



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/15/2020

ALL

Item Creation Date: 12/8/2020

MYR - GSI Abatement - Amend Chpt 44

Agenda Item#: 20.

### **Summary:**

ORDINANCE amending **ARTICLE IV** of **CHAPTER 44 OF THE CODE OF ORDINANCES, HOUSTON, TEXAS**, relating to tax abatement and related fees

### **Background:**

**SUBJECT:** An Ordinance amending Article IV of Chapter 44 of the Code of Ordinances, Houston, Texas, relating to tax abatement and related fees

### **RECOMMENDATION:**

Approve an Ordinance amending Article IV of Chapter 44 of the Code of Ordinances, Houston, Texas, relating to tax abatement and related fees

### **SPECIFIC EXPLANATION:**

Texas Tax Code Section 312.002(c) requires cities to adopt tax abatement guidelines and criteria before entering into tax abatement agreements, and each approved abatement agreement must meet those guidelines. On May 13, 2020, by Ordinance No. 2020-424, City Council approved the City's renewal of the tax abatement guidelines and criteria ("Tax Abatement Ordinance") for two years, pursuant to the requirements of Texas Tax Code Chapter 312. The Mayor's Office of Economic Development is now recommending an amendment to the Tax Abatement Ordinance to (i) create a new green storm water infrastructure ("GSI") tax abatement incentive, (ii) increase the percentages for the existing LEED tax abatement incentive, and (iii) provide for assessment of application fees for each tax abatement incentive to recoup a portion of the costs incurred by the City in administering the tax abatement program.

The GSI tax abatement is intended to advance the goals of Resilient Houston and implement the recommendations from the Incentives for Green Development Report, which aim to encourage the implementation of GSI for a holistic water management approach. The proposed GSI tax abatement program will encourage adoption of GSI in private development to minimize the downstream impacts of development and provide additional benefits to address localized flooding, water quality, climate hazards, economic growth, and health and quality of life. To further improve the LEED tax abatement program and to build consistency between programs, the LEED tax abatement program is also amended to increase the tax abatement percentages for the Silver, Gold and Platinum LEED certification levels.

The proposed changes to the tax abatement program will.

1. Establish a new green stormwater infrastructure tax abatement for eligible projects
2. Remove a LEED tax abatement for projects with a "Basic Certified Level" and increases the tax abatement for Silver, Gold, and Platinum certifications to up to 5%, 10%, and 15% respectively
3. Modify the amount of application fees collected for each type of existing tax abatement and establish an application fee for the GSI tax abatement to reflect the appropriate level of effort required to review, process, recommend, and present a tax abatement to City Council for its approval.

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Andrew F. Icken, Chief Development Officer

### **Prior Council Action:**

PCA 020-424 Approved 05/13/2020

### **Amount of Funding:**

No Funding Required

### **Contact Information:**

Gwendolyn Tillotson

Phone: (832.393.0937)

### **ATTACHMENTS:**

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**Description**

MYR - GSI Abatement 2020  
Caption

**Type**

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### Certificate Of Completion

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