REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary | **RCA #**

SUBJECT: An Ordinance approving an economic development agreement ("Agreement") between the City of Houston ("City") and Studemont Venture L.P. ("Company") authorizing the reimbursement of certain public improvements benefitting Olivewood Cemetery ("Cemetery").	**Category #**	**Page 1 of 1**	**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:** I		
For additional information contact: Gwendolyn Tillotson **Phone:** 832-393-0937	**Date and identification of prior authorizing Council Action:** Ord. No.1999-674, 6/30/99		

RECOMMENDATION: City Council adopts an ordinance approving an economic development agreement ("Agreement") between the City of Houston ("City") and Studemont Venture L.P. ("Developer") authorizing the reimbursement of certain public improvements benefitting Olivewood Cemetery ("Cemetery").

Amount of Funding: Not Applicable	**Finance Budget:**

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

SPECIFIC EXPLANATION:

In 1989, the State legislature enacted Chapter 380 of the Local Government Code ("Chapter 380") to create a mechanism that allows municipalities to grant or loan public funds for economic development purposes by creating one or more programs to promote economic development and stimulate business and commercial development. Subsequently, by Ordinance No. 99-674, the City established the City of Houston Chapter 380 loan/grant program. The Administration now proposes to establish a separate Chapter 380 program to be known as the Studemont Venture L.P. Chapter 380 Program (the "Program").

Studemont Venture L.P. owns approximately 16 acres generally located at the intersection of Studemont Street and Hicks Street adjacent to the existing Olivewood Cemetery, which is an historic African American cemetery. The Developer intends to invest more than $90 million to construct improvements to redevelop an existing industrial site, to include Class A multifamily housing and/or retail, office, and commercial development, as well as public improvements and infrastructure. To serve the site, the Developer will invest about $1.8 million to construct certain public improvements consisting of road and street improvements, drainage, water and sanitary sewer improvements and traffic and mobility improvements. The Developer will convey an approximately .15 acre site to enhance accessibility to the adjacent Cemetery and construct a public parking lot to benefit the Cemetery's visitors and workers. In consideration of the Developer's investment and to further encourage enhancements to the Cemetery, the Administration proposes to offer an economic incentive of the lesser of actual expenditures or $860,000 for those public improvements directly benefitting the Cemetery.

The incentives will be based solely on the incremental increase in the City's portion of its property tax revenue subsequent to the property tax base year of Jan. 1, 2016. Reimbursement will begin upon the Developer's verification of at least $62 million in improvements, the submission of a Certificate of Occupancy and the conveyance of the public improvements to PW&E.

The proposed economic incentive agreement was presented to the Budget and Fiscal Affairs Committee on November 5, 2015.

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:**