

REQUEST FOR COUNCIL ACTION

RCA #

TO: Mayor via City Secretary

SUBJECT: A motion to set a public hearing date for December 16, 2015 regarding the designation of a Tax Abatement Reinvestment Zone for United Parcel Service, Inc. (UPS).	Category #	Page 1 of 1	Agenda Item#
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FROM: (Department or other point of origin): Andy Icken, Chief Development Officer Mayor's Office	Origination Date	Agenda Date
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SIGNATURE: 	Council Districts affected: B
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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
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RECOMMENDATION: (Summary) A motion to set a public hearing date for December 16, 2015 regarding the designation of a Tax Abatement Reinvestment Zone for United Parcel Service, Inc. (UPS).

Amount of Funding: Not Applicable	Finance Budget:
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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.

United Parcel Service, Inc.(UPS) (the "Company"), is the world's largest package delivery company and a provider of supply chain management solutions. The company is considering multiple sites to expand its Houston area hub operations, including a "spin-off" facility that would accommodate excess package volume, as well as projected growth at existing area facilities. The expansion would include the construction of 400,000 to 500,000 square feet of warehouse space on approximately 125 acres and create approximately 600 new jobs (including transfers and organic job growth). The property address is 11802 N. Gessner in District A. The Company submitted a tax abatement application to the City on July 6, 2015 with all supporting documentation. The company plans to invest approximately \$143 million to develop and construct the 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 19, 2015 and the public hearing date is December 16, 2015. The applicant is not requesting a variance from the requirements of Section 44-123(g) of the Code.

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:
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