

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: An ordinance designating the Halliburton Energy Services, Inc. Reinvestment Zone for tax abatement purposes

Category #

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Agenda Item#

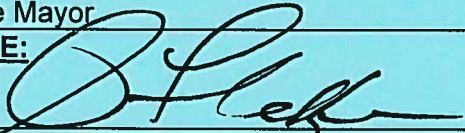
FROM: (Department or other point of origin):

Andrew F. Icken, Chief Development Officer
Office of the Mayor

Origination Date

Agenda Date

SIGNATURE:



Council Districts affected:

District "B" - CM Davis

For additional information contact:

Gwendolyn Tillotson

Phone: 832-393-0937

Date and identification of prior

authorizing Council Action: Ord. No. 2014-245; 3/26/14

RECOMMENDATION: (Summary) City Council approves an Ordinance designating the Halliburton Energy Services, Inc. Reinvestment Zone for tax abatement purposes

Amount of Funding: Not Applicable

Finance Budget:

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

SPECIFIC EXPLANATION:

Pursuant to Section 312.204 of the Texas Tax Code, a municipality 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 Texas Tax Code defines the criteria for designating a tax abatement reinvestment zone, one of which is that the area as a result of the designation contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the land.

A public hearing on the designation of a reinvestment zone for Halliburton Energy Services, Inc. for tax abatement purposes was held before City Council on December 2, 2015, after publication of notice in the Houston Chronicle on November 24, 2015. The Office of Economic Development requests that City Council designate an 89-acre site located at 3000 N. Sam Houston Parkway East, Houston, Texas, 77032 as the Halliburton Energy Services, Inc. Reinvestment Zone for tax abatement purposes ("Zone"). This action will enable City Council to consider approval of a tax abatement agreement with Halliburton Energy Services, Inc. to support the investment in real and personal property involved in the expansion of its U.S. corporate headquarters, the retention of 1,800 jobs, and the creation of at least 900 new jobs for the Houston market.

Halliburton Energy Services, Inc. has invested approximately \$146 million towards the development of the site since 2009 as part of a multi-phased expansion of its corporate headquarters which upon completion will represent 945,000 square feet of new development. The tax abatement will apply only to the property value in excess of the January 1, 2014 value, which was \$127,095,642. Any investment made prior to 2014 will not be subject to the abatement.

The project and the Zone meet the criteria established by the City of Houston guidelines for tax abatement adopted on March 26, 2014, by Ordinance No. 2014-245. The applicant is requesting a variance from the requirements of Section 44-123(g) of the Code relating to the timing of the commencement of construction, alteration, or installation of improvements at the Project and formal announcement of the Project.

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

REQUIRED AUTHORIZATION

Finance Director:

Other Authorization:

Other Authorization: