



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:		7/27/15		
Department:		Finance		
Department Head		Denise Tacke		
Agenda Coordinator (include phone #): Toshia Kimball 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:	2014-15	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): N/A				
<p>COMMENTS: This item has no fiscal impact.</p> <p>STRATEGIC PLAN GOAL: A request for Enterprise Project Nomination for job retention benefits relates to the City's goals of Financially Strong City with Service Excellence, Strong Local Economy and Partnering for Community Benefit.</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

June 10, 2015

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

Mr. Bryan Daniel
Director
Office of the Governor
Economic Development & Tourism
Post Office Box 12428
Austin, Texas 78711

Re: Project Description Letter for J. C. Penney Corporation, Inc.
City of Plano, Texas Enterprise Project Application – Tab 11

Dear Mr. Glasscock and Mr. Daniel:

With 2014 annual revenue of \$11.9 billion, J. C. Penney Corporation, Inc. (“J. C. Penney”) has grown to be a major retailer operating 1,094 department stores in 49 states and Puerto Rico. Incorporated in Delaware in 2002, J.C. Penney is a principal operating subsidiary of J. C. Penney Company, Inc., incorporated in Delaware in 1924 that is publically traded on the New York Stock Exchange as “JCP”. J. C. Penney’s business consists of selling merchandise and services to consumers through its department stores and Internet website. J. C. Penney sells apparel and footwear, accessories, jewelry, beauty products and home furnishings. In addition, J. C. Penney stores provide customers with services such as styling salon, optical, portrait photography and custom decorating. Founded in 1902, J. C. Penney now employs approximately 109,015 people worldwide and has made a commitment to selling merchandise and services to consumers in the communities it serves.

J. C. Penney currently has 111 locations in Texas employing 10,848 people statewide in addition to the Plano headquarters, located at 6501 Legacy Drive, Plano, Texas 75024 where they currently employ approximately 2,420 employees. Presently, J. C. Penney is serving customers in international markets and does not require any additional transportation needs.

Over the next five years, J. C. Penney anticipates spending over \$8.4 million in capital investment to update and make improvements to the Plano headquarters. These planned investments include, but may not be limited to, the following: lighting upgrades for all existing lighting, carpet replacement throughout the facility, roofing upgrades to the main building and parking garage, central plant chillers and cooling tower replacements, rebuilding all freight elevators and updating restrooms. J. C. Penney is committed to building on its legacy of responsible corporate citizenship by improving the social, environmental and ethical standards across their operations and together these

renovations and upgrades will enhance energy efficiencies, improve services, reduce elevator downtime, and enhance J. C. Penney's processes.

J. C. Penney currently has 2,420 people at its headquarters located in Plano, Texas and commits to retain the existing level of employment. 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. Given the proposed investment, no layoffs or reductions are anticipated at this time. J. C. Penney qualifies under Texas Government Code §2303.404 to receive an enterprise project designation because (1) it involved an expansion, renovation, or new construction; (2) it will be completed within the predetermined period of time not to exceed 5 years; and (3) J. C. Penney utilizes an accounting system that allows for tracking of income and expenses related to their headquarters facility.

J. C. Penney continues the legacy of founder James Cash Penney of giving back with a strong commitment to support the communities where J. C. Penney operates. Main national and local philanthropic efforts include giving, grants and sponsorships, disaster relief, in-kind donations and community engagement through associate giving and volunteerism. J. C. Penney 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 the community.

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

Sincerely,

A handwritten signature in black ink, appearing to read "David Bullington", with a long horizontal flourish extending to the right.

David Bullington
Vice President – Tax Services
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 Texas Enterprise Zone Act, Texas Government Code ("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, Inc. 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 inside of an enterprise zone and at least twenty-five percent (25%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals; 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 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 III. That the findings of the City and its actions approving this resolution taken at the City Council meeting are hereby approved and adopted.

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 27th day of July, 2015.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY