

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA #

SUBJECT: An Ordinance electing to continue eligibility to participate in tax abatements and adopting guidelines and criteria for tax abatements.

Category #

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Agenda Item#

FROM: (Department or other point of origin):

Andrew Icken, Chief Development Officer

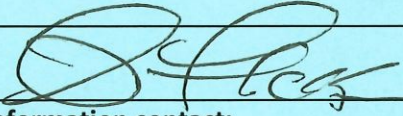
Origination Date

March 09, 2018

Agenda Date

March 28, 2019

SIGNATURE:



Council Districts affected:

All

For additional information contact:

Gwendolyn Tillotson

Phone: 832-393-0937

Date and identification of prior authorizing Council Action:

Ordinance 2016-0252 dated 03/30/2016

RECOMMENDATION: (Summary)

Approve an Ordinance electing to continue City eligibility to participate in tax abatements and adopting guidelines and criteria for tax abatements.

Amount of Funding:

No City funding required

P&D Budget:

SOURCE OF FUNDING:

General Fund

Grant Fund

Enterprise Fund

Other (Specify)

SPECIFIC EXPLANATION:

Chapter 312 of the Texas Tax Code requires a municipality to establish guidelines and criteria before it can grant tax abatements. The statute provides that the guidelines are effective for two years from the date adopted. The City established guidelines pursuant to Chapter 312, which are codified in Article IV of Chapter 44 of the Houston, Texas Code of Ordinances. City Council first approved participation in the tax abatement program in 1988 and last adopted tax abatement guidelines and criteria on March 30, 2016, by Ordinance No. 2016-252.

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. The City's current tax abatement guidelines and criteria will expire on March 30, 2018. The City desires to continue its eligibility to participate in the tax abatement program; it does not require or predicate any approval of projects. The proposed guidelines are substantially unchanged, but includes revisions to clarify ordinance language, eliminate potential ambiguities in defined terms, require commitment for companies requesting a tax abatement to commit to providing at least one community benefit, allow an abatement on certain inventory and reduce the requirement for projects located within a defined complete community.

Modifications to the current guidelines include:

Sec.44-120 (c)(3): Require companies to commit at least one (1) community benefit as a term of the agreement.

Sec.44-120 (c)(4): Allow tax abatement inventory for logistic, distribution, and manufacturing projects.

Sec.44-121: Incorporate a reduction for the job creation requirement and minimum investment requirement for investments within Complete Communities.

cc Marta Crinejo, Agenda Director
 Anna Russell, City Secretary
 Ronald Lewis, City Attorney
 Kimberley Mickelson, Senior Assistant City Attorney
 Tantri Emo, Interim Finance Director

F&A Director:

Other Authorization:

Other Authorization: