

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: A motion to set a public hearing date for December 2, 2015 regarding the designation of a Tax Abatement Reinvestment Zone for Cullen SH Apartments, LP.

Category #

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Agenda Item#

FROM: (Department or other point of origin):

Andy Icken, Chief Development Officer
Mayor's Office

Origination Date

Agenda Date

SIGNATURE:



Council Districts affected:

1

For additional information contact:

Gwendolyn Tillotson

Phone: 832-393-0937

Date and identification of prior authorizing Council Action: 2009-858, date 9/16/09; 2011-1167, date 12/14/11, 2014-0245 date 3/12/14

RECOMMENDATION: (Summary) A motion to set a public hearing date for December 2, 2015 regarding the designation of a Tax Abatement Reinvestment Zone for Cullen SH Apartments, LP

Amount of Funding: Not Applicable

Finance Budget:

SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund
 Other (Specify)

SPECIFIC EXPLANATION:

State law requires cities to adopt tax abatement guidelines and criteria before entering into tax abatement agreements, and each approved abatement agreement must meet those guidelines. State law also provides that cities' tax abatement guidelines and criteria expire after two years. City Council renewed the tax abatement guidelines and criteria on March 12, 2014 continuing the City's eligibility to enter into tax abatement agreements as well as modified the language to provide for tax abatements on properties that have been the subject of an order issued by the Department of Neighborhood to secure, repair or demolish. Sec. 312.201 of the Tax Code requires that the governing body holds a public hearing before it can adopt an ordinance designating an area as a reinvestment zone.

Cullen SH Apartments LP, operating under the name Fountain Residential Partners, is a national student housing developer and property manager and is headquartered in Dallas, Texas. The developer will construct Gateway at Cullen – Houston; a 531 bed student housing development comprising 1-4 bedroom fully furnished units on approximately 7.7 acres of land. The property is located on 1901/1905 Cullen Blvd, Houston, 77023 and represents the third Houston project. Fountain Residential Partners submitted a tax abatement application to the City on November 14, 2014 with all supporting documentation. The company plans to invest approximately \$22 million to develop and construct the student housing project.

The City reviewed the application and the tax abatement agreement is currently in process. The proposed agreement was presented to Budget and Fiscal Affairs Committee on November 5, 2015 and the public hearing is scheduled for December 2, 2015. The applicant is not seeking any variance from the City.

cc: Marta Crinejo, Agenda Director
Anna Russell, City Secretary
Donna Edmundson, City Attorney
Gary Dzierlenga, Senior Assistant City Attorney

REQUIRED AUTHORIZATION

Finance Director:

Other Authorization:

Other Authorization: