

AN ORDINANCE

101023

AUTHORIZING THE INTERIM CITY MANAGER TO ENTER INTO FIFTEEN (15) TAX PHASE-IN AGREEMENTS WITH COMPANIES LOCATING TO THE TOYOTA SUPPLIER PARK; SAID AGREEMENTS TO BE FOR A TERM OF 10 YEARS AND ABATING 100% OF AD VALOREM TAXES ON ALL REAL AND PERSONAL PROPERTY IMPROVEMENTS, INVENTORY AND SUPPLIES FOR COMPANIES PAYING NO LESS THAN \$11.03 TO EMPLOYEES AND ABATING 80% OF AD VALOREM TAXES ON ALL REAL AND PERSONAL PROPERTY IMPROVEMENTS, INVENTORY AND SUPPLIES FOR COMPANIES PAYING NO LESS THAN \$9.06 TO EMPLOYEES.

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WHEREAS, Toyota Motor Manufacturing North America (“Toyota”) selected the City of San Antonio as the site for its newest automotive manufacturing plant, has begun construction on the facility in south Bexar County, intends to invest approximately \$800 million in the property, and will create 2,000 jobs for the City and surrounding area; and

WHEREAS, in addition to the manufacturing plant, a tier-one Supplier Park consisting of Toyota suppliers located on the Toyota property to support manufacturing and assure quality, while reducing costs associated with logistic services was proposed; and

WHEREAS, it is estimated that the addition of a Supplier Park would attract approximately \$306,000,000.00 in additional total capital investment in the property and create an additional 2,079 jobs in the City and surrounding area; and

WHEREAS, although the Toyota property has not been fully annexed by the City, state law allows municipalities to enter into tax abatement agreements for areas within its extraterritorial jurisdiction, provided that the property is designated as a Reinvestment Zone; and

WHEREAS, the Toyota property is within the City’s Federal Empowerment Zone, thereby, automatically qualifying it as a Reinvestment Zone; and

WHEREAS, the City intends to propose full purpose annexation of the Toyota property effective January of 2006; and

WHEREAS, the tier-one Supplier Park project would qualify under the Tax Phase-In Guidelines (the “Guidelines) as a Level 3 “exceptional investment” project, since the project collectively exceeds \$50,000,000.00 in total property investment and will create at least 500 permanent, full-time jobs; and

WHEREAS, the property is located south of Highway 90, thereby, qualifying it for a ten (10) year abatement under the Guidelines; and

WHEREAS, fifteen tier-one suppliers have indicated that they would locate at the Toyota Supplier Park; and

WHEREAS, of these fifteen (15) tier-one suppliers, three (3) suppliers intend to pay employees not less than \$11.03 and it is recommended that they receive a one-hundred percent (100%), ten (10) year abatement of ad valorem taxes on real and personal property improvements, inventory and supplies; and

WHEREAS, the remaining twelve (12) tier-one suppliers intend to pay employees not less than \$9.06 and it is recommended that they receive an eighty-percent (80%), ten (10) year abatement of ad valorem taxes on real and personal property improvements, inventory and supplies; and

WHEREAS, the City Council finds that the proposed project supports the City's Strategic Plan for Enhanced Economic Development by encouraging the attraction of new business to the targeted southern sector and promotes the growth of a targeted industry; and

WHEREAS, the City Council also finds that authorizing and approving the proposed tax phase-in agreements is a reasonable incentive to induce tier-one Toyota suppliers to locate in the area; and

WHEREAS, the City Council also finds that it is in the best interest of the City to approve these tax phase-in agreements to induce the desired and beneficial economic development in the area; **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 fifteen (15) tax phase-in agreements with fifteen (15) companies locating to the Toyota Supplier Park, which agreements shall grant either: (1) a one-hundred percent (100%), ten-year abatement of ad valorem taxes on real and personal property improvements, inventory and supplies by companies paying one-hundred percent (100%) of its employees not less than \$11.03; or (2) an eighty-percent (80%), ten-year abatement of ad valorem taxes on real and personal property improvements, inventory and supplies by companies paying one-hundred percent (100%) of its employees not less than \$9.06. The names of each company being granted a tax-phase in by this ordinance are attached hereto as Exhibit A.

SECTION 2. The Interim City Manager or a designated representative is authorized, for a period of 60 days, to execute 15 tax phase-in agreements as approved in Section 1. The final agreements shall be filed with this ordinance upon execution. Such agreements

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shall be substantially in the forms of Exhibit B and C attached hereto and made a part of this ordinance.

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

PASSED AND APPROVED this 16th day of JUNE 2005.



M A Y O R

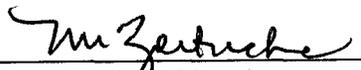
EDWARD D. GARZA

ATTEST:



Leticia M. Vaca
City Clerk

APPROVED AS TO FORM:



for Acting City Attorney

Agenda Voting Results

Name: 30A.

Date: 06/16/05

Time: 02:50:07 PM

Vote Type: Multiple selection

Description: An Ordinance authorizing the Interim City Manager to execute separate Tax Phase-In Agreements with fifteen (15) Toyota supplier companies locating at the Toyota on-site "Supplier Park Project" to abate ad valorem taxes for ten (10) years on all real and personal property improvements, inventory and supplies for each company.

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1		x		
SHEILA D. McNEIL	DISTRICT 2		x		
ROLAND GUTIERREZ	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
ENRIQUE M. BARRERA	DISTRICT 6	Not present			
JULIAN CASTRO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8	Not present			
KEVIN WOLFF	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR ED GARZA	MAYOR		x		