

**THIS IS A PROPOSED 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 NAVISTAR, INC. TO EXEMPT ONE HUNDRED PERCENT (100%) OF AD VALOREM TAXES FOR A PERIOD OF TEN (10) YEARS ON REAL AND PERSONAL PROPERTY IMPROVEMENTS AT AN ESTIMATED VALUE OF \$7,000,000.00 WITHIN THE NAVISTAR REINVESTMENT ZONE.**

\* \* \* \* \*

**WHEREAS**, Navistar is a manufacturer of commercial trucks, school and commercial buses, chassis for motor homes and step vans, and is a private label designer and manufacturer of diesel engines for the pickup truck, van, and SUV markets, and is also a provider of truck and diesel engine parts and service (the “Business Activities”); and

**WHEREAS**, Navistar is engaged in an economic development project consisting of investing approximately \$250,000,000.00 and creating 598 Full-Time Jobs for the purpose of establishing a production facility within the city limits of the City of San Antonio (the “Project”); and

**WHEREAS**, in accordance with the City of San Antonio Tax Phase-In Guidelines (the “Guidelines”) property located within a Tax Abatement Reinvestment Zone with a \$250 million investment is eligible for a 100% abatement of ad valorem real and personal property taxes for a term of up to ten (10) years; and

**WHEREAS**, the City Council finds that offering Navistar a Tax Abatement Agreement for its real and personal property improvements is a reasonable incentive to help induce Navistar to invest in property located in the reinvestment zone; and

**WHEREAS**, the City Council also finds that it is in the best interest of the City to approve a Tax Abatement Agreement with Navistar to induce the desired and beneficial economic development in the Navistar Reinvestment Zone; **NOW THEREFORE:**

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

**SECTION 1.** The City Council approves the terms and conditions of a Tax Abatement Agreement with Navistar, Inc. granting a one hundred percent (100%), ten (10) year abatement of ad valorem real and personal property taxes within the Navistar Reinvestment Zone. A copy of the Agreement, in substantially final form, is attached hereto and incorporated herein as **Exhibit “A”**.

**SECTION 2.** The City Manager or a designated representative is authorized to execute the Tax Abatement Agreement as approved in Section 1 of this Ordinance.

RR  
10/31/19  
Item No. \_\_\_\_\_ B

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

PASSED AND APPROVED this \_\_\_ day of October, 2019.

**M A Y O R**  
**Ron Nirenberg**

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Leticia M. Vacek, City Clerk

\_\_\_\_\_  
Andrew Segovia, City Attorney

**DRAFT**

# EXHIBIT A

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