



**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:		5/24/10		
Department:		Finance		
Department Head		Denise Tacke		
Agenda Coordinator (include phone #): Katherine Crumbley - 7479				
CAPTION				
A Resolution of the City Council of the City of Plano, Texas, nominating Rent-A-Center Texas, L.P. to the Office of the Governor, Economic Development and Tourism through the Economic Development Bank for designation as an Enterprise Project under the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Texas Government Code, Chapter 2303; and providing an effective date.				
FINANCIAL SUMMARY				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	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):				
COMMENTS: This item has no fiscal impact.				
SUMMARY OF ITEM				
Request for Enterprise Project Nomination for job retention benefits.				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Resolution				
Letter of request				



May 11, 2010

Mr. Phil Dyer
Mayor
City of Plano
1520 Avenue K
P. O. Box 860358
Plano, Texas 75086-0358

Re: Request for Enterprise Project Nomination for Job Retention Benefits
Rent-A-Center, Inc. – Plano, Texas Headquarters

Dear Mayor Dyer:

We are pleased to present the relevant information required by Chapter 2303 of the Government Code for your consideration and nomination of Rent-A-Center, Inc.'s ("Rent-A-Center") facility located in the City of Plano as an Enterprise Project for job retention benefits.

Rent-A-Center was founded in 1986 with headquarters in Plano, Texas, offers name-brand furniture, electronics, appliances and computers through flexible rental purchase agreements that generally allow the customer to obtain ownership of the merchandise at the conclusion of an agreed upon rental period. The company has approximately 19,000 employees at more than 3,000 stores in all 50 U.S. states. The headquarters house all administrative personnel for the company. In 2007, Rent-A-Center built its brand-new corporate headquarters facility located at 5501 Headquarters Drive in Plano, Texas where they currently employ approximately **620 people** with an average annual salary of **over \$70,000**. As the central location for the entire company's administrative functions, the headquarters facility continues to grow as Rent-A-Center expands into new markets.

Recently, Rent-A-Center began a project aimed at reengineering many business processes to improve store operations and overall communication with the headquarters. This project is called "MAPS" or Modernization of Applications, Processes and Systems. The MAPS project involves over **\$20 million** in capital investment in its management and information systems over the next five years to modernize several processes including customer relationship management, data management, invoice matching, and reporting. Additionally, one of the main goals of the MAPS project is to improve communication between the individual stores and the head office, and to centralize the support functions company-wide to the Plano headquarters. As a result of this investment, Rent-A-Center expects to be able to retain the 620 jobs currently at the Plano headquarters with the potential to add new jobs as the new systems become operational.

The level of capital investment described above presents Rent-A-Center with the unique opportunity to seek an Enterprise Project designation from the State of Texas for the retention of its full-time jobs in Plano. Rent-A-Center expects to maintain its existing level of employment, and retain 500 full-time jobs for benefit under the Enterprise Zone Program. These jobs meet the definition of a “retained job” in 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 this proposed investment, no layoffs or reductions in employment are contemplated at this time.

In order to pursue an Enterprise Project designation from the state for job retention benefits, Rent-A-Center respectfully requests to be nominated by the City of Plano as a Texas Enterprise Project for the June 1, 2010 Application round. The benefit of the Enterprise Project designation to Rent-A-Center would be a refund of the *state portion* (6.25%) of sales and use taxes paid over the course of the five-year designation period. Since the refunds are for the state sales and use tax portion only, there is zero effect on the local sales and use taxes collected by the City of Plano.

Section 2303.406(a)(4)(D) of the Texas Government Code allows a project or activity of a qualified business to be designated an Enterprise Project and receive job retention benefits if the business has clearly demonstrated that “the business is able to employ individuals in accordance with Section 2303.402.” Section 2303.402 of the Texas Government Code states that an Enterprise Project located outside of an Enterprise Zone must hire 35% economically disadvantaged persons or enterprise zone residents, for its new or replacement personnel, over the course of its designation period. Rent-A-Center qualifies for job retention benefits under this statutory provision because Rent-A-Center is an Equal Opportunity Employer, and Rent-A-Center will use a proprietary, voluntary questionnaire to actively track its new-hires to determine their “economically disadvantaged” hiring patterns. Additionally, Rent-A-Center will geo-code its new-hires to identify employees that reside in state Enterprise Zones. The data collected from the questionnaires and geo-coding will be used to establish a best-practices model for hiring employees in accordance with Section 2303.402.

The Plano facility is qualified under Government Code § 2303.404 to receive the enterprise project designation, because (1) it involves “an expansion, renovation, or new construction”; (2) it will be completed within a predetermined period of time not to exceed 5 years; and (3) the company utilizes a cost center based accounting system that allows for tracking of income and expenses related to its Plano operations.

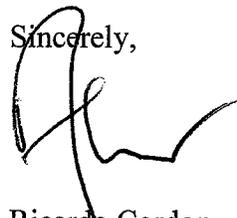
Rent-A-Center supports the Plano community through various contributions and fund raising support for local activities such as the Collin County Children’s Advocacy Center, Children’s Miracle Network, City House, North Texas Food Bank and Plano Community Theatre. Rent-A-Center is also a sponsor of community foundations such as Habitat for Humanity for South

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Collin County and The Jim Utley Foundation, Inc. Rent-A-Center is proud to be a part of the Plano community and will continue to be an active participant, contributor, and corporate citizen.

Rent-A-Center is excited about its Plano headquarters and its planned improvements, and 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 'Ricardo Cordon', written over the word 'Sincerely,'.

Ricardo Cordon
Vice President – Tax
Rent-A-Center, Inc.

cc: Ms. Elaine Hamm, Plano Economic Development Board
Mr. Gerard Quinlan, Ryan, Inc.

A Resolution of the City Council of the City of Plano, Texas, nominating Rent-A-Center Texas, L.P. to the Office of the Governor, Economic Development and Tourism through the Economic Development Bank for designation as an Enterprise Project under the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Texas Government Code, Chapter 2303; and providing an effective date.

WHEREAS, on October 27, 2008, the City of Plano (the "City") previously passed Ordinance No. 2008-10-22 electing to participate in the Texas Enterprise Zone Program, and the local incentives available under this resolution are the same on this date as were outlined in Ordinance No. 2008-10-22;

WHEREAS, the Office of the Governor Economic Development and Tourism (OOGEDT) through the Economic Development Bank (Bank) will consider Rent-A-Center Texas, L.P. as an enterprise project pursuant to a nomination made by the City;

WHEREAS, the 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;

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code (the "Act"), Rent-A-Center Texas, L.P. has applied to the City for designation as an enterprise project;

WHEREAS, the City finds that Rent-A-Center Texas, L.P. meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- (a) Rent-A-Center Texas, L.P. 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 (35.0%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals; and
- (b) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities within the area; and
- (c) The designation of Rent-A-Center Texas, L.P. as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

WHEREAS, the City finds that Rent-A-Center Texas, L.P. meets the criteria for tax relief and other incentives adopted by the City and nominates Rent-A-Center Texas, L.P. 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 Rent-A-Center Texas, L.P. as an enterprise project pursuant to the Act;

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

SECTION I. That the findings of the City and its actions approving this resolution taken at the council meeting are hereby approved and adopted.

SECTION II. The City finds that Rent-A-Center Texas, L.P. 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 III. The City nominates Rent-A-Center Texas, L.P. to the State of Texas for Enterprise Project status.

SECTION IV. The enterprise project shall take effect on June 1, 2010 and terminate on June 1, 2015.

DULY PASSED AND APPROVED this 24th day of May, 2010.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY