



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		08/22/16		
Department:		Finance		
Department Head		Denise Tacke		
Agenda Coordinator (include phone #): Megan Hostick x 7479				
CAPTION				
<p>A Resolution of the City of Plano, Texas, nominating J. C. Penney Corporation, Inc. to the Office of the Governor Economic Development and Tourism ("OOGEDT") through the Economic Development Bank ("Bank") for designation as a qualified business and an enterprise project ("Project") under the Texas Enterprise Zone Program under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code ("Act"); and providing an effective date.</p>				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	2015-16	Prior Year (CIP Only)	Current Year	Future Years
		TOTALS		
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
BALANCE	0	0	0	0
FUND(S): NA				
<p>COMMENTS: This item has no fiscal impact. STRATEGIC PLAN GOAL: Nominating JC Penney to the Office of the Governor Economic Development and Tourism as a qualified business and enterprise project relates to the City's goals of Partnering for Community Benefit and Financially Strong City with Service Excellence.</p>				
SUMMARY OF ITEM				
Request for Enterprise Project Nomination for job retention benefits.				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Letter of Request				
Resolution				



6501 Legacy Drive
Plano, TX 75024
jcp.com

August 8, 2016

Mr. Bruce Glasscock
City Manager
City of Plano
Post Office Box 860358
Plano, Texas 75086

Dear Mr. Glasscock:

J. C. Penney Company, Inc. is a holding company whose principal operating subsidiary is J. C. Penney Corporation, Inc. (collectively referred to as "JCPenney"). J. C. Penney Corporation, Inc. was incorporated in Delaware in 1924, and J. C. Penney Company, Inc. was incorporated in Delaware in 2002, when the holding company structure was implemented. J. C. Penney Company, Inc. is a publicly-traded corporation on the New York Stock Exchange under the symbol "JCP" and, as the holding company, has no independent assets or operations, and no direct subsidiaries other than J. C. Penney Corporation, Inc.

Since its founding by James Cash Penney in 1902, JCPenney has grown to be a major retailer, operating 1,094 department stores in 49 states and Puerto Rico with 2015 annual revenue of \$12.6 billion. JCPenney sells apparel, footwear, accessories, jewelry, beauty products, and home furnishings. In addition, JCPenney department stores provide customers with services such as salon, optical, portrait photography, and custom decorating. Today, JCPenney has approximately 109,015 employees worldwide. JCPenney has 111 locations in Texas where they employ approximately 13,292 people, including the 2,538 employees located at their world headquarters at 6501 Legacy Drive, Plano, Texas 75024.

Between April 26, 2016 and September 1, 2021, JCPenney anticipates spending over \$25 million in capital investments to renovate and update its Plano headquarters above and beyond the capital investment projects associated with its current Enterprise Project designation (EP998-090115-P). These planned investments include, but may not be limited to, the following: renovating the entire space that JCPenney occupies with updated ceiling grid and tile, adding glass office fronts, replacing drywall and painting to improve functionality and aesthetics of the working environment, modernizing the interior and exterior signage and branding, buying new workstations for added comfort and employee mobility, moving offices from the perimeter of the building toward the inner core to foster team building, updating wall renovations, purchasing new office furniture, and adding plumbing upgrades. In addition, JC Penney will be improving its technology systems with added data and voice wiring, incorporating soundmasking elements in strategic areas and adding an upgraded audio/visual system. Building and employees security will also be improved throughout the campus. All of these investments will be made to the physical area that JCPenney continues to occupy at 6501 Legacy Drive. These improvements and upgrades are crucial to the competitiveness and necessary to JCPenney's future growth in the City of Plano as well as nationally.

Mr. Bruce Glasscock
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August 8, 2016

JCPenney's headquarters are located outside of an enterprise zone in Census Tract 316.56, Block Group 2, in Collin County, with a 0.00% poverty level. JCPenney commits to hiring thirty-five percent (35%) economically disadvantaged persons, enterprise zone residents, or honorably discharged veterans for its new permanent jobs at the qualified business site submitted for certification under its Enterprise Project designation, if so awarded.

JCPenney expects to retain the 2,538 permanent jobs at its Plano headquarters and submit 500 of those jobs for certification under its Enterprise Project designation, if so awarded. These jobs meet the definition of a "retained job" in the Texas Government Code §2303.401(2) because they currently exist, provide and will continue to provide at least 1,820 hours of employment annually, and will be employment positions for the longer of the duration of the project's designation period or three years after the expiration date of the claim period for receipt of state benefit. JCPenney qualifies under Texas Government Code §2303.404 to receive an Enterprise Project designation for the activity described above because it (1) involves an expansion, renovation, or new construction; (2) it will be completed within the predetermined period of time not to exceed 5 years; and (3) JCPenney utilizes an accounting system that allows for tracking of payroll, income and expenses related to its Plano headquarters facility.

As a result of the significant planned capital investment projects and commitment to retain permanent jobs at its Plano headquarters, JCPenney has respectfully requested a nomination from the City of Plano to the Office of the Governor, Economic Development & Tourism as a Texas Enterprise Project to seek job retention benefits.

JCPenney continues the legacy of founder James Cash Penney of giving back with a strong commitment to support the communities where it operates. Main national and local philanthropic efforts include providing grants and sponsorships, disaster relief, in-kind donations, and community engagement through associate giving and volunteerism. JCPenney associates strive to make their community a better place to live and to work through volunteer efforts and financial support for a variety of organizations, benefiting a wide array of people throughout their community.

JCPenney is proud to be an integral part of the Plano community and will continue to be an active participant, contributor, and corporate citizen. JCPenney looks forward to working with the Texas Enterprise Zone Program and the City of Plano in the coming years.

Sincerely,



Christopher J. Strawbridge
Director – State & Federal Audits, Sales, Use & Property Tax
J. C. Penney Corporation, Inc.

A Resolution of the City of Plano, Texas, nominating J. C. Penney Corporation, Inc. to the Office of the Governor Economic Development and Tourism ("OOGEDT") through the Economic Development Bank ("Bank") for designation as a qualified business and an enterprise project ("Project") under the Texas Enterprise Zone Program under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code ("Act"); and providing an effective date.

WHEREAS, the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code, as amended, ("Act") authorizes the designation of enterprise projects within an enterprise zone (or, if the requirements of Section 2303.402 (a) (2) of the Act are met, within an area that does not qualify as an enterprise zone); and

WHEREAS, the City of Plano, Texas ("City") desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the City and to provide employment to residents of enterprise zones and to other economically disadvantaged individuals; and

WHEREAS, on June 22, 2015 the Plano, Texas City Council approved Ordinance 2015-6-11, electing to continue participating in the Texas Enterprise Zone Program and providing for local incentives available in each area within an enterprise zone and in each area not in an enterprise zone, which local incentives are the same today as they were provided in Ordinance 2015-6-11; and

WHEREAS, the Office of the Governor Economic Development and Tourism ("OOGEDT") through the Economic Development Bank ("Bank") will consider J. C. Penney Corporation, Inc. as an enterprise project pursuant to a nomination and an application made by the City; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, J. C. Penney Corporation, Inc. has applied to the City for designation as an enterprise project; and

WHEREAS, the City finds that J. C. Penney Corporation, Inc. has represented to the City that it meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

1. J. C. Penney Corporation is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction located outside of an enterprise zone and at least thirty-five percent (35%) of the business' new employees will be residents of an enterprise zone, economically disadvantaged individuals or veterans; and
2. There has been and will continue to be a high level of cooperation between public, private and neighborhood entities within the area; and
3. The designation of J. C. Penney Corporation, Inc. as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area; and

WHEREAS, the City finds that J. C. Penney Corporation, Inc. meets the criteria for tax relief and other incentives adopted by the City and nominates J. C. Penney Corporation, Inc. for enterprise project status on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

WHEREAS, the City finds that it is in the best interest of the City to nominate J. C. Penney Corporation, Inc. as an enterprise project pursuant to the Act.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The City Council finds that J. C. Penney Corporation, Inc. is a "qualified business", as defined in Section 2303.402 of the Act, and meets the criteria for designation as an enterprise project, as set forth in Section 2303, Subchapter F of the Act.

Section II. That the findings of the City and its actions approving this resolution taken at the City Council meeting are hereby approved and adopted.

Section III. That the enterprise project shall take effect on the date of the designation of the enterprise project by OOGEDT and terminate five years from the date of designation.

Section IV. The City Manager, or his authorized designee, is hereby authorized to execute any documents in connection with the nomination on behalf of the City of Plano referenced above.

Section V. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this the 22nd day of August, 2016.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY