

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

ORDINANCE

APPROVING A CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM GRANT AGREEMENT WITH NAVISTAR, INC. AND NAVISTAR MANUFACTURING SAN ANTONIO, LLC (COLLECTIVELY “NAVISTAR”) IN THE AMOUNT OF \$750,000.00 FOR WATER UTILITY INFRASTRUCTURE IMPROVEMENTS; CITY AND SAWS FEE WAIVERS IN A CUMULATIVE AMOUNT OF \$500,000.00 IN ACCORDANCE WITH THE CITY’S FEE WAIVER PROGRAM FOR BUSINESS DEVELOPMENT; AND RECOMMENDING NAVISTAR TO CPS ENERGY FOR THE E16 RIDER PROGRAM.

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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 for the purpose of establishing a production facility within the city limits of the City of San Antonio (the “Project”); and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, City is authorized to grant municipal funds in furtherance of public purposes for economic development projects; and

WHEREAS, in accordance with City of San Antonio City Ordinance No. 100684, City created an economic development program for the purpose of making such grants available; and

WHEREAS, the capital investment and creation of full-time jobs resulting from the Project will promote local economic development and stimulate business and commercial activity in the City of San Antonio; and

WHEREAS, City has identified funds available in the form of an economic development grant for Manufacturer to use in deferring costs associated with water utility infrastructure improvements; and

WHEREAS, the City finds that the goals of Chapter 380 will be met by assisting Navistar in undertaking and completing the Project and has identified economic development funds for use in carrying out this purpose; and

WHEREAS, in accordance with the City's Fee Waiver Policy for business development, the Project is eligible for \$500,000.00 in City and SAWS fee waivers; and

WHEREAS, the Business Activities of Navistar also make the Project eligible to participate in CPS Energy's E16 Rider Program, which provides discounted utility rates for businesses that achieve certain usage criteria; **NOW THEREFORE**:

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

SECTION 1. The City Council hereby approves the terms and conditions of: 1) an Economic Development Program Grant Agreement with Navistar, Inc. and Navistar Manufacturing San Antonio, LLC to provide up to \$750,000.00 for water utility infrastructure improvements; and 2) an E16 Rider Agreement with Navistar, Inc. and Navistar Manufacturing San Antonio, LLC for participation in CPS Energy's E16 Program.

SECTION 2. The City Manager or a designated representative is authorized to execute the agreements as approved in Section 1 above. The final agreements shall be filed with this ordinance upon execution.

SECTION 3. Funding in the amount of \$750,000.00 for this ordinance is available in Fund 29059000, Cost Center 1604010001, and General Ledger 5201040 as part of the Fiscal Year 2020 budget.

SECTION 4. Payment not to exceed the budgeted amount is authorized to Navistar in the form of a Chapter 380 Economic Development Incentive Fund (EDIF) Grant.

SECTION 5. Fee Waivers in accordance with the City's Fee Waiver Policy for Business Development are authorized in the cumulative amount of \$500,000.00 to include \$300,000.00 in City fee waivers and \$200,000.00 in SAWS fee waivers.

SECTION 6. The financial allocations in this Ordinance are subject to approval by the Chief Financial Officer (CFO), City of San Antonio. The CFO may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 7. This Ordinance shall be effective on and after the tenth (10th) day after passage hereof.

PASSED AND APPROVED this ___ day of October, 2019.

**M A Y O R
Ron Nirenberg**

RR
10/31/19
Item No. _____ C

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

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