

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

ORDINANCE

**AUTHORIZING A FIVE YEAR, 50% CHAPTER 380 ECONOMIC
DEVELOPMENT GRANT AGREEMENT WITH ELRINGKLINGER USA,
INC FOR REAL AND PERSONAL PROPERTY IMPROVEMENTS.**

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WHEREAS, ElringKlinger AG, an international automotive supplier founded in 1879, is headquartered in Dettingen an der Erms, Germany; the United States based branch ElringKlinger USA, Inc (“ElringKlinger”), employs 800 people at manufacturing facilities in Buford, Georgia, Fremont, California, Fort Wayne, Indiana, and Southfield, Michigan; and

WHEREAS, ElringKlinger is considering the development of an advanced manufacturing facility whereby ElringKlinger will invest or cause to be invested \$1,940,000.00 in real property improvements and \$14,900,000.00 in personal property improvements for a total of \$16,840,000.00 in capital improvements over a two-year period (the “Project”); and

WHEREAS, the Project will create 52 new, full time jobs over four years, including production worker, engineering, and technician jobs, with an average wage of \$50,163.00; at least 30% of the 52 jobs will make an annual salary of at least \$50,000 exclusive of benefits, bonuses and other non-guaranteed pay; at least 85% of the jobs must exceed the City’s All Industry Wage (\$17.37) and 100% of the jobs must exceed the Living Wage (\$12.74) requirements; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, the City of San Antonio (the “City”) is authorized to establish and provide for the administration of one or more programs, including programs for making grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, in accordance with City Ordinance No. 100684, the City created an Economic Development Program (the “Program”) for the purpose of making grants available for economic development projects that the City finds will accomplish the purpose and goals of Chapter 380; and

WHEREAS, the City finds that the goals of Chapter 380 will be met by assisting ElringKlinger in undertaking and completing the Project and has identified economic development funds for use in carrying out this purpose; **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 a Chapter 380 Economic Development Incentive Fund (EDIF) Grant Agreement with ElringKlinger USA, Inc.

SECTION 2. The City Manager or his designee is authorized to execute an Economic Development Incentive Fund (EDIF) Grant Agreement with ElringKlinger USA, Inc in accordance with this Ordinance. A copy of the Agreement, in substantially final form, is attached to this Ordinance as **Attachment I**. The final agreement shall be filed with this Ordinance upon execution.

SECTION 3. Funding for this agreement is sourced from the incremental City property taxes generated by the project and is subject to future City Council approval of appropriations as part of the annual budget process.

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer 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 5. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this ____ day Of June, 2021.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Tina J. Flores, City Clerk

Andrew Segovia, City Attorney

Attachment I

DRAFT