Economic Development Committee

October 30, 2025

Mayor's Office of Economic Development

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I. Financial Policies Update

A. Background

B. Compliance Update

Background – Ordinance and Amendments

As stated in the recitals from the 1987 ordinance, the intent of the Financial Policies, is “to promote sound financial practices, enhance the City’s financial position with rating agencies and offer guidance in the management and conduct of the fiscal affairs of the City”.

Financial Policies is an integrated framework within which the Mayor, City Council, City Controller, Finance Director and all department directors shall define and adhere to a presence of integrity, ethics, competence and a positive internal control environment.

Financial Policies –

Economic Development

Economic development policies are stated in Section: M Local Economic Development Policies

The Mayor’s designee shall report annually to the Economic Development Committee detailing the progress of each active project in which the City has provided an incentive through the Tax Abatement and Chapter 380 Programs.

Such reports shall be published prominently on the City’s website within 30 calendar days of presentation to the appropriate committee.

Compliance Update –

Tax Abatement Agreements

Tax Abatement Program

First established in 1988 by Ordinance 1988-104
- Chapter 44 Article IV of the City's Code of Ordinances
State law requires that tax abatement guidelines and criteria expire after two (2) years and limits the term of the agreements to 10 years.

There have been multiple amendments since 1988. The most recent amendment was in August of 2024.

Compliance Update – Tax Abatement Agreements

Company	Year Executed	Council District	Investment Committed	Investment Actual	MKT Value[1] 2024 Value	New Jobs/ Retained Jobs Committed	New Jobs/ Retained Jobs Actual
Energy Property Partners	2015	B	$145.0M	$154.0M	$124.0M	2700	5565[4]
The Kroger Company	2015	B	$41.0M	$42.1M	$71.4M	15/300	35/300
Cullen SH Apartments	2015	I	$22.0M	$23.9M	$50.6M	5/0	0/8
UPS – United Parcel Service	2015	A	$119.0M	$131.6M	$107.8M	575/1885	1047/1921

Total Executed Agreements[3]	Active	Term Expired	Terminated
17	9	4	4

[1] Reflects 2024 Real AND Personal Property Values for respective property.
[2] Reflects Full Time and Part time Employment.
[3] Number of agreement executed since 2013.
[4] Energy Property Partners (formerly Halliburton) and MCOP, LLC (formerly Converge Midstream Services) reflect jobs added and required.

Compliance Update – Tax Abatement Agreements

Company	Year Executed	Council District	Investment Committed	Investment Actual	MKT Value[1] 2024 Value	New Jobs/ Retained Jobs Committed	New Jobs/ Retained Jobs Actual
MCOP, LLC[4]	2016	K	$218.0M	$226.0M	$95.5M	25	38
Brittmoore Founders District[5]	2019	A	$150.0M**	$16.5M	$33.7M	404	501
Skanska[6]	2021	I	$117.0M	$126.8M	$160.3M	N/A***	NA***
BLEX Exchange[6]	2023	G	$45.5M	Pending	$33.5M	N/A***	N/A***
Integra Mission Critical	2024	B	$10.0M	Pending		291	Pending

Total Executed Agreements[3]	Active	Term Expired	Terminated
17	9	4	4

[1] Reflects 2024 Real AND Personal Property Values for respective property.
[2] Reflects Full Time and Part time Employment.
[3] Number of agreement executed since 2013.
[4] Energy Property Partners (formerly Halliburton) and MCOP, LLC (formerly Converge Midstream Services) reflect jobs added and required.
[5] Brittmoore Founders District committed and actual are added jobs. The District is required to invest $150M by December 31, 2025.
[6] Skanska and BLEX Exchange are LEED Abatements.

Compliance Update – Tax Abatement Agreements

Company	Economic Value	Economic Growth
	(10-Year Projection)	**(YTD Actual)**
The Kroger Company	$7.3M	$17.6M
Cullen SH Apartments	$24.6M	$48.2M
UPS – United Parcel Service	$80.9M	$111.1M
MCOP, LLC (formerly Converge Midstream Services)	$208.0M	$102.5M
Brittmoore Founders District	$134.5M	$242.9M*
Skanska	$133.2M	$216.1M
BLEX Exchange	Pending	Leed Certification 2025/Abatement begins in 2026
Integra Mission Critical	Pending	Pending

NOTES:

Economic Value (Projected) = *Projected Growth in Appraised value from Base Year to End of Agreement*

Economic Growth = *Growth in Appraised value from Base Year to Current 10-year value with projection for unknown years.*

Note (1): Brittmoore Founders District - only Phase 1 of the multiple phase project has been completed which includes the Cannon Accelerator. Construction in process for 52-acre mixed use development.

Chapter 380 Program

- Program was created in 1999 by Ordinance 1999-74
- Historically used to reimburse for public infrastructure or to leverage the state's economic development programs
- Private business or developer pays for public improvements in advance and is reimbursed over time from the "new incremental" property taxes and is performance driven (Tax Increment Financing Structure)
- The project only recovers if it performs as planned
- Developer assumes the risk if failure to perform
  Public infrastructure is conveyed to the city and becomes a city-owned asset
- 380 programs incentivizes job creation or public access to private space

Compliance Update –

Chapter 380 Agreements

Compliance Update – Chapter 380 Agreements

Company	C.D.	Type	Status	Investment	Investment	Public Investment	MKT Value	Job Commitment		Jobs
				(Committed)	(Actual)	(Committed)		New	Retained	(Actual)
InTown Homes[1]	A	B	1,3	$290.0M	NCR	Based on Actual	$154.5M	0	0	0
Dynamo	I	B	3	$86.0M	NCR	-	$273.4M	0	0	0
Independent Arts Collaborative (MATCH)	D	C	2	$10.0M	$25.2M	-	$13.6M	25	0	25
Kroger	H	A, B	3	$32M	NCR	$2.5M	$32.8M	170	0	159
4444 Westheimer	G	A	3	$210.0M	$308.0M	$16.4M	$299.0M	275	0	1593
Centerpointe Hotels	I	B	1,2	$30.5M	NCR	$2.1M	$12M	0	0	0
Convention Center Hotel	I	C	3	$370M	NCR	-	$253.1M	0	0	0
Downtown Living Initiative	I	C	3	-	NCR	-	$397.9M	0	0	0
Westchase	F,G	B	3	$50.0M [2]	NCR	Based on Actual	$5.1B	0	0	0
City Park[4]	D	B	3	$220.0M	NCR	$16.9M	$797.6M	0	0	0
Reserve at Clear Lake	E	B	1,3	$108.0M	NCR	$9.7M	$353.0M	0	0	0
Studemont Venture	I	B	2	$62.0M	NCR	$860K	$187.1M	0	0	0
WOIH Partners LLC	H	B	3	$9.3M	$12.1M	$1.1M	$9.4M	0	0	0
Westheimer Ranch	G	A,B	1	$19.04M	$23M	-	$19.9M	234	234	Pending
Meow Wolf	B	A,C	1	$30M	Pending	Based on Actual	$8.2M	127	0	Pending

Status:
1 – Active, Construction Pending
2 – Active, Reimbursement Pending
3 – Active, Payment in Progress
Type:
A – Jobs
B – Infrastructure
C – Other

Notes:
NCR – Not Condition for Reimbursement
MKT Value – market value for parcel(s) containing project site; TY24 – InTown Homes, TY24 Westchase, City Park, Reserve at Clear Lake
[1] Data represents completed phases only (Upland, Phase 2 100 acres, Cottage Grove 1 and 2).
[2] Represents an induced investment
[3] Appraised Value of Development
[4] An additional $7M of investment associated with infrastructure outside of MUD.

Compliance Update – Chapter 380 Agreements

Company	Community Benefits (Committed)	Community Benefits (Delivered)
WOIH Partners LLC	• Local Job Fair • Host Farmers Market • Performance Space Availability for local Schools • Free Public Parking Availability	Yes
Westheimer Ranch	• Recruit/Hire at least 30% from the Houston-Westchase area • Job Sourcing through Local Job Boards, Turnaround Houston, the City's Re-entry Program	Pending – New Agreement
Meow Wolf	• Hire at least 25% of their workforce from the local communities (Greater Fifth Ward/Denver Harbor) • Partner with schools and colleges to foster art education, including holding events/trainings for educators, participate in workforce development programs, donate free tickets to area schools for field trips, provide tours of the project, and conduct workshops/demonstrations of the project to students. • Create or commission public art on-site or nearby that will be accessible or visible to the public at no cost. • Make good faith efforts to award at least 10% of contracts/supply agreements to MWBEs registered with the City's certified firm directory. • Utilize local contractors and suppliers for the project, including local artists.	Pending – New Agreement

Texas Enterprise Zone Program

-Program is administered by the State of Texas
-Reimbursement of state sales/use tax for qualifying projects
-Local municipalities are allotted nine (9) nominations per biennium
-Nominations do not require any funding from the local municipality
-The County can only nominate a project through an interlocal agreement with the City in which the project is located.
-The next biennium begins September 2025

Compliance Update –

Texas Enterprise Zones

Compliance Update – Active Texas Enterprise Zones

Company	C.D.	Status	Investment (Committed)	Investment (Actual)	New Jobs (Committed/Retained)	New Jobs (Actual)	Jobs w/ Benefits
United Airlines	B	Active	$326M	Monitored by State	150/350	Monitored by State	Monitored by State
Crown Castle International Corp	A	Active	$85.0M	Monitored by State	150/330	Monitored by State	Monitored by State
Toshiba	ETJ	Active	$9.5M	Monitored by State	25/475	Monitored by State	Monitored by State
Powell Electrical Systems, Inc	I	Active	$5.2M	Monitored by State	10/490	Monitored by State	Monitored by State
Southwest Airlines Co	I	Active	$10.0M	Monitored by State	0/500	Monitored by State	Monitored by State
JPMorgan Chase Bank, N.A.	I	Active	$50.0M	Monitored by State	10//490	Monitored by State	Monitored by State
Quanta Services, Inc	C	Active	$87.0M	Monitored by State	66/434	Monitored by State	Monitored by State

Compliance Update – Active Texas Enterprise Zones

Company	C.D.	Status	Investment (Committed)	Investment (Actual)	New Jobs (Committed/ Retained)	New Jobs (Actual)	Jobs w/ Benefits
Anheuser Busch, LLC	B	Active	$20.0M	Monitored by State	10/490	Monitored by State	Monitored by State
Macquarie Holdings (USA), Inc	I	Active	$29.0M	Monitored by State	100/400	Monitored by State	Monitored by State
The Men's Wearhouse LLC	F, K	Active	$15.0M	Monitored by State	75/425	Monitored by State	Monitored by State
DNOW LP	ETJ	Active	$11.0M	Monitored by State	75/315	Monitored by State	Monitored by State
Powell Electrical Systems, Inc	I	Active	$8.0M	Monitored by State	15/485	Monitored by State	Monitored by State
KPH – Consolidation, Inc.	E	Active	$27.9M	Monitored by State	200/300	Monitored by State	Monitored by State
Kiewit Engineering Group Inc.	A	Active	$20.0M	Monitored by State	15/485	Monitored by State	Monitored by State

Questions?

Financial Policies Update