



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/3/2024

District G

Item Creation Date: 11/5/2024

MYR - TA TPMS Agreement

Agenda Item#: 18.

Background:

SUBJECT: Ordinance approving a tax abatement agreement between the City of Houston and TPMS DA 3 LLC and TPMS DA 4 LLC, for the demolition of existing buildings and construction of a mixed-use center with green stormwater infrastructure.

RECOMMENDATION: (Summary) Adopt an Ordinance approving a tax abatement agreement ("Agreement") between the City of Houston ("City") and TPMS DA 3 LLC and TPMS DA 4 LLC ("Company"), for the demolition of existing buildings and construction of a mixed-use center with green stormwater infrastructure.

SPECIFIC EXPLANATION:

TPMS DA 3 LLC and TPMS DA 4 LLC (the "Company") is proposing the development of an approximate 90,000 SF mixed-use center with retail, restaurant, and office space. The Company plans to invest approximately \$25 million to develop the Project. The proposed development includes demolishing existing office and retail buildings on the project site and conducting new construction with the combination of bioswales, permeable pavement, and urban forestry as green stormwater infrastructure (GSI) improvements. The Company submitted a GSI abatement application to the City on March 31, 2024, with all supporting documentation, and submitted a demolition/demolished abatement application to the City on April 22, 2024, with all supporting documentation.

The City has reviewed the Company's tax abatement applications, and the proposed tax abatement agreement was presented to the Economic Development Committee on July 17, 2024. A public hearing was held on November 6, 2024, and the notice of the public hearing was published in the Houston Chronicle on October 25, 2024. 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 October 25, 2024, at least 30 days prior to the council meeting date to approve the agreement, which is scheduled for December 4, 2024.

The Project site is located at 1315-1325 S. Dairy Ashford and 12550 Briar Forest, Houston TX 77077. The real property improvements subject to tax abatement is projected to be valued at approximately \$90 million upon completion. The Company is seeking a GSI abatement of 100% of City ad valorem property taxes and a demolition abatement of 90% of City ad valorem property taxes as reflected in Chapter 44.

Based upon the variable abatement rate, the City tax to be abated is estimated at approximately \$5.4 million over a 10-year period but will be calculated on the actual taxable value assessed by the Harris Central Appraisal District.

Signed by:

A blue ink signature of Gwendolyn Tillotson-Bell, written in a cursive style.

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Gwendolyn Tillotson-Bell
Chief Economic Development Officer

Prior Council Action:

Ord. No. 2024-264, 8/28/24

Contact Information:

Andrew Busker
832.393.0871