of the bill.

8. NOTICE

All notices shall be in writing, addressed to Golden or the City at the following addresses. If mailed, any notice or communication shall be deemed to be received three days after the date of deposit in the United States mail. Unless otherwise provided in this agreement, all notices shall be delivered to the following address:

To the Owner:

Golden Aluminum Company
Attn: Bobby Zachariah
3000 Youngfield, Suite 230
Lakewood, Colorado 80215

-With required copy to:

Cox & Smith
Attn: Jim Norman
2000 NBC Bank Plaza
112 E. Pecan Street
San Antonio, TX 78205

To the City:

-If mailed (mailing address):

Department of Economic & Employment Development
Attn: Director
P.O. Box 839966
San Antonio, TX 78283-3966

-If personally delivered:

Department of Economic & Employment Development
115 Plaza de Armas, Suite 20
San Antonio, TX 78205

-With required copies to:

City of San Antonio
City Clerk's Office
P.O. Box 839966
San Antonio, TX 78283-3966

Either party may designate a different address by giving the other party ten days' written notice.

9. CONDITION.

This agreement is conditioned entirely upon the approval of the San Antonio City Council by the affirmative vote of a majority of the members at a scheduled meeting.

10. ASSIGNMENT.

This agreement may be assignable to a new owner only with City Council approval as reflected in a duly adopted City Ordinance.

11. RECORDING.

This agreement may be publically recorded with Bexar County.

12. DATE

This agreement has been executed by the parties in multiple originals, each having full force and effect on this the 27th day of July, 1989.

OWNER

BY: GOLDEN ALUMINUM COMPANY

Name: Bobby Zachariah (BOBBY ZACHARIAH)Title: DIRECTOR, ADMINISTRATION

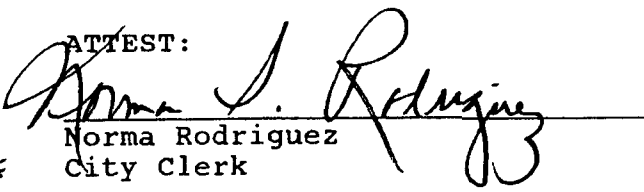
CITY OF SAN ANTONIO:


 Louis J. Fox
 City Manager


ATTEST:

Name: JOE TOSCANOTitle: VICE PRESIDENT OF FINANCE

ATTEST:


 Norma Rodriguez
 City Clerk

Approved as to Form:


 Tom Finlay
 Chief, Corporate Section
 City Attorney's Office

FLORES & COMPANY CONSULTING ENGINEERS

3740 COLONY DRIVE, SUITE 254

SAN ANTONIO, TEXAS 78230

512/699-9747

FIELD NOTES

FOR

A 111.302 acre tract being out of a 126.65 acre tract and a 266 2/3 acre tract, both of which are out of the Juan Montez Survey 6, Abstract 11, and recorded in Volume 1983, Pages 448 and 449 and Volume 4351, Pages 630-632, respectively, and being more particularly described as follows:

BEGINNING: At a point on the southwest right-of-way line of Old Corpus Christi Road, S 35°00'00" E, a distance of 265.14 feet from the intersection of the southwest right-of-way line of Old Corpus Christi Road and the southeast right-of-way line of Streich Road, said point being the most northerly corner of this 111.302 acre tract;

THENCE: Along the southwest right-of-way line of Old Corpus Christi Road, S 35°00'00" E, a distance of 315.86 feet to a point, said point also being the most northerly corner of a 3.228 acre tract recorded in Volume 4409, Pages 506-508 of the Deed Records of Bexar County, Texas;

THENCE: Departing the southwest right-of-way line of Old Corpus Christi Road, S 54°58'04" W, a distance of 356.18 feet to an angle point, said point also being the most easterly corner of the 3.228 acre tract;

THENCE: S 35°00'00" E, a distance of 395.00 feet to an angle point, said point also being the most southerly corner of the 3.228 acre tract;

THENCE: N 54°58'04" E, a distance of 356.18 feet to a point on the southwest right-of-way line of Old Corpus Christi Road;

THENCE: Along the southwest right-of-way line of Old Corpus Christi Road, S 35°00'00" E, a distance of 2,335.30 feet to a point, said point being the most easterly corner of this 111.302 acre tract;

THENCE: S 12°36'35" W, a distance of 406.19 feet to an angle point;

Page 2
Field Notes
111.302 Acre Tract

THENCE: S 55°00'00" W, a distance of 1,300.00 feet to a point, said point being the southwest corner of this 111.302 acre tract;

THENCE: N 35°00'00" W, a distance of 2,661.98 feet to a point, said point being the most westerly corner of this 111.302 acre tract;

THENCE: N 05°34'28" E, a distance of 621.11 feet to an angle point;

THENCE: N 46°08'56" E, a distance of 1,210.42 feet to the Point of Beginning and containing 111.302 acres of land more or less.

DATE: July 7, 1989
PREPARED BY: Flores & Company
JOB NO. 0409-10

PRELIMINARY

APPENDIX B-1

OPTION TO LEASE AGREEMENT

THIS OPTION TO LEASE AGREEMENT (this "Agreement") is made by and between THE CITY OF SAN ANTONIO, TEXAS, a municipal corporation, acting by and through CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, TEXAS, a municipal board of the City ("CPS") and GOLDEN ALUMINUM COMPANY, a Colorado corporation ("Golden").

Introduction

WHEREAS, CPS desires to grant an option to Golden to lease and Golden desires to accept an option to lease from CPS, on mutually acceptable terms, the real estate (the "Property") described in Exhibit "A" attached hereto and incorporated herein; and

WHEREAS, the lease a copy of which is attached as Exhibit "B", and a part of, this Agreement (the "Lease") has been agreed to by CPS and Golden, and

WHEREAS, there must be satisfied certain conditions regarding the proposed use of the Property by Golden, including the completion of satisfactory financing for the cost of improvements, engineering studies, air and water permits, tax abatement and other matters to be determined by Golden prior to entering into the Lease; and

WHEREAS, CPS is willing to commit to lease the Property to Golden in accordance with the Lease and grant Golden an exclusive option so that during the option period Golden may satisfy itself, in its sole discretion, that such conditions and all other matters relating to the Property and Golden's proposed use of the Property, are and shall be satisfactory to Golden.

Agreement

NOW, THEREFORE, in consideration of the premises and the nonrefundable payment by Golden to CPS of the sum of \$5,000.00, by cashier's check ("Option Fee"), upon the execution hereof by CPS, as an Option Fee, CPS and Golden agree as follows:

1. Grant of Option. Subject to the terms and conditions of this Agreement, CPS hereby grants to Golden, and Golden hereby accepts from CPS, the exclusive option and right (the "Option") to lease the Property, in accordance with the Lease.

2. Option Term. The term of the Option ("Option Term") and rights herein granted to Golden shall commence on the date of this Agreement and continue thereafter until the following applicable dates:

the Option Term, the form of which is attached hereto and incorporated herein as Exhibit "C". Golden shall have the right to record the Memorandum in the Real Property Records of Bexar County, Texas.

8. Assignability. Golden may not assign this Agreement, in whole or in part, and the rights hereunder without the written approval of CPS.

9. Integration; Modification; Waiver. This Agreement and said letter agreement constitute the complete and final expression of the agreements of the parties relating to the Property. This Agreement cannot be modified, or any of the terms hereof waived, except by an instrument in writing (referring specifically to this Agreement) executed by the party against whom enforcement of the modification or waiver is sought.

10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of CPS and Golden, and their respective successors and assigns and the Option shall be deemed a covenant running with the title to the Property, binding upon all subsequent owners, lessees and others having or claiming any interest in the Property during the Option Term.

11. Time. Time is of the essence of this Agreement.

12. Notice. Any notice or approval required or permitted to be provided under this Agreement shall be in writing and delivered by a delivery service which requires a receipt signed by a representative of the recipient or sent by registered or certified mail, postage prepared, return receipt requested, to the party addressed below or another address specified in a notice from the addressee:

(1) To CPS:

City Public Service Board of San Antonio
P. O. Box 1771
145 Navarro
San Antonio, Texas 78296
Attention: General Manager

(2) To Golden:

Golden Aluminum Company
3000 Youngfield, Suite 230
Lakewood, Colorado 80215
Attention: Mr. Joseph S. Lamb, President

A notice shall be deemed given on the date of delivery shown in the receipt.

ATTACHMENT II

AN ORDINANCE

90829

AUTHORIZING THE ASSIGNMENT OF THE GOLDEN ALUMINUM TAX PHASE-IN AGREEMENT TO ALCOA, INCORPORATED AND TRANSFERRING ALL RIGHTS AND OBLIGATIONS OF THE AGREEMENT TO ALCOA, INCORPORATED.

(AMENDS ORD. NO. 69924 DTD JULY 27, 1989)

* * * * *

WHEREAS, pursuant to Ordinance No. 69924, passed and approved on July 27, 1989, the City of San Antonio entered into a fifteen year Tax Phase-In Agreement (the "Agreement") with Golden Aluminum Company ("Golden Aluminum"), agreeing to abate thirty-four percent (34%) of the ad valorem taxes on the value of new real property improvements and tangible personal property to be made in connection with the construction of a 312,900 square foot building to house its aluminum recycling facility; and

WHEREAS, although the Tax Phase-In was not based on job creation, Golden Aluminum estimated the creation of 200 jobs at the time the abatement was approved by City Council; and

WHEREAS, in August 1999, Golden Aluminum announced that it was closing the San Antonio facility and laying-off approximately 120 employees; and

WHEREAS, in September 1999, Alcoa, Incorporated ("Alcoa") announced its intentions to purchase the San Antonio facility and before making a final decision, requested that the Tax Phase-In Agreement with Golden Aluminum be assigned to it; and

WHEREAS, Alcoa intends to re-open the plant and convert it to an aluminum rolling mill with a diverse product mix, creating approximately 125 jobs, including the 23 workers currently employed by Golden Aluminum; and

WHEREAS, the assignment of the Agreement corresponds with the City's economic development strategy by promoting business attraction and employment in manufacturing which is a targeted industry under the City's Guidelines and Criteria For Tax Phase-In and Reinvestment Zones; and

WHEREAS, on October 18, 1999, the City received a letter from Golden Aluminum requesting the assignment of the Tax Phase-In Agreement to Alcoa; and

WHEREAS, the Agreement with Golden Aluminum provides that it is assignable only upon the prior written consent of the City Council, which consent is now sought; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council of the City of San Antonio hereby approves and authorizes the assignment of the Tax Phase-In Agreement with Golden Aluminum, approved by Ordinance No. 69924, together with all rights and obligations under the Agreement, to Alcoa, Incorporated.

SECTION 2. The City Manager is hereby authorized for the next 45 days, to execute such documents as are necessary to carry out the intent of this ordinance.

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

PASSED AND APPROVED this 4th day of September, 1999.

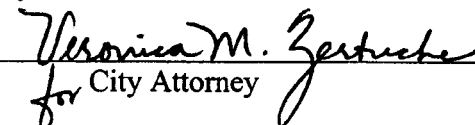


M A Y O R
Howard W. Peak

ATTEST:


City Clerk

APPROVED AS TO FORM:


for City Attorney

99-44

9009

**ASSIGNMENT OF TAX ABATEMENT AGREEMENT WITH THE CITY OF
SAN ANTONIO**

This Assignment of the GOLDEN ALUMINUM TAX ABATEMENT AGREEMENT (hereinafter referred to as the "AGREEMENT") WITH THE CITY OF SAN ANTONIO is made in duplicate originals and entered into by and between the CITY OF SAN ANTONIO, (hereinafter referred to as the "CITY"), a Texas municipal Corporation, acting by and through its City Manager pursuant to Ordinance No. 90829 passed and approved by City Council on November 4, 1999. The CITY and GOLDEN ALUMINUM, (hereinafter referred to as "GOLDEN") and are in agreement that a certain contract entered into by and between CITY and GOLDEN pursuant to Ordinance No. 69924 dated July 27, 1989, be assigned to ALCOA INC. (hereinafter called the "ALCOA") pursuant to this 30th day of December, 1999.

WHEREAS, GOLDEN has requested this TAX PHASE-IN AGREEMENT be assigned to ALCOA; and

WHEREAS, ALCOA has expressed its willingness to accept the assignment of the AGREEMENT; and

WHEREAS, the City has agreed to assign the AGREEMENT to ALCOA; and

NOW THEREFORE, for and in consideration of mutual covenants and promises expressed herein, the CITY and GOLDEN do hereby assign the above stated AGREEMENT as follows:

1. GOLDEN hereby assigns all of its rights, titles and interests in, to and under the AGREEMENT to ALCOA and ALCOA hereby assumes responsibilities of GOLDEN as to the AGREEMENT, as hereby assigned. Further, the CITY hereby consents to this assignment.
2. Hereafter references within the Agreement to GOLDEN shall be deemed as references to ALCOA.
3. All notices to ALCOA shall be delivered to the following address:

Alcoa Corporate Center
Attn: Daniel Fuchs, General Tax Attorney
201 Isabella Street
Pittsburgh, PA 15212-5858

4. All other terms, conditions and provisions of the original AGREEMENT entered into are hereby retained in their entirety and remain unchanged and shall remain in full force and effect.

THIS AMENDMENT IS TO BE EXECUTED AND TO BE EFFECTIVE THIS
30 DAY OF DECEMBER, 1999.

ALCOA INC.

BY: Ralph Matera

Name: RALPH MATERA

Title: PRESIDENT FOIL DIVISION
ALCOA

ATTEST:

Name: Janice A. Killian

Title: Notary Public

CITY OF SAN ANTONIO
 a Municipal Corporation

Alexander E. Bryneño
 CITY MANAGER

ATTEST:

Norma Rodriguez
 CITY CLERK

GOLDEN ALUMINUM

BY: Ralph Matera

Name: RALPH MATERA

Title: PRESIDENT FOIL DIVISION
ALCOA (OWNER OF GOLDEN)

ATTEST:

Name: Janice A. Killian

Title: Notary Public

APPROVED AS TO FORM

Frank J. Garza
 CITY ATTORNEY

Notarial Seal
 Janice A. Killian, Notary Public
 South Lebanon Twp., Lebanon County
 My Commission Expires Feb. 9, 2002

4. All other terms, conditions and provisions of the original AGREEMENT entered into are hereby retained in their entirety and remain unchanged and shall remain in full force and effect.

THIS AMENDMENT IS TO BE EXECUTED AND TO BE EFFECTIVE THIS
30 DAY OF DECEMBER, 1999.

ALCOA INC.

BY: _____

Name: _____

Title: _____

ATTEST:

Name: _____

Title: _____

CITY OF SAN ANTONIO
a Municipal Corporation


Alexander E. Briseño
CITY MANAGER

ATTEST:

Norma Rodriguez
CITY CLERK

GOLDEN ALUMINUM

BY:  _____

Name: Jill BW S. & son

Title: Secretary

ATTEST:

Name: Paul A. Constance

Title: CFO

APPROVED AS TO FORM

Frank J. Garza
CITY ATTORNEY

CITY OF SAN ANTONIO
ECONOMIC DEVELOPMENT DEPARTMENT
Interdepartmental Correspondence

TO: Mayor and City Council through Alexander E. Briseño, City Manager
FROM: Manuel Longoria, Jr., Acting Director, Economic Development Department
COPY: Christopher J. Brady, George Pedraza, Frank Garza, Terry Brechtel, Octavio Peña, Trey Jacobson, File
SUBJECT: ASSIGNMENT OF THE GOLDEN ALUMINUM TAX PHASE-IN AGREEMENT TO ALCOA, INC.

DATE: October 26, 1999

SUMMARY AND RECOMMENDATION:

This Ordinance provides authorization to assign the Golden Aluminum tax phase-in agreement by providing a transfer of rights and obligations to Alcoa, Incorporated. This change will have no adverse effect upon the obligations made pursuant to the tax phase-in agreement approved by City Council in July of 1989.

Staff recommends approval of this ordinance.

BACKGROUND:

In July 1989, Golden Aluminum Company was granted a 15-year, 34% abatement of taxes on new real and personal property improvements by the City, County and East Central Independent School District (EC-ISD). The agreement was based on the construction of a 312,900 square foot aluminum recycling facility. Although the phase-in was not based on job creation, Golden estimated the creation of 200 jobs at the time the abatement was approved. The tax phase-in agreement will expire in 2005. In August 1999, Golden announced that it was closing the San Antonio plant and laying-off approximately 120 employees. They also announced that they were in the process of selling the San Antonio facility.

In September 1999, Alcoa announced its intentions to purchase the San Antonio facility. Before making a final purchase decision, Alcoa has requested that the tax phase-in agreement be assigned to them. If they purchase the facility, they intend to re-open the plant and convert it to a aluminum commercial rolling mill with a diverse product mix. To resume operations at the plant, Alcoa is also considering a \$30.0 million dollar investment to retool the plant so that current production capabilities can be doubled. Alcoa will initially create approximately 125 jobs, including the 23 workers currently employed by Golden.

Alcoa has indicated that it plans to request a tax phase-in and enterprise zone project designation on its new investment. EDD anticipates receipt of those applications by the end of October. Upon receipt, EDD will evaluate the applications and present those items to City Council for consideration at a future meeting.

POLICY ANALYSIS:

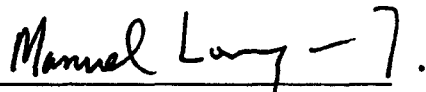
The tax phase-in agreement with Golden specifies that it may be assigned to another company provided that it be approved by the City Council. By approving the assignment, it increases the likelihood that Alcoa will finalize purchase of the Golden facility and the plant will be re-opened. Alcoa is also considering rehiring many of the employees laid-off by Golden. This proposed expansion project will enhance operations at a facility that would otherwise be shut down. Assignment of the agreement corresponds with the City's economic development strategy by promoting business attraction and employment in a targeted industry (manufacturing).

COORDINATION:

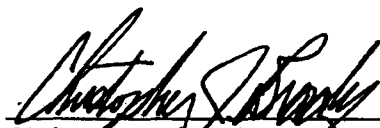
This item has been coordinated with the Economic Development Foundation, Bexar County, City Public Service, EC-ISD and the City Attorney's Office. The EC-ISD assigned the Golden tax abatement to Alcoa last week at its October 21 Board meeting. The disclosure statement required by the ethics ordinance is attached.

FINANCIAL IMPACT:


There is no financial impact associated with this item.



Manuel Longoria, Jr., Acting Director
Economic Development Department

APPROVED:

Christopher J. Brady
Assistant to the City Manager



Alexander E. Briseño
City Manager

Attachment

ATTACHMENT III

AN ORDINANCE

91976

AMENDING TWO ORDINANCES PASSED ON MARCH 23, 2000
DESIGNATING THE ALCOA REINVESTMENT ZONE AND
APPROVING A TAX PHASE-IN AGREEMENT TO REFLECT
ALCOA'S INTENTIONS TO PURCHASE APPROXIMATELY 360,000
SQUARE FOOT OF ALUMINUM FACILITY AND TO LEASE FROM
CPS APPROXIMATELY 112 ACRES OF LAND AT THE SITE.

(AMENDS ORDINANCES NO. 91485 & 91486 DATED MARCH 23, 2000)

* * * * *

WHEREAS, on December 17, 1999, Alcoa Incorporated ("Alcoa") requested designation of approximately 112 acres of land as the Alcoa Reinvestment Zone ("Zone") and approval of a tax phase-in agreement on tangible personal property; and

WHEREAS, Alcoa's request for the designation of said Zone and approval of said tax phase-in agreement indicated Alcoa intended to purchase the approximately 360,000 square foot aluminum facility and the approximately 112 acres of land in the proposed Zone; and

WHEREAS, on March 23, 2000, City Council designated said land as the Zone in Ordinance Number 91485 based on Alcoa's intent to purchase said land and said aluminum facility; and

WHEREAS, on March 23, 2000, City Council approved said tax phase-in agreement in Ordinance Number 91486 based on Alcoa's intent to purchase said land and said aluminum facility; and

WHEREAS, since this time Alcoa has purchased said aluminum facility, but instead has entered into a long term lease with City Public Service for said land in lieu of purchasing it, which fact must now be accurately reflected in the two aforementioned ordinances; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. City Council hereby amends Ordinance Numbers 91485 and 91486 to reflect that Alcoa Incorporated has purchased the approximately 360,000 square foot aluminum facility and has entered into a long term lease with City Public Service for said approximately 112 acres of land. Ordinance Numbers 91485 and 91486 shall have full force and effect, except that all references to purchasing said land shall be changed to leasing said land.

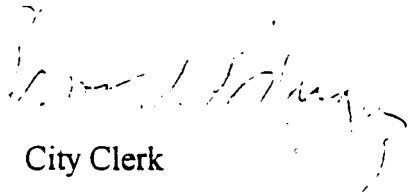
SECTION 2. The City Manager or his designee is hereby authorized for a forty-five (45) business day period, to execute a tax phase-in agreement with Alcoa Incorporated. A copy of said agreement in substantially final form is attached hereto and incorporated herein as Exhibit "A."

SECTION 3. This ordinance shall become effective ten (10) after the date of passage hereof.

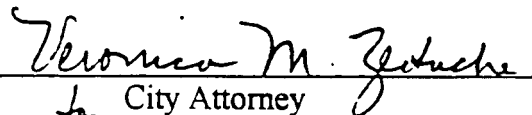
PASSED AND APPROVED this 17th day of July, 2000.


M A Y O R
Howard W. Peak

ATTEST:


City Clerk

APPROVED AS TO FORM:


for City Attorney

00-24

**TAX PHASE-IN AGREEMENT
WITH THE CITY OF SAN ANTONIO**

1. PARTIES

THIS AGREEMENT (the "Agreement") is entered into on this **4th** day of **September 2000**, by and between **ALCOA INC.** (hereinafter referred to as "ALCOA"), a Pennsylvania corporation and the lessee of approximately 112 acres of taxable real property located in San Antonio, Bexar County, Texas, which is legally described more specifically in Exhibit "A" (attached hereto and incorporated herein); and the City of San Antonio, a political subdivision of the State of Texas, (hereinafter referred to as the "CITY").

2. AUTHORIZATION AND FINDINGS

a. This Agreement is entered into pursuant to

1. 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. 79911 on July 2, 1998, together which established the City of San Antonio Guidelines and Criteria for Tax Phase-In and Reinvestment Zones, (hereinafter referred to as the "Guidelines and Criteria");

3. CITY COUNCIL ORDINANCE NO. 91981, dated June 15, 2000, which extended said Guidelines and Criteria until September 1, 2000;

4. CITY COUNCIL ORDINANCE NO. 91485, dated March 23, 2000 and CITY COUNCIL ORDINANCE NO. 91975, dated June 15, 2000, which created the ALCOA Reinvestment Zone; and

5. CITY COUNCIL ORDINANCE NO. 91486, dated March 23, 2000 and CITY COUNCIL ORDINANCE NO. 91975, dated June 15, 2000, which specifically approved this Agreement and authorized execution hereof.

b. The City Council, by its approval of this Agreement, hereby finds that the terms of this Agreement and the property subject to it meet the "Guidelines and Criteria" as adopted by the City Council and further finds that there will be (a) no substantial long-term adverse affect on the provision of City service or tax base; and (b) the planned use of the property will not constitute a hazard to public safety, health or morals.

3. PROPERTY

- a. The taxable real property which holds the tangible personal property which is the subject of this Agreement is located at 14555 Old Corpus Christi Road, an area entirely within the city limits of the City of San Antonio. The legal description for the real property is more specifically described in Exhibit A and the tangible personal property is more specifically described in Exhibit B. Said real and tangible personal property shall hereinafter be collectively referred to as the "Property".
- b. Tax account numbers for the Property will be supplied by the Bexar Appraisal District.

4. ALCOA'S REPRESENTATIONS

- a. ALCOA represents that it will own the tangible personal property which is subject to this Agreement for use in producing flat rolled aluminum products, including foil, building products, and truck/trailer panels. The Property is not currently producing any commercial products.
- b. ALCOA represents that it currently employs approximately twenty-three (23) individuals in its existing aluminum operations and intends to hire at least thirty-seven (37) additional permanent full-time employees before December 31, 2001. ALCOA also represents that it expects to have a total of at least one hundred (100) permanent full-time employees by December 31, 2001.
- c. ALCOA represents that no interest in the Property covered by this Agreement is presently held or leased by, and that it shall not sell or lease any interest in the Property to, a member of the San Antonio City Council, Zoning Commission, Planning Commission, the City's Economic Development Department, or other City officer or employee as long as this Agreement is in effect.
- d. ALCOA represents that it will invest at least thirty million dollars (\$30,000,000.00) to retrofit the manufacturing/assembly facility located on the real property during the Term of this Agreement.
- e. ALCOA represents that there is no litigation pending against ALCOA for any violations under the Occupational Safety and Health Act.
- f. ALCOA represents that all full-time employees at the proposed manufacturing/assembly facility shall be entitled to a number of employee benefits. As of the date of this Agreement, these benefits are as follows:

Basic Medical Coverage*	Basic Dental Coverage*
Prescription Drug Plan	Vision*
Short Term Disability	Long Term Disability
Savings Plan	Life Insurance
Accidental Death and Disability Insurance	
Employee Assistance Program	

* Available to both employees and dependents.

5. TERMS OF THE AGREEMENT

- a. Subject to Section 7(c), this Agreement is conditioned on ALCOA owning the tangible personal property, leasing the real property, and using the manufacturing/assembly facility which is the subject to this Agreement in the ALCOA Reinvestment Zone to house its aluminum operations.
- b. Subject to Section 7(c), this Agreement is also conditioned on ALCOA investing at least thirty million dollars (\$30,000,000.00) to retrofit the manufacturing/assembly facility located on the real property during the Term of this Agreement.
- c. ALCOA shall comply with the wage standard policy in place at the time this Agreement was entered into as specified in the City of San Antonio Guidelines and Criteria for Tax Phase-In and Reinvestment Zones. ALCOA understands and agrees that the average hourly earnings for manufacturing/assembly jobs is \$10.14 per hour at the time this Agreement is executed.
- d. ALCOA shall comply with all applicable federal and state laws governing the employment relationship between employers and employees. A non-exclusive list of such laws is attached hereto as Exhibit "C" and incorporated herein.
- e. The location of the proposed manufacturing/assembly facility is more particularly shown in Exhibit "D", attached hereto and incorporated herein.
- f. The proposed retrofit of the manufacturing/assembly facility on the real property shall be substantially completed on or before December 31, 2001. ALCOA shall have such additional time to complete the proposed retrofit of the manufacturing/assembly facility as may be required upon the occurrence of any "Force Majeure" event if ALCOA is reasonably diligently pursuing completion of the proposed retrofit. For purposes of this Agreement, "Force Majeure" shall mean any contingency or cause beyond the reasonable control of ALCOA. CITY shall have the final determination, to be exercised reasonably and in good faith, whether to extend such period of time for completion of the proposed retrofit for reasons of Force Majeure and other than Force Majeure.
- g. ALCOA covenants and agrees that the Property and the manufacturing/assembly facility in the ALCOA Reinvestment Zone shall be operated and built in accordance with all federal, state and local laws, including but not limited to Texas Natural Resource Conservation Commission 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. ALCOA covenants and agrees that the Property and the manufacturing/assembly facility shall be used by ALCOA in operating its aluminum operations. ALCOA agrees not to change the principal use of the Property or the manufacturing/assembly facility without first obtaining City Council approval.
- i. ALCOA shall maintain the Property and the manufacturing/assembly facility in good repair and condition during the Tax Phase-In Period, normal wear and tear and damage by fire or other casualty excepted.

j. Upon forty-eight (48) hours prior notice to ALCOA by City, ALCOA shall allow designated representatives of the City of San Antonio access to the Property and the manufacturing/assembly facility during normal business hours to inspect the Property and the manufacturing/assembly facility to determine if the terms and conditions of this Agreement are being met, and for the purpose of assuring compliance with applicable City Codes and Ordinances, provided that such CITY representatives are accompanied by ALCOA representatives and so long as such inspections are conducted in such a manner as to: (a) not unreasonably interfere with the operation of the Property or the manufacturing/assembly facility; and (b) comply with ALCOA's reasonable security requirements.

k. During the term of this Agreement, ALCOA agrees to furnish, within a reasonable time after receiving written notice, 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 phase-in and for appraisal purposes.

l. ALCOA shall provide the Director of Economic Development with a semi-annual certification from a local officer of the company attesting to the number of jobs created and maintained by ALCOA at the Property and the manufacturing/assembly facility. ALCOA shall submit this information to the City no later than June 15th and December 15th of each year during the term of this Agreement. The information provided shall be in a form satisfactory to the Director of Economic Development.

m. ALCOA agrees that during the term of this Agreement and upon forty-eight (48) hours prior notice during normal business hours, the CITY shall have access to such ALCOA's books and records reasonably determined necessary by CITY to verify whether ALCOA is in compliance with this Agreement. The CITY's access to ALCOA's books and records will be limited to information pertaining to ALCOA's conducting aluminum operation, and jobs in existence at the Property and the manufacturing/assembly facility. Any information that is not required by law to be made public shall be maintained confidential by CITY. Should any good faith dispute or question arise as to the validity of the data provided, the CITY shall reserve the right to require ALCOA to obtain an independent firm to verify the information. This certified statement by an independent firm will be provided at the sole cost of ALCOA.

n. ALCOA is encouraged to participate in the San Antonio Education Partnership (SAEP) Program or like program.

o. ALCOA agrees to make a good faith effort to work with the Alamo Workforce Development Council, Texas Workforce Commission, and other employment entities, to employ at least twenty-five percent (25%) of new jobs created with individuals who are economically disadvantaged.

p. If during this Agreement or within six (6) years after the end of this Agreement, ALCOA fails to maintain at least the minimum number of jobs required under paragraph 4b of this Agreement or ALCOA fails to pay at least the minimum wages required under paragraph 5c of this Agreement for a period of six (6) or more consecutive months, then the default provisions of paragraph 7d of this Agreement shall apply.

6. TAX PHASE-IN

- a. The Tax Phase-In Period (the "Term") shall be for ten (10) years beginning on January 1, 2001 and terminating December 31, 2010. The Base Year for calculating the value of the tangible personal property shall be determined as of January 1, 2000.
- b. At the commencement of the Term, ALCOA will own the tangible personal property, lease the real property, and will operate its aluminum operations in the manufacturing/assembly facility at the Property described in Exhibit "A". A Tax Phase-In shall be granted in each year of the Agreement as described below.
- c. Subject to section 7(c), provided that ALCOA has invested at least thirty million dollars (\$30,000,000.00) in the Property and/or the manufacturing/assembly facility at the Property and that ALCOA is otherwise in compliance with the conditions of this Agreement, then one hundred percent (100%) of the increased ad valorem taxes on the tangible personal property resulting from improvements to the Property and/or the manufacturing/assembly facility shall be exempt from ad valorem taxation during the Term.
- d. ALCOA shall pay to the CITY ad valorem taxes assessed, if any, by the CITY on the real and tangible personal property for the period between acquisition of said Property (including the manufacturing/assembly facility) and the beginning of the Term.
- e. ALCOA understands and agrees that the Base Year value and the tax levy based on said Base Year value of the Property and the manufacturing/assembly facility in the ALCOA Reinvestment Zone shall not decrease, but taxes may increase and that the amount of taxes paid by ALCOA to the CITY attributable to the real and tangible personal property in each year during the term of this Agreement shall not be less than the amount of taxes attributable to the real and tangible personal property paid to the CITY for tax year 2000, except in the event of casualty, condemnation, or removal of the base year tangible personal property from the ALCOA Reinvestment Zone. ALCOA shall have the right to protest and/or contest appraisals of the real property, tangible personal property, or other improvements over and above the Base Year value.

7. DEFAULT/RECAPTURE

- a. The taxing entities affected by this Agreement include: City of San Antonio and Bexar County. All remedies given to the CITY in this section shall likewise be available to Bexar County, except that termination of this Agreement may only be accomplished by the CITY.
- b. In the event that the proposed retrofit is completed on the manufacturing/assembly facility at the real property and ALCOA begins its aluminum operations at the Property, but subsequently ceases conducting said business at the Property for any reason other than Force Majeure for a period of at least twelve (12) consecutive months during the Tax Phase-In Period, then the Agreement shall automatically terminate as to that calendar year and so shall the abatement of the taxes for the applicable calendar year during which the Property is no longer used for the purposes stated herein. The tangible personal property taxes otherwise abated for that calendar year and all taxes previously abated by virtue of this Agreement will be recaptured and paid to the City of San Antonio within sixty (60) calendar days from the date of notice to ALCOA from the City of San Antonio.

c. In the event that this Agreement expires and ALCOA ceases its aluminum operations at the Property for a period of at least twelve (12) consecutive months as stated in Section 7(b) above, then the CITY shall have the right to recapture from ALCOA a percentage of the previously abated tangible personal property taxes based on the table in Section 7(g) of this Agreement.

d. During the Tax Phase-In Period covered by this Agreement, the CITY may declare a default by ALCOA hereunder if ALCOA fails to comply with any of the terms of this Agreement or if any representation made by ALCOA in Section 5 of this Agreement is false or misleading in any material respect. Should the CITY determine ALCOA is in default according to the terms and conditions of this Agreement, the CITY will notify ALCOA in writing at the address in Section 9 of this Agreement, and if such default is not cured within sixty (60) calendar days from the date of such notice (Cure Period), then the Agreement may be terminated. The City may extend the Cure Period if commencement of the cure is started within the Cure Period and ALCOA is diligently pursuing cure. If the Agreement is terminated, real and tangible personal property taxes will be due for the tax year during which the termination occurred and shall accrue without abatement for all tax years thereafter and all tangible personal property taxes previously abated under this Agreement will be recaptured and paid by ALCOA within sixty (60) calendar days of termination.

e. In the event that ALCOA allows its ad valorem taxes due on the Base Year value of the real or tangible personal property or the unabated ad valorem taxes on the real property to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or is in default with any loan which has been made by the San Antonio Development Agency, San Antonio Local Development Company, City of San Antonio Industrial Development Authority or any other CITY sponsored loan/grant/bond program, this Agreement then may be terminated pursuant to paragraph 7(d). Taxes will then be due for the tax year during which the termination occurred and shall accrue without abatement for all tax years thereafter and all taxes previously phased-in by virtue of this Agreement will be recaptured and paid by ALCOA within sixty (60) calendar days of termination.

f. In the event any portion of the Property or the manufacturing/assembly facility is taken by any public or quasi-public authority under the power of eminent domain, condemnation or expropriation, then this Agreement shall terminate (only as to the Property and the portion of the manufacturing/assembly facility affected by the taking), for the calendar year during which the taking, occurs and there shall be no recapture of taxes.

g. If ALCOA (during or after the agreed upon Tax Phase-In Period ends) relocates its aluminum operations to a location outside the ALCOA Reinvestment Zone, then through an Ordinance adopted by City Council, the CITY shall have the right to recapture from ALCOA a percentage of abated personal property taxes based on the following table:

Year	TOTAL TAXES PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
1-11 (includes tax phase-in period)	100%
12	80%
13	60%
14	40%
15	20%
16	10%

FORMULA: The relocation formula shall be:

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

(1) The 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 ALCOA. Penalty and interest shall not start until each year is placed back on the tax roll.

(2) The recovery and/or recapture of taxes as provided herein shall be the sole remedy of the CITY in the event of a default hereunder by ALCOA, and such recovery and/or recapture shall be subject to any and all lawful offsets, settlements, deductions or credits to which ALCOA may be entitled. The recovery and/or recapture of taxes provided in this Section 7 are not applicable to situations involving minor changes to the description of the Property, change in ownership of the Property or changes in management or operation of the Property so long as ALCOA or its CITY approved successors or assignees continue conducting business as stated in Section 5(a).

8. **AUTHORIZED RELIEF FROM PERFORMANCE (Force Majeure)**

In addition to relief expressly granted in this Agreement, CITY may grant relief from performance of this Agreement if ALCOA is prevented from compliance and performance by an event of Force Majeure or economic downturn not attributed to the fault or negligence of ALCOA. The burden of proof for the need for such relief shall rest upon ALCOA. To obtain release based upon this Section 8, ALCOA must file a written request with the City's Department of Economic Development.

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 into the custody of a nationally recognized overnight delivery service such as Federal Express, 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.

ALCOA: (Whether personally delivered or mailed)

Mr. Daniel Fuchs
ALCOA INC.
201 Isabella Street
Pittsburg PA 15212-5858

ALCOA: (Whether personally delivered or mailed)

ALCOA INC.
14555 Old Corpus Christi Road
San Antonio TX 78112

To the CITY:

- If mailed (mailing address):

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

- If by delivery service:

Economic Development Department
Attn: Director
City Hall, 4th Floor
Military Plaza
San Antonio, TX 78205

Each party may designate a different address by giving the other party ten (10) calendar days written notice.

10. **CONDITION**

This Agreement is conditioned entirely upon the approval of the San Antonio City Council, as evidenced by duly approved Ordinance Number 91486, dated March 23, 2000 and Ordinance Number 91975, dated June 15, 2000

11. **ASSIGNMENT**

This Agreement may be assignable to a new owner only with City Council approval (which approval shall not be unreasonably withheld) as reflected in a duly adopted City Ordinance. ALCOA must submit a written request to CITY for approval of the proposed assignment at least sixty (60) days prior to the effective date of the sale of any part of the Property; however, no City Council consent is required for an assignment to a wholly owned subsidiary of ALCOA or to an affiliate entity of ALCOA or any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of ALCOA.

12. GENERAL PROVISIONS

- a. None of the real property or tangible personal property improvements described in this Agreement is financed by tax increment bonds.
- b. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the CITY. 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. ALCOA acknowledges that the City Council approval is 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 (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 ALCOA or other party designated by ALCOA 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

ALCOA, 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 ALCOA 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. **DUPLICATE ORIGINALS**

This Agreement shall be executed in two duplicate originals, with a duplicate original going to each party.

ALCOA INC.
a Pennsylvania Corporation

BY:


Ralph Matera
President - Alcoa Foil Products Division

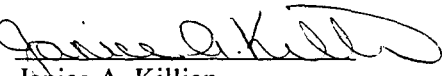
CITY OF SAN ANTONIO,
a Texas Municipal Corporation

August 25, 2000

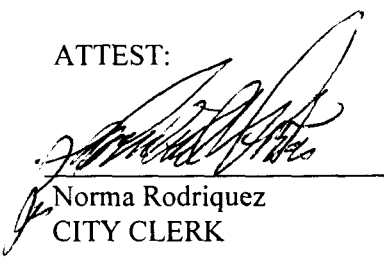

Alexander E. Briseño
CITY MANAGER

ATTEST:

Name:


Janice A. Killian
Administrator

ATTEST:


Norma Rodriguez
CITY CLERK

APPROVED:


Frank J. Garza
CITY ATTORNEY

~~EXHIBITE~~

FLORES & COMPANY CONSULTING ENGINEERS

3740 COLONY DRIVE SUITE 334

SAN ANTONIO, TEXAS 78230

512/696-8747

FIELD NOTES

FOR

A 121.302 acre tract being out of a 126.65 acre tract and a 266 2/3 acre tract, both of which are out of the Juan Montez Survey 6, Abstract 11, and recorded in Volume 1983, Pages 448 and 449 and Volume 4351, Pages 630-632, respectively, and being more particularly described as follows:

BEGINNING: At a point on the southwest right-of-way line of Old Corpus Christi Road, S 35°00'00" E, a distance of 265.14 feet from the intersection of the southwest right-of-way line of Old Corpus Christi Road and the southeast right-of-way line of Streich Road, said point being the most northerly corner of this 121.302 acre tract;

THENCE: Along the southwest right-of-way line of Old Corpus Christi Road, S 35°00'00" E, a distance of 315.86 feet to a point, said point also being the most northerly corner of a 3.228 acre tract recorded in Volume 4409, Pages 506-508 of the Deed Records of Bexar County, Texas;

THENCE: Departing the southwest right-of-way line of Old Corpus Christi Road, S 54°58'04" W, a distance of 356.18 feet to an angle point, said point also being the most easterly corner of the 3.228 acre tract;

THENCE: S 35°00'00" E, a distance of 395.00 feet to an angle point, said point also being the most southerly corner of the 3.228 acre tract;

THENCE: N 54°58'04" E, a distance of 356.18 feet to a point on the southwest right-of-way line of Old Corpus Christi Road;

THENCE: Along the southwest right-of-way line of Old Corpus Christi Road, S 35°00'00" E, a distance of 2,335.30 feet to a point, said point being the most easterly corner of this 121.302 acre tract;

THENCE: S 12°36'35" W, a distance of 406.19 feet to an angle point;

Exhibit A

Page 2
Field Notes
111.302 Acre Tract

THENCE: S 55°00'00" W, a distance of 1,300.00 feet to a point, said point being the southwest corner of this 111.302 acre tract;

THENCE: N 35°00'00" W, a distance of 2,661.98 feet to a point, said point being the most westerly corner of this 111.302 acre tract;

THENCE: N 05°34'28" E, a distance of 621.11 feet to an angle point;

THENCE: N 46°08'56" E, a distance of 1,210.42 feet to the Point of Beginning and containing 111.302 acres of land more or less.

DATE: July 7, 1989
PREPARED BY: Flores & Company
JOB NO. 0409-10

Overview of San Antonio Capital Estimates

	Latest plan	
Description		
Purchase of San Antonio Works	\$	33,000,000
Melters	\$	14,900,000
Hazelett caster	\$	15,029,750
Hot mill	\$	600,000
Cold mill modification	\$	865,000
Slitters & shears	\$	3,650,000
General items	\$	350,000
Items from due diligence	\$	4,978,000
Engineering	\$	2,664,602
Contingency	\$	4,157,735
TOTALS	\$	80,195,087

Exhibit B

The United States Congress has enacted various laws governing the employment relationship between employers and employees including but not limited to Title VII of the Civil Rights Act of 1964, the American Disabilities Act, the Age Discrimination in Employment Act, the National Labor Relations Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, the Equal Pay Act, the Employee Polygraph Protection Act, the Immigration Reform and Control Act, the Civil Rights Act of 1991, the Rehabilitation Act of 1973, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Family and Medical Leave Act, the Employee Retirement Income Security Act, and the Workers Adjustment and Retraining Notification Act.

Exhibit C

STREICH RD

SAN ANTONIO CITY LIGHT LINE

20' ELECT., WATER, TELE. AND C.A.T.V. ESMT

WASTE WATER

WATER

NAT. GAS

ELECTRIC

ELECTRIC

C.P.S. R.R. SPUR

POINT OF BEGINNING

LEASE LINE

C.P.S. R.R. SPUR

12" P.W.D. CO.

12" P.W.D. CO.

12"

LEASE LINE AND L.P.'S AT CORNERS
OF PROPERTY, ESTABLISHED ON SURVEY
(COPY ATTACHED AS EXHIBIT A)
BY FLORES AND COMPANY,
CONSULTING ENGINEERS
DATED JULY 14, 1989
AND REVISED JULY 28, 1989

100' UTILITY CORRIDOR

20' ELECT., WATER, TELE. AND C.A.T.V. ESMT

SAN ANTONIO CITY LIGHT LINE
LEASE LINE

SAN ANTONIO CITY LIGHT LINE

LEASE LINE

FENCE

PLAT LINE

PLAT LINE

100'

PLAT LINE

PLAT LINE