

AN ORDINANCE **95773**

APPROVING AND AUTHORIZING EXECUTION OF A TAX PHASE-IN AGREEMENT TO EXEMPT AD VALOREM TAXATION IN PERSONAL PROPERTY FOR CHASE BANK CARD SERVICES, INC. AND APPROVING A ONE HUNDRED PERCENT (100%) TAX PHASE-IN OF PERSONAL PROPERTY FOR A TEN (10) YEAR TERM.

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WHEREAS, J.P. Morgan Chase & Co. is a global financial services and banking firm with 90,000 employees and operations in over 60 countries including a subsidiary company based in New York, known as Chase Bankcard Services, Inc. (“Chase”); and

WHEREAS, in July 2000, City Council approved two tax phase-in agreements with Chase on a two-phase project exempting one hundred percent (100%) of the ad valorem taxes for ten years based on real and personal property investments; and

WHEREAS, in Phase I, Chase established credit card services operations at an existing facility on Tesoro Drive with an investment of \$1 million in new personal property; and

WHEREAS, in Phase II, Chase expanded its operations with the construction of a \$25 million facility in Westover Hills, made a \$21 million personal property investment, employed 922 personnel for the new facility, exceeding their original job commitment of 650 jobs; and

WHEREAS, on March 21, 2002, City Council approved a Chase Phase III expansion in San Antonio’s Westover Hills Facility in Chase Reinvestment Zone B; and

WHEREAS, Chase officials have requested a ten-year, 100% tax phase-in for personal property improvements for a proposed Phase IV interim facility to be located in Chase Reinvestment Zone C, effective January 1, 2003 following the relocation of a portion of its business activities to 7050 Fairgrounds Parkway, for the purpose of accelerating the hiring of employees in accordance with a separate tax phase-in agreement which was approved by City Council in March 2002; and

WHEREAS, it is proposed that Chase would immediately invest approximately \$6 million in personal property improvements and immediately hire 350 employees to work in the Chase Phase IV interim facility thereby accelerating the process of implementing the terms of the separate tax phase-in agreement; and

WHEREAS, the Chase credit card services operations to be housed in the proposed Phase IV interim facility qualify as authorized “Information and Business Services” under the City’s Tax Phase-In Guidelines, meet the requirements of the Guidelines by investing approximately \$6 million in personal property, by creating 350 jobs and by paying wages that meet the applicable wage guidelines; and

WHEREAS, Chase also offers its employees an excellent benefits package including basic medical, dental, vision and life insurance, as well as tuition reimbursement, retirement plans, performance-based bonuses, adoption assistance, on-site childcare facilities, flexible work schedules and a scholarship program for children of employees; and

WHEREAS, the City Council finds that the proposed Chase Phase IV project furthers the objectives of the Economic Development Department and the City of San Antonio in promoting the development of local business interests and job creation; and

WHEREAS, the City Council also finds that authorizing and approving the proposed Tax Phase-In Agreement with Chase for its personal property improvements is a reasonable incentive to help induce Chase to stay in San Antonio as the location for its expansion; and

WHEREAS, the City Council also finds that it is in the best interest of the City to exempt from taxation one hundred percent (100%) of the estimated \$6 million in personal property improvements to be made by Chase in the Chase Reinvestment Zone C, for ten years, commencing on the January 1, 2003 following substantial completion of the location of a portion of its business activities in the Chase Phase IV facility; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

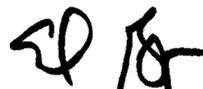
SECTION 1. The City Council hereby authorizes a Tax Phase-In Agreement with Chase, which Agreement shall grant a one hundred percent (100%), ten (10) year abatement of ad valorem taxes on personal property improvements made by Chase in an estimated amount of \$6 million in the Chase Reinvestment Zone C. A copy of the Agreement, in substantially final form, is attached hereto and incorporated herein as Exhibit "A".

SECTION 2. The City Manager or a designated representative is authorized, for a forty-five (45) day period from the effective date of this ordinance, to execute an Agreement as approved in Section 1. The final Agreement shall be filed with this ordinance upon execution.

SECTION 3. City Council hereby authorizes amending the Chase III Tax Phase-In Agreement approved by City Council on March 21, 2002 to reflect the accelerated personal property investment of approximately \$6,000,000.00 and accelerated hiring of three hundred fifty (350) employees that will be accomplished under this Agreement.

SECTION 4. This ordinance shall be effective on and after the tenth day after passage hereof.

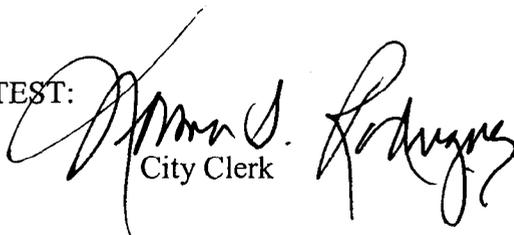
PASSED AND APPROVED this 16th day of May, 2002.



M A Y O R

EDWARD D. GARZA

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney