



City of Houston Economic Development Programs

Presented by:

Andrew Icken – Chief Development Officer

Gwendolyn Tillotson – Economic Development



Economic Development Tax Abatement Program

- Chapter 312 of Texas Tax Code gives authority to cities to enter into tax abatement agreements.
- Abatements are used to encourage new development, growth of existing development, and investment in the City.
- A significant tool used to compete with other states to encourage companies to move to, or expand in, Houston; also used to retain businesses.
- Abatements of property taxes are available for up to 90% of the value, for maximum term of 10 years.
- Considered on a case-by-case basis using financial due diligence and related economic information.
- State law also provides that cities' tax abatement guidelines and criteria expire after two years.

Economic Development Tax Abatement Program

- Program was first established in 1988 by Ordinance 1988-104.
- COH Ordinance 2009- 858
 - LEED tax abatement guidelines was inserted in Section 44-131
 - An interest provision for recaptured ad valorem taxes if not paid within 60 days.
- COH Ordinance: 2011-1167
 - Refurbishment of an existing buildings to LEED standards may be eligible for abatements depending on level of certification.
 - Competitive siting evidence submission required only if the applicant is considering an alternative location for the project.
- COH Ordinance- 2014- 0245
 - Allow property owners to apply for tax abatement on new improvements located on a demolished site or major renovations of an existing deteriorating and abandoned structure.

Economic Development Tax Abatement Program

Current Tax Abatements	City Ordinance
Action Box #2	2007-808
Emerson Process Management LLP	2010-1015
BVSW Garden Oaks	2012-465
CyrusOne	2013-403
Chevron USA 2013 (1600 Louisiana)	2013-710
The Kroger Company	2015-589
Halliburton	2015-1246
Cullen SH Apartments	2015-1276
United Parcel Service (UPS)	2015-1294
Fairway Energy Partners LLC	2016-101

Economic Development Tax Abatement Program – 2016 Amendment

- Section 44.120 (c.)3 revised to read:
 - *The city will give more favorable consideration to applicants committing to community benefits, such as the city's Minority and Women-Owned and Disadvantaged Business Enterprise Programs, local purchasing, construction and permanent employment job opportunities within a defined area, employee health care benefits, and other examples, as follows:*

Economic Development Proposed Community Benefits

1	Job Recruitment <i>providing services that will assist job seekers (e.g. local community job fairs, job training, career pathing opportunities, tuition reimbursement)</i>
2	Non-Business benefitting local amenities <i>including, but not limited to green space and trails</i>
3	Crime Prevention Through Environmental Design <i>in consultation with HPD, properly designing and effectively using the built environment to lower incidences and fears of crime, and improving quality of life</i>
4	Affordable Housing <i>providing housing for renters/owners with an income of 30% AMI</i>
5	Workforce Housing <i>providing housing for renters/owners with an income of 120% AMI</i>
6	Creation of Mid-Skill Jobs <i>providing jobs that do not require a high school or college degree</i>
7	Reentry Jobs <i>providing jobs for ex-felons reentering the workforce</i>
8	Paid Internships for Low Income Students <i>providing paid internships for low income high school and/or college students</i>