

(R-91-599)

RESOLUTION NUMBER R- 276674

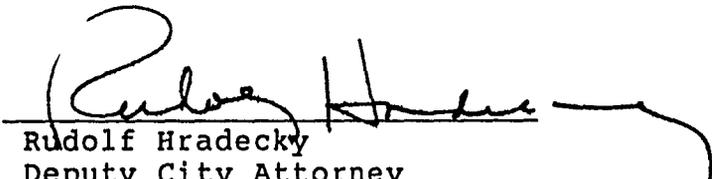
ADOPTED ON OCT 8 1990

BE IT RESOLVED, by the Council of The City of San Diego, that this Council hereby authorizes the City Manager to forward to the UNITED STATES COMPTROLLER OF THE CURRENCY, City Manager Report No. 90-427, a copy of which is attached hereto and by this reference incorporated herein, in connection with the Wells Fargo/Great American transaction.

BE IT FURTHER RESOLVED, that the City Manager is authorized to convey to the Comptroller of the Currency the City's approval of the transaction, conditioned upon the expressed commitment of Wells Fargo to a comprehensive San Diego community reinvestment program.

APPROVED: JOHN W. WITT, City Attorney

By

  
Rudolf Hradecky  
Deputy City Attorney

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Or.Dept:Prop.  
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The City of San Diego

# MANAGER'S REPORT

DATE ISSUED: October 4, 1990                      REVISED  
REPORT NO. 90-427

ATTENTION: City Council, Agenda of October 8, 1990 REV.

SUBJECT: Submission of Public Comment to the Comptroller of the  
Currency Regarding Wells Fargo/Great American Merger

## SUMMARY:

### Issues -

- 1.) Should the City Council submit to the United States Comptroller of the Currency the public comments received at the September 19, 1990 meeting of the Public Services and Safety Committee regarding Wells Fargo Bank's acquisition of Great American First Savings Bank's retail branch network?
- 2.) Should the City Council recommend to the United States Comptroller of the Currency approval of the Wells Fargo/Great American merger conditioned upon the commitment of Wells Fargo to a comprehensive San Diego Community reinvestment program?

### Manager's Recommendations -

- 1.) Approve this Report and submit it and the attached compilation of public testimony to the Comptroller.
- 2.) Recommend approval of the merger conditioned upon the commitment as described in this report.

Other Recommendations - None.

Fiscal Impact - None.

## BACKGROUND

In July, 1990, Great American First Savings Bank agreed to sell various assets including its California retail branch network (64 in San Diego County) to Wells Fargo Bank. The proposed transaction is currently under consideration by the appropriate federal bank regulatory agency, the United

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States Office of the Comptroller of the Currency. Federal regulations provide for public comment prior to approval or denial of the sale by the Comptroller.

On September 19, 1990, the Public Services and Safety Committee held a hearing to receive public comment on the impact of the proposed transaction. Over 30 individuals and groups provided comment. Several senior officers of Wells Fargo also offered testimony. The Committee requested that the City Manager compile the public testimony and incorporate it into a report to the full Council with a recommendation that the comments received be formally submitted to the Comptroller. A summary of the oral testimony is provided as Attachment I to this report. A complete transcript appears as Attachment II. Written comments were also submitted and are included as Attachment III.

On September 24, 1990, the Council approved Resolution R-276607, requesting that the Comptroller grant a 30-day extension of the comment period to permit compilation of the comments received on the 19th and consideration of the matter by the full Council.

#### DISCUSSION

The proposed transaction will have a significant impact on the availability of banking services and credit in the City. Great American has long maintained a commendable community reinvestment record in San Diego. This sale represents the fourth locally-based financial institution in the last year to be acquired by larger banks based elsewhere. Wells Fargo is proposing to make a significant investment in San Diego which will provide a timely infusion of much-needed capital into an institution which may otherwise decline into insolvency. If the acquisition is consummated, Wells Fargo will become San Diego's largest retail bank.

Although a variety of opinions were expressed and specific credit needs enumerated, the general public consensus at the September 19 PS&S meeting was that the proposed transaction should be approved, subject to certain commitments to be made by Wells Fargo with respect to community reinvestment in San Diego. These commitments involve the development by Wells Fargo of a San Diego specific community reinvestment program involving but not limited to the following elements:

- ° Maintenance and expansion of Great American's existing commitments with respect to affordable housing, charitable giving and its Southeast San Diego branch operations;
- ° Commitment of a San Diego bank officer responsible for implementation of affordable housing and community development projects;
- ° Support of technical assistance and capacity building efforts for San Diego community-based organizations;

- ° Expansion of retail banking services to minority and lower income areas and residents; and
- ° Expansion of small business lending, especially for loans under \$50,000.

ALTERNATIVE

Take no action, permit the comment period to expire and allow the Comptroller to rule on the proposed transaction without formal comment from the City.

Respectfully submitted,



Maureen A. Stapleton  
Deputy City Manager

SPOTTS/MAS/MS/rfs

10/02/90

MS64MR/WF/GA

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Passed and adopted by the Council of The City of San Diego on OCT 8 1990,  
by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Hartley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Wes Pratt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Linda Bernhardt	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
J. Bruce Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Filner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Maureen O'Connor	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

MAUREEN O'CONNOR,  
Mayor of The City of San Diego, California.

(Seal)

CHARLES G. ABDELNOUR,  
City Clerk of The City of San Diego, California.

By Ellen Board, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number R 276674 Adopted OCT 8 1990

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