

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.**

ORDINANCE

**AUTHORIZING AND APPROVING THE TERMS AND CONDITIONS OF
A TAX ABATEMENT AGREEMENT WITH TOYOTA MOTOR
MANUFACTURING, TEXAS, INC. TO EXEMPT ONE HUNDRED-
PERCENT (100%) OF AD VALOREM TAXES FOR A PERIOD OF
EIGHT (8) YEARS ON REAL AND PERSONAL PROPERTY
IMPROVEMENTS WITHIN THE TOYOTA MOTOR
MANUFACTURING, TEXAS, INC. REINVESTMENT ZONE.**

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WHEREAS, Toyota Motor Manufacturing, Texas, Inc. (TMMTX) established a plant located at 1 Lone Star Pass in San Antonio in 2003 by investing \$2.1 billion and is considering enhancing its production line with an additional capital investment of approximately \$391,800,000.00; and

WHEREAS, TMMTX will be required to (1) invest \$347.8 million in personal property and \$44 million in real property over three years, (2) exclusively use CPS Energy and SAWS for the term of the agreement; (3) continue ongoing workforce initiatives, (4) contribute \$1 million to educational and workforce development initiatives over 5 years (in excess of its current annual workforce spending), and (5) comply with all of the additional requirements included in the tax abatement guidelines, which include wage levels and health benefits; and

WHEREAS, the City Council finds that offering TMMTX a Tax Abatement Agreement for its real and personal property improvements is a reasonable incentive to help induce TMMTX to make significant improvements to its plant and retain its full-time jobs in San Antonio; and

WHEREAS, the City Council further finds that it is in the best interest of the City to approve a Tax Abatement Agreement with TMMTX to induce the desired and beneficial economic development in the Toyota Motor Manufacturing, Texas, Inc. Reinvestment Zone; **NOW THEREFORE:**

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

SECTION 1. The terms and conditions of a Tax Abatement Agreement with Toyota Motor Manufacturing, Texas, Inc. granting a one hundred-percent (100%), eight (8) year abatement of ad valorem real and personal property taxes within the Toyota Motor Manufacturing, Texas, Inc. Reinvestment Zone, are hereby approved.

SECTION 2. The City Manager or a designated representative is authorized to execute the Tax Abatement Agreement as approved in Section 1, a copy of which, in substantially final form, is attached as **Exhibit A**.

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

PASSED AND APPROVED this____, day of _____, 2019.

M A Y O R

Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

DRAFT