



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/19/2021

Item Creation Date: 10/7/2021

MYR- RCA Tax Abatement Zone

Agenda Item#: 56.

Background:

SUBJECT: An Ordinance creating the Chewy, Inc. Reinvestment Zone.

RECOMMENDATION: City Council approves an Ordinance creating the Chewy, Inc. Reinvestment Zone.

SPECIFIC EXPLANATION:

The board of Harris County MUD No. 421 has voted to approve the consideration of up to a 50% tax abatement with Chewy Inc. The City must first designate certain property as a Reinvestment Zone to allow the MUD to enter into a tax abatement agreement with Chewy, Inc. as described below. Pursuant to Section 312.204 of the Tax Code, a municipality or taxing jurisdiction may enter into a tax abatement agreement in writing with the owner of real property that is located within a reinvestment zone. Section 312.202 of the same code defines the criteria for designating a tax abatement reinvestment zone, one of which is that the area be reasonable likely to attract major investment in the zone that would be a benefit to the land.

In accordance with Section 312.201 of the Tax Code and Article IV, Section 44-126 of the Code of Ordinances of the City of Houston, a public hearing must be held before city council on the designation of a reinvestment zone for Chewy, Inc. The hearing was held on September 22, 2021 at 9:00 A.M., prior to council consideration to establish the reinvestment zone. The public hearing was published in the Houston Chronicle on September 13, 2021.

The Administration requests that City Council find that the zone site satisfies the requirements of Ch. 312 and the City's guidelines and criteria for reinvestment zones as required pursuant to Ch. 312.002 and designate an area generally described as Northpoint 90 Logistics Center, building 3, Houston, TX 77049 as the Chewy Inc. Reinvestment Zone for tax abatement purposes ("Zone"). The zone site is approximately 47 acres and borders HCAD numbers 0410530000090, 00410530000065 and 0410530000067. This site is located in the City's ETJ and will enable Harris County MUD No. 421 to consider entering into a tax abatement with Chewy, Inc.

Chewy plans to invest approximately \$97M to expand its operations with the construction of a new 690k sf fulfillment facility to serve as a new regional e-commerce fulfillment facility. The proposed facility will be located within Harris County Municipal Utility District 421 and will create 1,200 jobs

Prior Council Action:

Ord. No. 2020-1091, Ord. No. 2020-424

Contact Information:

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ATTACHMENTS:

Description	Type
Building Descipton	Backup Material
Ord. No. 2020-1091	Backup Material
Ord. No. 2020-424	Backup Material