

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. AND NAVISTAR MANUFACTURING SAN ANTONIO, LLC 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 REINVESTMENT WITHIN THE NAVISTAR ZONE.

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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. and Navistar Manufacturing San Antonio, LLC 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”**.

RR
10/31/19
Item No. _____ B

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.

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

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EXHIBIT A

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