



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District I

Item Creation Date: 12/1/2021

MYR- RCA- SCD BLK 250

Agenda Item#:

Background:

SUBJECT: Ordinance approving a tax abatement agreement between the City of Houston and SCD BLK 250 Houston LLC, for the construction of a LEED mixed-use office tower with retail space.

RECOMMENDATION: Adopt an Ordinance approving a tax abatement agreement ("Agreement") between the City of Houston ("City") and SCD BLK 250 Houston LLC ("SCD BLK 250"), for the construction of a LEED mixed-use office tower with retail and restaurant space.

SPECIFIC EXPLANATION:

SCD BLK 250 (the "Company") is proposing the development of an approximate 375,000 sf office tower including 7,000 sf of retail/restaurant space adjacent to the Discovery Green park. The Company submitted an application to the City on June 14, 2021 with all supporting documentation in consideration for a platinum LEED tax abatement. The Company plans to invest approximately \$117 million to develop the Project.

The City has reviewed the Company's tax abatement application, and the proposed tax abatement agreement was presented to the Economic Development Committee on November 17, 2021. A public hearing was held on December 1, 2021 and the notice of the public hearing was published in the Houston Chronicle on November 22, 2021. Additionally, pursuant to Texas Tax Code Section 312.207(d), the notice of the City Council meeting date to consider the tax abatement agreement was published in the Houston Chronicle on November 8, 2021, at least 30 days prior to the council meeting date to approve the agreement, which is scheduled for December 8, 2021.

The Project site is located at 1550 Lamar Street, Houston TX 77010. The real property improvements subject to tax abatement is valued at approximately \$93.6 million which is calculated at 80% of the \$117 million investment. In December 2020, City Council approved an amendment to Chapter 44 of the Code of Ordinance increasing the abatement percentages for LEED buildings. This project is the first application received after the approved amendment. The Company is seeking a platinum LEED abatement of 15% as reflected in Chapter 44.

Based upon a 15% abatement rate, the City tax to be abated is estimated at approximately \$946k over a 10-year period but will be calculated on the actual taxable value assessed by the Harris County Appraisal District.

The Company has also submitted an application to Harris County for consideration of a LEED tax abatement with the county


Prior Council Action:

- PCA 2014-245, 3/26/2014
- PCA 2018-391, 05/16/2018
- PCA2020-424, 5/13/2020
- PCA 2020-1091, 12/16/2020
- PCA 2009-858, 9/16/09
- PCA 2011-1167, 12/14/11

Contact Information:

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ATTACHMENTS:

Description	Type
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PCA 2020-1091
PCA 2020-424 (1)
PCA 2018-391
PCA 2014-245
PCA 2009-858
PCA 2011-1167

Backup Material
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