Incentive Proposal for
Owens Corning Roofing and Asphalt, LLC

Economic Development Committee

October 15, 2025

Mayor's Office of Economic Development

Andrew Busker
Senior Staff Analyst

Presentation Outline

- Company and Project Introduction
- Economic Development Tax Abatement Proposal
- Texas Enterprise Zone Nomination Recommendation
- Questions

About the company

- Owens Corning was formed in 1938 and is now a Fortune 500 company
- Headquartered in Toledo, OH with two manufacturing sites in Texas

About their work

- Well known for their pink fiberglass insulation
- Also manufactures roofing materials, doors, and composite materials
- Introducing a new roofing materials technology to the United States

October 17, 2024

- The Greater Houston Partnership introduced MOED to the project

November 25, 2024

- Company submitted a Tax Abatement application to MOED

February 2025

- Company submitted a Texas Enterprise Fund (TEF) application to the Governor's Office

July 2025

- Governor's Office granted TEF award to the Company

September 2025

- Company and Governor's Office finalized the TEF agreement

Today

- MOED recommends tax abatement to meet TEF local incentive requirement
- MOED recommends TEZ nomination

Owens Corning Roofing and Asphalt, LLC
8360 Market St, Houston 77029

Hiring Goals	2026	2027	2028
New FTEs (Annual)	15	25	35
All FTEs (Cumulative)	120	145	180

Proposed Development

- Located in District B
- Current Site: Manufacturing & Distribution
- Proposed: A new product manufacturing line
- Investment: $39M
- Construction Begins: Late 2025/Early 2026
- Estimated Completion: Spring/Summer 2026

Economic Benefits

- Located in Texas Enterprise Zone (high poverty designation)
- Retaining 110 jobs and adding 75 after completion
  $89,992 average annual salary for new jobs
- Committing to job training, local hiring

Location	Aiken, SC	Fort Smith, AR	Houston
Estimated Capital Costs	$39M	$39M	$39M
Estimated Total Annual Wage for New Jobs	$3.48M	$3.1M	$5.21M
Local Incentive	-	-	**X**
State Incentive	-	-	$750K
Total Estimated Costs with Incentives	$42.48M	$42.1M	$43.46M
Advantage over Houston	$980K	$1.36M	--

Alignment with MOED Priorities

TIER 1:
City-wide Industry Priorities

- Advanced Manufacturing
- Affordable Housing
- Biotechnology
- Distribution & Logistics
- Energy Transition & Resilience
- Life Science
- Tourism & Entertainment

TIER 2:
Neighborhood & Community Priorities

- Grocery-related developments in food insecure areas
- Office conversions and repurposed buildings
- Significant job creation developments in industries not listed in Tier 1 (e.g.: light manufacturing, small scale developments, community commercial centers)

TIER 3:
Economic Development Infrastructure Improvements

- Park and greenspace projects adjacent to underdeveloped or underutilized transportation corridors, or to secure philanthropic funding
- Street or sidewalk projects that improve pedestrian activity in highly commercial areas
- Public safety facilities

TIER 4:
Supporting Resilient Developments

- Low Impact Design developments and green stormwater infrastructure improvements
- LEED buildings
- Stormwater detention and retention improvements

TIER 1 — Investment in advanced manufacturing

TIER 2 — Significant job creation in an underserved community

OTHER — Required to provide a local incentive in accordance with the Texas Enterprise Fund

Economic Development Tax Abatement Proposal

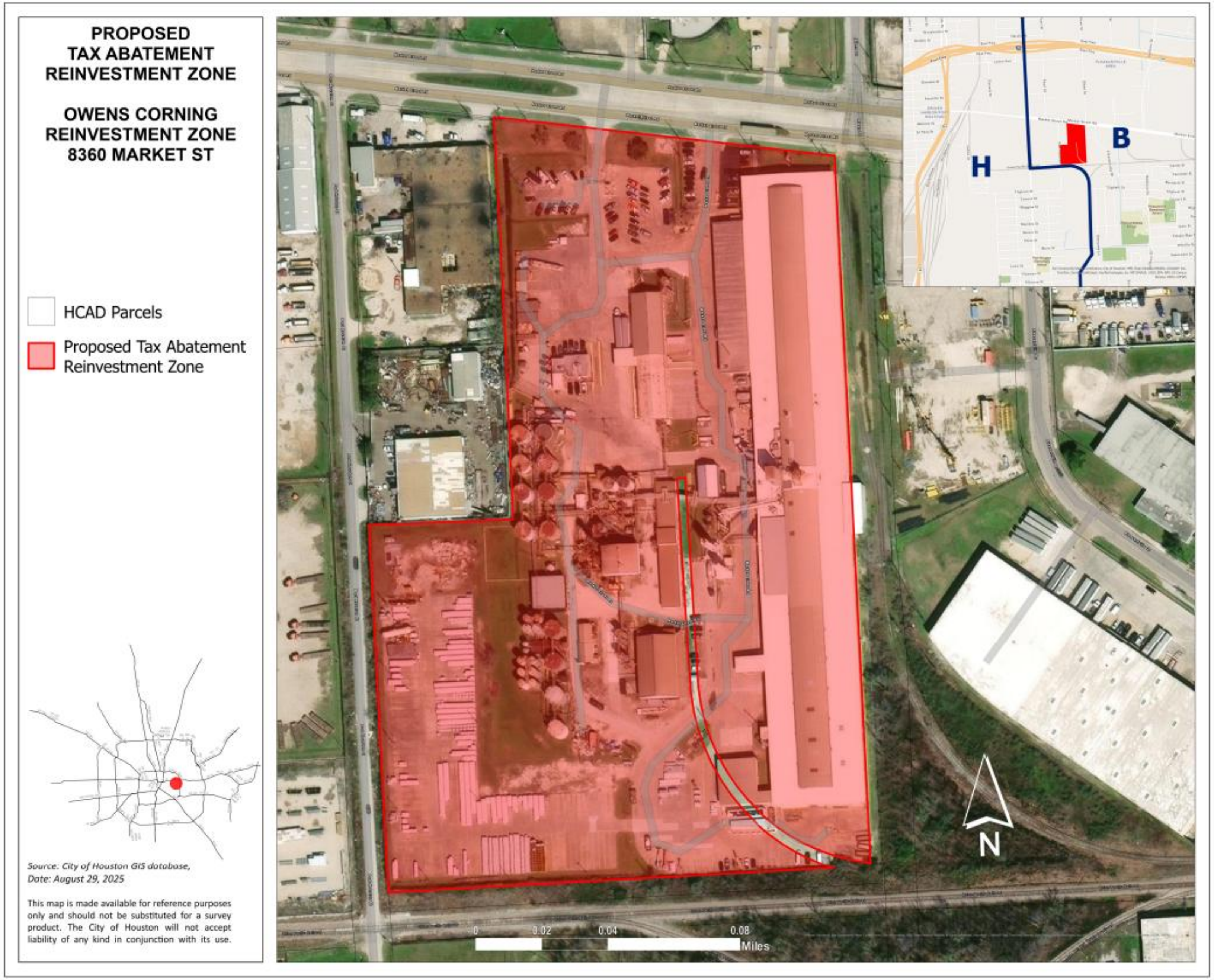
Tax Abatement Ordinance
Chapter 44 Article IV

- Ord. 2024-624 established our tax abatement program through 12:00am on August 28, 2026
  - Economic Development Abatement (Sec. 44-127)
  - Brownfield Development Abatement (Sec. 44-129)
  - LEED Tax Abatement (Sec. 44-131)
  - Green Stormwater Infrastructure (GSI) Abatement (Sec. 44-132)
  - Deteriorated/Demolished Property Abatement (Sec. 44-133)

Economic Development Tax Abatement Chapter 44 Article IV Section 44-127

- Eligibility Criteria:
  - Provide an economic benefit to the City
  - Projected to increase property value by $1M, or $500K for deteriorated/demolished property or property in eligible census tract
  - Project will create, retain, or prevent the loss of permanent jobs
- Abatement up to 90% abatement on buildings, structures, fixed machinery & equipment, site improvements, office space and related fixed improvements, and/or tangible personal property
- Requires the company to provide community benefits as a condition of the abatement

Proposed Tax Abatement Reinvestment Zone



Tax Abatement Proposal

Owens Corning Roofing and Asphalt, LLC
8360 Market St, Houston 77029

Effective Date
- January 1, 2027

Eligible Costs
- Building Improvements: $2.4M
- Machinery & Equipment: $31.6M

Abatement Projection
- 1st Year Abatement: $158,380
- Average Annual Abatement: $122,119

Abatement Term
- $1,361,418 or 10 years

10-Year Projection

OWENS CORNING ROOFING & ASPHALT LLC - 8360 MARKET ST

PROPERTY TAX PROJECTION

Building Investments (Including Site Improvements)	$ 2,437,803
Machinery & Equipment, Office Space, and Personal Property	$ 31,606,273
Percentage of Investment Applied to Improvement	70%
COH Tax Rate (TY2025)	0.0051919

						OWENS CORNING ROOFING & ASPHALT				
	TAX YEAR	**FISCAL YEAR**	**PROJECTED GROWTH**	**BUILDING IMPROVEMENT ASSESSED VALUE**	**MACHINERY + EQUIPMENT ASSESSED VALUE**	**BUILDING IMPROVEMENT ABATEMENT (90%)**	**MACHINERY + EQUIPMENT ABATEMENT (90%)**	**TOTAL ANNUAL ABATEMENT VALUE**	**CUMULATIVE ABATEMENT VALUE**	**COH COLLECTED REVENUE**
Base Value of Improvements	2025	2026		$ 6,294,674.88	$ 30,874,867.40	$ -	$ -	$ -	$ -	$ 192,980.55
First Year of Abatement	2027	2028	4%	$ 8,583,040.93	$ 31,606,273.00	$ 10,692.87	$ 147,686.95	$ 158,379.82	$ 158,379.82	$ 199,891.69
	2028	2029	4%	$ 8,926,362.57	$ 29,499,188.13	$ 12,297.11	$ 137,841.15	$ 150,138.26	$ 308,518.08	$ 188,289.35
	2029	2030	4%	$ 9,283,417.07	$ 27,392,103.27	$ 13,965.53	$ 127,995.35	$ 141,960.88	$ 450,478.96	$ 176,694.13
	2030	2031	4%	$ 9,654,753.76	$ 25,285,018.40	$ 15,700.67	$ 118,149.56	$ 133,850.23	$ 584,329.20	$ 165,106.33
	2031	2032	4%	$ 10,040,943.91	$ 23,177,933.53	$ 17,505.23	$ 108,303.76	$ 125,808.99	$ 710,138.19	$ 153,526.25
	2032	2033	4%	$ 10,442,581.66	$ 21,070,848.67	$ 19,381.97	$ 98,457.97	$ 117,839.93	$ 827,978.12	$ 54,216.84
	2033	2034	4%	$ 10,860,284.93	$ 18,963,763.80	$ 21,333.77	$ 88,612.17	$ 109,945.94	$ 937,924.06	$ 56,385.51
	2034	2035	4%	$ 11,294,696.33	$ 16,856,678.93	$ 23,363.65	$ 78,766.37	$ 102,130.02	$ 1,040,054.08	$ 58,640.93
	2035	2036	4%	$ 11,746,484.18	$ 14,749,594.07	$ 25,474.72	$ 68,920.58	$ 94,395.30	$ 1,134,449.38	$ 60,986.57
Final Year of Abatement	2036	2037	4%	$ 12,216,343.55	$ 12,642,509.20	$ 27,670.24	$ 59,074.78	$ 86,745.02	$ 1,221,194.40	$ 63,426.03
Cumulative Values						**$ 187,385.76**	**$ 1,033,808.64**	**$ 1,221,194.40**	**$ 1,221,194.40**	**$ 1,370,144.19**

Estimated Tax Abatement Effective Date: Jan. 1, 2027

Proposed Tax Abatement Council Action Timeline

October 22, 2025

- Motion to Set Public Hearing

October 24, 2025

- Public Notices in Houston Chronicle (no council action)

November 12, 2025

- Public Hearing

December 3, 2025

- Zone Creation Ordinance
- Agreement Ordinance

Texas Enterprise Zone Nomination for December 1 Application Deadline

Texas Enterprise Zone
TX Tax Code Chapter 2303

PROJECT CATEGORIES	LEVEL OF CAPITAL INVESTMENT	MAXIMUM NUMBER OF JOBS ALLOCATED	MAXIMUM POTENTIAL REFUND	MAXIMUM REFUND PER JOB ALLOCATED
Half Enterprise	$40,000 - $5,000,000 or more	250 (total new & retained)	$625,000	$2,500
Enterprise	$5,000,000 - $149,999,999	500 (total new & retained)	$1,250,000	$2,500
Double Jumbo	$150,000,000 - $249,999,999	500 (new jobs only)	$2,500,000	$5,000
Triple Jumbo	$250,000,000 or more	At Least 500+ (new jobs only)	$3,750,000	$7,500

Texas Enterprise Zone
TX Tax Code Chapter 2303

- Program is administered by the State of Texas and has a quarterly rolling application process.
- Reimbursement of state sales/use tax for qualifying projects.
- Both Municipalities and Counties are allotted nine (9) nominations each state biennium. Unused nominations are forfeited at the end of the biennium (August 31, 2027)
  - December 1 is the 2nd nomination round in this biennium cycle. Six nomination rounds remain.
  - No nominated projects so far
  - Proposing to use 1 of our 9 nominations
- Nominations do not require any funding from the municipality.
- A County can only nominate a project through an interlocal agreement with the Municipality in which the project is located.

TEZ Nomination

Owens Corning Roofing and Asphalt, LLC
8360 Market St, Houston 77029

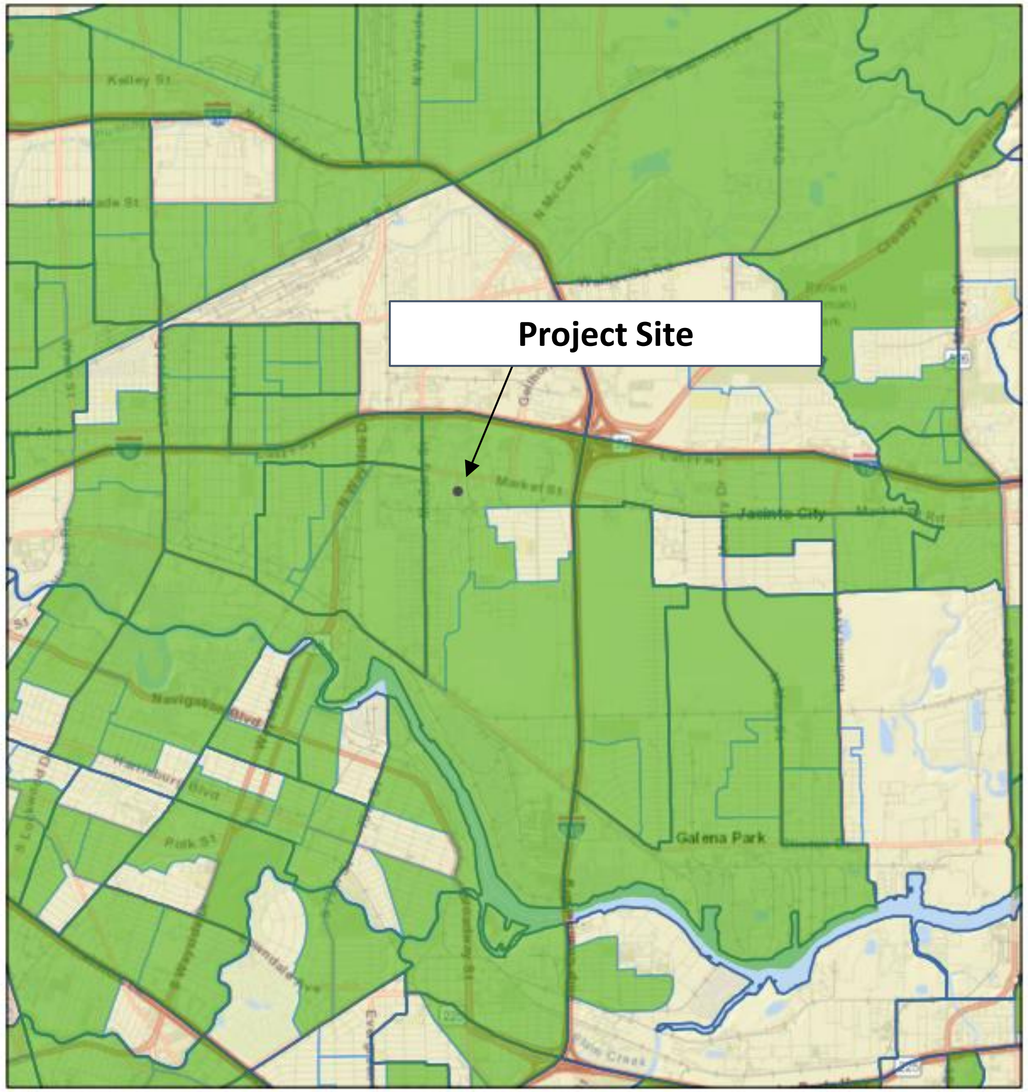
Project Site:

- Located in District B
- Located within an Enterprise Zone
  - A census block group with greater than 20% poverty

Project Investment:

- Retaining 110 jobs
  - $98,264 average salary
- Creating 75 jobs
  - $89,992 average salary
- $39M investment
  - Introducing a new advanced manufacturing line to facility

Owens Corning Roofing and Asphalt LLC TEZ Site



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Texas Enterprise Zone - 2020 Block Groups Based on Poverty

2020 Texas Census Block Groups

2020 Texas Census Tracts

City of Houston, HPB, Esri, HERE, Garmin, INCREMENT P, NGA, USGS

Web AppBuilder for ArcGIS

City of Houston, HPB, Esri, HERE, Garmin, INCREMENT P, NGA, USGS | Sources: Esri; U.S. Department of Commerce, Census Bureau; U.S. Department of Commerce (DOC), National Oceanic

Proposed TEZ Nomination Council Action Timeline

- Nomination Resolution

October 29, 2025

December 1, 2025

- Target Application Deadline for State of Texas