

**RESOLUTION NO. 19-R-144**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING AMENDMENT NO. 3 TO THE ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT AMONG THE CITY OF SCHERTZ, THE CITY OF SCHERTZ ECONOMIC DEVELOPMENT CORPORATION, GUADALUPE COUNTY, AND AMAZON.COM SERVICES, INC.; AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City of Schertz and the City of Schertz Economic Development Corporation (“SEDC”) adopted the Schertz Incentive Policy in May 2017 to guide and ensure consistency when providing incentives within the City to promote economic development; and

WHEREAS, this Amendment amends that certain Economic Development Incentives Agreement (Amazon.com.kydc LLC) between the Parties dated November 6, 2012, as amended by that certain Amendment No. 1 to the Economic Development Incentives Agreement (Amazon.com.kydc LLC), and Amendment No. 2 to the Economic Development Incentives Agreement (Amazon.com.kydc LLC) (collectively, the "Agreement"); and

WHEREAS, according to a request dated December 21, 2018, the City, SEDC, and County authorized the assignment of the Agreement from Amazon.com.kydc LLC to Amazon.com Services, Inc.; and

WHEREAS, according to the 2018 Annual Report, the Developer reported a Taxable Property of One Hundred Twenty-Four Million, Six Hundred-Eight Thousand, Three Hundred Forty-Five and No/100 Dollars (\$124,608,345.00) which is below the minimum requirement of at least One Hundred Twenty-Five Million and No/100 Dollars (\$125,000,000.00), which absent this Amendment, would create a default under the Agreement (the “Taxable Property Shortfall”); and

WHEREAS, absent the Taxable Property Shortfall, the Developer would have been in compliance with the Agreement; and

WHEREAS, the Parties wish to amend the Agreement to modify its terms related to the satisfaction of the Taxable Property for the Calendar Year 2018 and address the Taxable Property Shortfall whereby the Developer will remain compliant to the Agreement but will not be eligible to receive a 2018 City Property Tax Incentive or 2018 County Property Tax Incentive; and

WHEREAS, this Amendment does not extend or change the timeline specified in the Agreement for the City Incentives or County Incentives in the schedule; and

WHEREAS, Section 8.9 of the Agreement provides that the Agreement may be amended by a written agreement executed by the Parties; and

WHEREAS, on September 26, 2019, the SEDC Board of Directors met and authorized Amendment No. 3 to the Economic Development Incentive Agreement subject to the approval by the City of Schertz and Guadalupe County.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS THAT:

Section 1. The City Council hereby authorizes Amendment No. 3 to the Economic Development Incentive Agreement hereto attached as Exhibit A subject to the subsequent authorization by Guadalupe County.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this 22nd day of October, 2019.

CITY OF SCHERTZ, TEXAS

---

Michael Carpenter, Mayor

ATTEST:

---

Brenda Dennis, City Secretary

(CITY SEAL)

Exhibit A

**AMENDMENT NO. 3 TO THE  
ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT  
(AMAZON.COM SERVICES, INC.)**