



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 2/2/2021

District I

Item Creation Date:

MYR - TEZ JPMorgan Chase

Agenda Item#: 3.

Background:

The Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and capital investment. A State Enterprise Zone is any census tract block group that has a 20% or higher poverty rate, as determined by the U.S. Census Bureau during each decennial census.

State law requires a municipality or county to nominate a project of a qualified business for designation as an Enterprise Project to participate in the Enterprise Zone Program. Legislation limits allocations to the state and local communities per biennium; the City is limited to a maximum of 9 project designations. Chapter 2303 of the Texas Government Code grants municipalities the authority to nominate projects located within their extraterritorial jurisdiction (ETJ).

Enterprise Projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of a refund is based on the capital investment and jobs created or retained at the qualified business site. Depending on the investment amount, there is a refund to the company of \$2,500 and up to \$7,500 per job.

City Council adopted an ordinance authorizing the City to nominate projects for this state-funded incentive. This project was presented to the Economic Development committee on January 25, 2021. The City is nominating JPMorgan Chase Bank, National Association as its fifth TEZ project in the FY20 – FY21 biennium with a planned capital investment of \$50 million, retention of 490 jobs, and creation of 10 jobs. The amount of the investment for this project will produce a maximum reimbursement of \$2,500 for up to 500 jobs or \$1,250,000 over a five-year term, at an annual rate not to exceed \$250,000. The project site is not located within a Texas Enterprise Zone and therefore 35% of new jobs must be filled by residents of an enterprise zone or individuals who are economically disadvantaged.

JPMorgan is an American multinational investment bank and financial services holding company headquartered in New York City. JPMorgan Chase is ranked by S&P Global as the largest bank in the United States and the seventh largest bank in the world by total assets, with total assets of US\$3.213 trillion. JPMorgan Chase Bank plans to incur significant investment at the project site over the designation period in renovations, technology upgrades and other office working capital. JPMCB currently employs approximately 1,800 employees in Houston.

DocuSigned by:

A handwritten signature in black ink, appearing to read "A. Folcken", is written over a horizontal line.

Andrew Folcken, Chief Development Officer

Prior Council Action:

Ordinance 2015 – 0515, June 3, 2015

Amount of Funding:

No City funding required

DS

Contact Information:

Gwendolyn F. Tillotson

Phone: (832) 393-0937