

City of Houston, Texas, Ordinance No. 2011- 219

AN ORDINANCE APPROVING AND AUTHORIZING AN AMENDMENT TO THE TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF HOUSTON, TEXAS AND CHEVRON U.S.A. INC. FOR CERTAIN PROPERTY LOCATED WITHIN THE HOUSTON, TEXAS, ENHANCED ENTERPRISE COMMUNITY APPROVED BY CITY COUNCIL BY ORDINANCE NO. 2004-181; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

\* \* \* \*

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON:

**Section 1.** That the City Council hereby approves and authorizes the contract, agreement, or other undertaking described in the title of this ordinance, in substantially the form as shown in the document which is attached hereto and incorporated herein by this reference. The Mayor is hereby authorized to execute such document and all related documents on behalf of the City of Houston. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

**Section 2.** That the City Council hereby finds that the terms of the Amendment authorized by this ordinance meet the guidelines and criteria of Chapter 44 of the Code of Ordinances, Houston, Texas, and that this Amendment to the previously adopted contract, agreement, or other undertaking described in the title of this ordinance will result in no substantial potential adverse effect on the provision of City services or the tax base nor constitute a hazard to public safety, health, or morals.

**Section 3.** That the Mayor is hereby authorized to take all actions necessary to effectuate the City's intent and objectives in approving the contract, agreement, or other

undertaking described in the title of this ordinance, in the event of changed circumstances.

**Section 4.** That the City Attorney is hereby authorized to take all action necessary to enforce all legal obligations under the contract, agreement, or other undertaking described in the title of this ordinance, without further authorization from the City Council.

**Section 5.** That the City Council officially finds, determines, recites, and declares that a sufficient written notice of the date, hour, place, and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the period of time required by law preceding this meeting, and has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered, and formally acted upon. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.


**Section 6.** That there exists a public emergency requiring that this ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.



PASSED AND ADOPTED this 23rd day of March, 2011.

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is MAR 29 2011.

  
\_\_\_\_\_  
City Secretary

(Prepared by Legal Department \_\_\_\_\_  )  
(DRC:drc March 18, 2011 Assistant City Attorney  
(Requested by Andy Icken, Chief Development Officer, Economic Development Department)  
(L.D. File No.0610400038002)

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CAPTION PUBLISHED IN DAILY COURIER  
REVIEW  
DATE: MAR 29 2011

AYE	NO	
✓		MAYOR PARKER
• • • •	• • • •	COUNCIL MEMBERS
✓		STARDIG
✓		JOHNSON
	ABSENT	CLUTTERBUCK
✓		ADAMS
	ABSENT	SULLIVAN
✓		HOANG
✓		PENNINGTON
✓		GONZALEZ
✓		RODRIGUEZ
✓		COSTELLO
✓		LOVELL
✓		NORIEGA
✓		BRADFORD
✓		JONES
CAPTION	ADOPTED	

**FIRST AMENDMENT TO  
TAX ABATEMENT AGREEMENT**

This **FIRST AMENDMENT TO TAX ABATEMENT AGREEMENT** ("First Amendment") is made between the **CITY OF HOUSTON, TEXAS**, a municipal corporation and home rule city ("City") and **CHEVRON U.S.A. INC.**, a Pennsylvania corporation ("Company") qualified to do business in the State of Texas and owner of interests in taxable real property located within an enterprise zone authorized by Texas Government Code Chapter 2303 and approved by City of Houston, Texas, Ordinance No. 95-1370 ("Zone"). The term "Director," as used in this First Amendment, refers to the Director of the City's Finance Department, or his or her designee.

**WITNESSETH:**

**WHEREAS**, the City and Company previously entered into a Tax Abatement Agreement ("Agreement") approved on March 10, 2004 by City of Houston, Texas, Ordinance No. 2004-181; and

**WHEREAS**, Company committed in the Agreement to employ 3,700 employees and contract workers at the Project facility located at 1500 Louisiana, Houston, Harris County, Texas, which Company proposed to use, and does use, as an office building; and

**WHEREAS**, since 2004, Company has fulfilled its investment requirements, completed construction of the Improvements, and surpassed its employment commitment by nearly 1,500 employees, exceeding the space available at the Project location, and requiring Company to locate its additional employees and jobs in buildings adjacent to and nearby the Project; and

**WHEREAS**, although not a requirement under the Agreement, Company built or retrofitted the Improvements in accordance with LEED (Leadership in Energy and Environmental

Design) standards, and was awarded LEED certification by the U.S. Green Building Council; and

**WHEREAS**, notwithstanding Company's increased number of employees, the physical space constraints at the Project facility have caused Company to fall out of compliance with the requirement in the Agreement specifying that Company maintain 3,700 jobs at the Project location; and

**WHEREAS**, the City and Company desire to amend provisions in the Agreement relating to the number of jobs that Company is required to maintain at the Project location; and

**WHEREAS**, Section 5(i) of the Agreement provides that the City and Company may mutually agree to amend the Agreement at any time, subject to approval by City Council;

**WHEREAS**, the Director has reviewed information in support of an amendment to the Agreement and has concluded that an amendment is justified and will provide an overall economic benefit to the City; and

**NOW, THEREFORE**, for and in consideration of the mutual promises stated herein, Company's attainment of LEED certification for the Project, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Company agree as follows:

#### **ARTICLE I.**

Section 1 of the Agreement is amended to read as follows:

"Department" means the City's Finance Department, or its successor.

#### **ARTICLE II.**

Section 4(d) of the Agreement is amended to read as follows:

The Company represents and warrants that it will (i) retain at least two thousand one hundred seventy-eight (2,178) Permanent Employees and at least one

hundred one (101) Contract Employees or Permanent Employees in the City to work at the Project beginning not later than January 1, 2011 and continuing through the term of this Agreement, excluding any jobs/positions transferred from its existing Houston-area facilities.

### **ARTICLE III.**

The City, in consideration of the mutual promises stated herein, Company's attainment of LEED certification for the Project, and other good and valuable consideration, hereby releases and discharges Company from any and all claims, demands and causes of action, including, but not limited to, the recapture of tax liabilities that may be owing by Company to the City pursuant to the Agreement by virtue of any default that occurred and were known by the City before the effective date of the First Amendment.

### **ARTICLE IV.**

All other provisions of the Agreement, except as amended hereby, shall remain in full force and effect.

### **ARTICLE V.**

In the event of a conflict between the Agreement and this First Amendment, this First Amendment shall control.

**IN WITNESS WHEREOF**, the City and Company have executed this First Amendment in multiple originals, each of equal force and effect, to be effective as of the date of countersignature by the City Controller.

***[Execution Page follows]***

**CHEVRON U.S.A. INC.**  
**(a Pennsylvania corporation)**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST/SEAL:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CITY OF HOUSTON, TEXAS**

\_\_\_\_\_  
Mayor

**ATTEST/SEAL:**

\_\_\_\_\_  
City Secretary

**COUNTERSIGNED**

\_\_\_\_\_  
City Controller  
DATE COUNTERSIGNED: \_\_\_\_\_

**APPROVED:**

\_\_\_\_\_  
Director, Finance Department

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Assistant City Attorney  
L.D. File No. 0610400038002

I, ANNA RUSSELL, City Secretary of the City of Houston, Texas, do hereby certify that the within and foregoing is a true and correct copy of Ordinance 2011-219 passed and adopted by the City Council of said City on the 23rd day of March, 2011, as the same appears in the records in my office

WITNESS my hand and the Seal of said City this 5th day of April, 2011.

A handwritten signature in blue ink, appearing to read "Anna Russell", is written over a horizontal line.

Anna Russell  
City Secretary of the City of Houston

C55858  
2011-0219

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**CHEVRON U.S.A. INC.**  
**(a Pennsylvania corporation)**

By: *Jeanne G. Suminski*  
Name: Jeanne G. Suminski  
Title: Assistant Secretary

ATTEST/SEAL:

By: *Peter J. Poland*  
Name: Peter J. Poland  
Title: Sr. Counsel

**CITY OF HOUSTON, TEXAS**

*Arvise D. Parker*  
Mayor *Madeline B. Apfel*

ATTEST/SEAL:  
*Carla Russell*  
City Secretary

COUNTERSIGNED  
*Ronald C. Givens*  
City Controller *R.B. Givens*  
DATE COUNTERSIGNED: 3/31/11

APPROVED:

*T. D. R.*  
Director, Finance Department

APPROVED AS TO FORM:

*Donna Capps*  
Assistant City Attorney  
L.D. File No. 0610400038002