

AN ORDINANCE 100871

AUTHORIZING THE NEGOTIATION OF TERMS AND CONDITIONS OF AN INCENTIVE FUND GRANT AGREEMENT WITH WASHINGTON MUTUAL BANK PROVIDING UP TO \$3,000,000.00 FROM THE ECONOMIC DEVELOPMENT INCENTIVE FUND FOR CUSTOMIZED JOB TRAINING; APPROVING EXCEPTIONS; AUTHORIZING EXECUTION OF SAID AGREEMENT PROVIDED THAT WASHINGTON MUTUAL BANK LOCATE ITS REGIONAL OPERATIONS CENTER IN THE WASHINGTON MUTUAL REINVESTMENT ZONE; APPROPRIATING FUNDS; AND PROVIDING FOR PAYMENT.

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WHEREAS, Washington Mutual Bank (hereinafter referred to as “Washington Mutual”) a federal banking association, is the nation’s sixth (6th) largest financial services holding company and the third (3rd) largest mortgage lender, operates more than 2,300 officers and employs more than 55,000 people nationwide; and

WHEREAS, Washington Mutual is seeking to locate a Regional Operations Center (the “Center”) in San Antonio and has identified a facility located on a 75 acre tract of land at 20855 Stone Oak Parkway, in San Antonio, Texas, the former site of WorldCom, more particularly described in Exhibit “A” attached hereto and incorporated herein; and

WHEREAS, Washington Mutual is prepared to make an initial investment of \$7.2 million in personal property improvements to the existing facilities and to construct an additional structure in order to house at least 3,000 newly hired employees; and

WHEREAS, Washington Mutual is seeking a grant from the Economic Development Incentive Fund (the “EDIF”) in the amount of \$3,000,000.00 to achieve every available cost-minimizing opportunity to aid the Center in becoming a viable business unit; and

WHEREAS, the EDIF Guidelines (the “Guidelines”) require a planned investment of at least \$50,000,000.00, wages at least one and one-half times the City’s wage standard, a targeted area for development and a location not on the Edwards Aquifer Recharge Zone; and

WHEREAS, Washington Mutual is requesting that City Council approve exceptions to these Guidelines that would allow Washington Mutual to invest \$7.2 million, pay its employees a starting wage of \$9.03, and locate its Center over the Edwards Aquifer Recharge Zone; and

WHEREAS, the City’s funding would help defray the costs of training the local workforce for high-paying jobs with Washington Mutual and shall be paid to Washington Mutual on a reimbursement basis at a rate of \$1,000.00 per job created, up to 3,000 jobs, through December 31, 2012, as more particularly described in Attachment I; and

WHEREAS, granting these funds is in compliance with Chapter 380 of the Texas Local Government Code; and

WHEREAS, the project supports the City's *Strategic Plan for Enhanced Economic Development* by encouraging the attraction of new businesses to the community and creating high-paying jobs for the community; and

WHEREAS, the City Council also finds that it is in the best interest of the City of San Antonio to approve an Incentive Fund Grant Agreement with Washington Mutual in the amount of \$3,000,000.00 to induce the desired and beneficial economic development in the area and to approve exceptions to the Guidelines; **NOW THEREFORE:**

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

SECTION 1. The City Council hereby approves exceptions to the EDIF Guidelines for an Incentive Fund Grant Agreement with Washington Mutual providing for an investment of \$7.2 million and a starting wage for employees of \$9.03.

SECTION 2. The City Council hereby approves the terms and conditions of an Incentive Fund Grant Agreement with Washington Mutual Bank to provide up to \$3,000,000.00 from the Economic Development Incentive Fund for customized job training as described in the copy of the Agreement attached hereto and incorporated herein as Attachment I, provided that Washington Mutual Bank locates its Regional Operations Center in the Washington Mutual Reinvestment Zone.

SECTION 3. The Interim City Manager or a designated representative is authorized to execute an Agreement as approved in Section 2 provided that Washington Mutual Bank locates its Regional Operations Center in the Washington Mutual Reinvestment Zone. The final Agreement shall be filed with this ordinance upon execution.

SECTION 4. Funds in the amount of \$3,000,000.00 are authorized to be appropriated and encumbered in Fund 2905900, entitled "Economic Development Initiatives", General Ledger 5201040, entitled "Fees to Professional Contractors" Cost Center 1604010001 and made payable to Washington Mutual Bank.

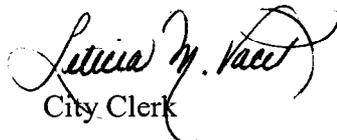
SECTION 5. This ordinance shall be effective on and after the tenth (10th) day after passage hereof.

PASSED AND APPROVED this 12th day of May, 2005.



M A Y O R
EDWARD D. GARZA

ATTEST:


City Clerk

APPROVED AS TO FORM:


for City Attorney