



# Economic Development Proposals

*Economic Development Committee*

*March 24, 2022*

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**Cameron Yearty – Planner III**





# Economic Development Presentation

## Chapter 380 Program Proposal





# Chapter 380

## -Economic Development Evaluation Process-

Priorities	Investment	Job Creation	Competitive Industry	Innovative Solution	Equitable Benefits	Quality of Life	Community Benefits	Layered Investment	City Development Priority
Criteria:	Development results in substantial long-term investment (\$MM) within Houston city's limits.	Development results in substantial creation of new, permanent jobs within Houston city's limits.	The company represents one of Houston's top 10 industry cluster?	The project grew from cutting edge research, an innovative product, service, or process technology, or is an emerging industry?	The project encourages development for Houstonians living within the city's prioritized cluster of high poverty and/or low educational attainment.	The project increases quality of life (QoL) for Houstonians beyond industry and market measures?	The project aligns with City of Houston policy priorities and mayoral initiatives.	The project utilizes recently completed large scale city, county, state, or federal investments?	The project aligns with the city's development priorities.

**The following criteria is used to evaluate projects for nomination:**

- Located within a high poverty area
- Number of Jobs Created
- Aligns with City Development Priorities
- Increases Quality of Life Improvements for Houston Residents
- Capital investment value
- Aligns with City priorities for equitable and community benefits



# Project Proposed for City Council Approval

## Chapter 380 Proposal

Meow Wolf, Inc.





# Project Proposed for City Council Approval

## Chapter 380 Proposal Meow Wolf – Video





# Project Proposed for City Council Approval

## Chapter 380 Proposal

### Meow Wolf – Similar Projects



OMEGA MART – LAS VEGAS



MEOW WOLF – SANTA FE

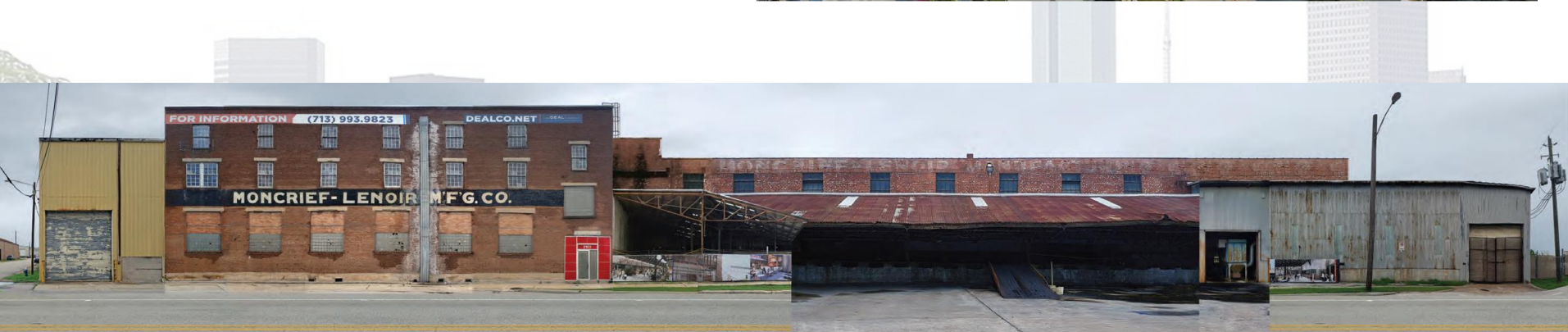


# Chapter 380 Proposal

## - Meow Wolf - 2103 Lyons Avenue -

- **Current Site:**

- Developed in phases since 1917
- Vacant Warehouse
- Low property tax value/taxes
- Low/no sales taxes generated
- Located in Opportunity Zone
- Similar model to Westheimer Ranch 380 Agreement





# Chapter 380 Proposal

## - Meow Wolf - 2103 Lyons Avenue -

- **Mixed-Use Redevelopment:**

- Complete Renovation and Rehab of Warehouse by The Deal Company
- 122k SF of commercial space
- Art-Focused Interactive Entertainment Anchor (32k SF) co-located with:
  - Restaurant/Retail – 68k SF
  - Artist Studios & Gallery – 21k SF







# Chapter 380 Proposal

## - Meow Wolf - 2103 Lyons Avenue -



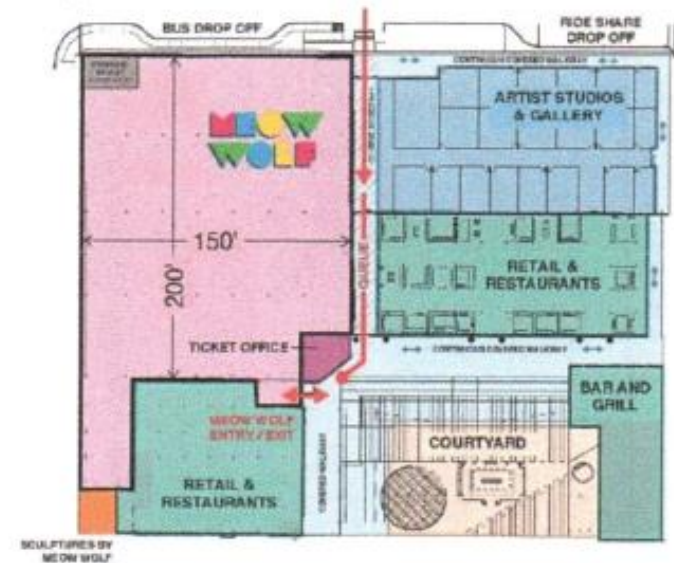


# Chapter 380 Proposal

## - Meow Wolf - 2103 Lyons Avenue -

- **Project Description:**
  - Complete Renovation and Rehab of Warehouse
  - Developing an Art-Focused, Interactive Entertainment Activation in 32,000 SF
  - Public art pieces (sculptures) at multiple locations on the site
  - Target opening in Q2 2024

**MEOW WOLF** CONCEPTUAL  
GROUND LEVEL  
AT LYONS AVE UPDATED: FEB 2021 | E-STUDIO



**THE DEAL COMPANY**  
DEVELOPMENT & INVESTMENTS

/// COVERED QUEUING AREA  
MEOW WOLF SPACE  
ART INSTALLATIONS  
OUTDOOR SCULPTURES





# Meow Wolf Proposed Investment

Projected Budget	Estimated Cost (\$ Millions)
Hard Costs <i>(Facility/IT, Creative)</i>	\$ 24.1 million
Soft Costs <i>(Labor, Fees, PM)</i>	\$ 8.5 million
Initial Operations <i>(Marketing, Inventory, FFE, Certifications, etc)</i>	\$ 4.7 million
Other <i>(Contingency/Cap. Interest)</i>	\$ 4.6 million
<b>Total</b>	<b>\$ 41.9 million</b>

\*Projected budget includes assumptions and is subject to change. Further details regarding minimum investment requirements included on Slide 15.



# Meow Wolf Financial Projections

<b>Current and Projected City Revenue Directly from Project</b>		
<b>Current</b>	<b>Annual Tax to the City</b>	<b>10 Yr. Tax Revenue</b>
Ad Valorem Value (\$1.98M)	\$ 10,906	\$ 119,422
Sales Tax Value	-	-
	<hr/>	<hr/>
	\$ 10,906	\$ 119,422
<b>Proposed (Year 10)</b>	<b>Annual Tax to the City</b>	<b>10 Yr. Tax Revenue</b>
Ad Valorem Value (\$6.03M)	\$ 33,205	\$ 363,581
Sales Tax Value* <sup>1</sup>	\$ 365,000+	\$ 4,100,000
	<hr/>	<hr/>
	\$ 398,205	\$ 4,463,581
<b>Increase in City Revenue</b>	<b>\$ 387,299</b>	<b>\$ 4,344,159</b>
<i><sup>1</sup>Based on projected sales of \$36.5M+ annually</i>		

\*10-Year Sales Tax figures are estimates and include proprietary growth assumptions regarding annual visitation and sales per visitor.




# Chapter 380 Proposal

## - Meow Wolf - 2103 Lyons Avenue -

- **Project Impact (Meow Wolf)**
  - Represents \$30M - \$42M total investment
  - Expected to create 127-155 direct jobs
  - 10-Year Fiscal Impact Report

<b>Benefits</b>	<b>\$ 7,525,671</b>
<i>Sales Taxes</i>	4,820,587
<i>Real Property Taxes</i>	710,038
<i>FF&amp;E Property Taxes</i>	642,810
<i>New Residential Property Taxes</i>	48,453
<i>Hotel Occupancy Taxes</i>	155,946
<i>Utility Revenue</i>	947,518
<i>Utility Franchise Fees</i>	96,589
<i>Misc. Taxes &amp; User Fees</i>	103,729
<b>Costs</b>	<b>\$ (1,366,179)</b>
<i>Cost of Government Services</i>	(418,661)
<i>Cost of Utility Services</i>	(947,518)
<b>Net Benefits</b>	<b>\$ 6,159,492</b>
<i>Present Value</i>	4,738,605

**JOBS**



**202.4 Total**  
155.0 Direct  
47.4 Spin-off

**RESIDENTIAL DEV.**



4.7 Homes  
31.2 Relocations

**CAPITAL INVEST.**



**\$32.6M**  
Buildings + FF&E



# Chapter 380 Proposal

## - Meow Wolf - 2103 Lyons Avenue -

- **Proposed 380 Reimbursement Structure:**
  - Annual Reimbursement of Sales Tax Revenue for up to 10 years equal to 90% City Sales Tax
    - \$2,700,000 maximum
  - Offset lower sales revenue during the first three ramp up years to stabilization (900k annual visitors)
  - Agreement would terminate the earlier of 10 years or when max reimbursement is met



# Chapter 380 Proposal

## - Meow Wolf - 2103 Lyons Avenue -

- **Proposed Community Benefits:**
  - Utilize Best Efforts for Local Hiring
  - Utilize Best Efforts in MWBE Contracting
    - Includes a provision for the use of local artists
  - Minimum investment & job creation requirements
    - \$30 Million (Projected Investment of \$41.9 Million)
    - 127 FTE jobs by Year 4 (Projected 127-155 FTEs)
  - Pursue partnerships with local schools & colleges, such as
    - Training for educators
    - Complimentary use of facilities
    - Internships/educational opportunities for local students
  - Public visibility of planned outdoor art installations
    - May engage MOCA or other groups to identify local artists who can contribute to these installations or other project components



# Chapter 380 Proposal

**Questions?**

