Economic Development Committee

September 16, 2026

Mayor's Office of Economic Development

Jennifer Curley
Assistant Director

I. Financial Policies Update

A. Background

B. Compliance Update

Background – Ordinance and Amendments

As stated in the recitals from the 1987 ordinance, the intent of the Financial Policies, is "to promote sound financial practices, enhance the City's financial position with rating agencies and offer guidance in the management and conduct of the fiscal affairs of the City".

Financial Policies is an integrated framework within which the Mayor, City Council, City Controller, Finance Director and all department directors shall define and adhere to a presence of integrity, ethics, competence and a positive internal control environment.

Financial Policies – Economic Development

Economic development policies are stated in Section: M Local Economic Development Policies

The Mayor's designee shall report annually to the Economic Development Committee detailing the progress of each active project in which the City has provided an incentive through the Tax Abatement, Chapter 380 Program, and Texas Enterprise Zone endorsements.

Such reports shall be published prominently on the City's website within 30 calendar days of presentation to the appropriate committee.

Tax Abatement Program

First established in 1988 by Ordinance 1988-104
- Chapter 44 Article IV of the City's Code of Ordinances
State law requires that tax abatement guidelines and criteria expire after two (2) years and limits the term of the agreements to 10 years.

There have been multiple amendments since 1988. The most recent renewal was in August of 2026; amendments to the program will be presented to City Council in the near term.

Compliance Update –

Tax Abatement Agreements

Compliance Update – Active Tax Abatement Agreements

Company	Year Executed	Council District	Investment Committed	Investment Actual	MKT Value[1] 2025 Value	New Jobs/ Retained Jobs Committed	New Jobs/ Retained Jobs Actual
Energy Property Partners	2015	B	$145.0M	$154.0M	$35.1M	0/2,700	0/5,351
The Kroger Company	2015	B	$41.0M	$42.1M	$69.6M	15/300	35/300
Cullen SH Apartments	2015	I	$22.0M	$23.9M	$50.9M	5/0	0/8
UPS – United Parcel Service	2015	A	$119.0M	$131.6M	$107.2M	575/1,885	762/1,654
MCOP, LLC[4]	2016	K	$218.0M	$226.0M	$51.3M	25/0	38/0

Total Executed Agreements[3]	Active	Term Expired	Terminated
19	11	4	4

[1] Reflects 2025 Real AND Personal Property Values for respective property.
[2] Reflects Full Time and Part-time Employment.
[3] Number of agreement executed since 2013.
[4] Energy Property Partners (formerly Halliburton) and MCOP, LLC (formerly Converge Midstream Services) reflect jobs added and required.

Compliance Update – Active Tax Abatement Agreements

Company	Year Executed	Council District	Investment Committed	Investment Actual	MKT Value[1] 2025 Value	New Jobs/ Retained Jobs Committed	New Jobs/ Retained Jobs Actual
Skanska[5]	2021	I	$117.0M	$126.8M	$164.5M	N/A***	NA***
BLEX Exchange[5]	2023	G	$45.5M	$51.3M	$62.4M	N/A***	N/A***
TPMS 3 & TPMS 4[5]	2024	G	$25.0M	Pending	Pending	N/A***	N/A***
Integra Mission Critical	2024	B	$10.0M	Pending	$126M	150/100	484/100
Owens Corning Roofing & Asphalt	2025	B	$39.0M	Pending	$8.8M	75/105	Pending
NRG Greens Bayou 6, LLC	2026	I	$549.6M	Pending	Pending	14/2	Pending

Total Executed Agreements[3]	Active	Term Expired	Terminated
19	11	4	4

[1] Reflects 2025 Real AND Personal Property Values for respective property.
[2] Reflects Full Time and Part-time Employment.
[3] Number of agreement executed since 2013.
[4] Energy Property Partners (formerly Halliburton) and MCOP, LLC (formerly Converge Midstream Services) reflect jobs added and required.
[5] Skanska, BLEX Exchange and TPMS 3 & TPMS 4 are LEED Abatements.

Compliance Update – Active Tax Abatement Agreements

Company	Economic Value (10-Year Projection)	Economic Growth (YTD Actual)
Energy Property Partners	$293.7M	$100.4M
The Kroger Company	$7.3M	$66.1M
Cullen SH Apartments	$24.6M	$47.4M
UPS – United Parcel Service	$80.9M	$103M
MCOP, LLC (formerly Converge Midstream Services)	$208.0M	$47.8M
Skanska	$133.2M	$214.8M
BLEX Exchange	$53.6M	$83.6M
Integra Mission Critical	$258.0M	$157.6M
TPMS 3/4	$129.0M	Pending
Owens Corning	$63.6M	Pending
NRG Greens Bayou 6, LLC	$388.5M	Pending

NOTES:

Economic Value (Projected) = *Projected Growth in Appraised value from Base Year to End of Agreement*

Economic Growth = *Growth in Appraised value from Base Year to Current 10-year value with projection for unknown years.*

Chapter 380 Program

- Program was created in 1999 by Ordinance 1999-74
- Historically used to reimburse for public infrastructure or to leverage the state's economic development programs
- Private business or developer pays for public improvements in advance and is reimbursed over time from the "new incremental" property taxes and is performance driven (Tax Increment Financing Structure)
- The project only recovers if it performs as planned
- Developer assumes the risk if failure to perform
  Public infrastructure is conveyed to the city and becomes a city-owned asset
- 380 programs incentivizes job creation or public access to private space

Compliance Update –

Chapter 380 Agreements

Compliance Update – Chapter 380 Agreements

Company	C.D.	Type	Status	Investment	Investment	Public Investment	MKT Value	Job Commitment		Jobs
				(Committed)	(Actual)	(Committed)		New	Retained	(Actual)
InTown Homes[1]	A	B	1,3	$290.0M	NCR	Based on Actual	$159.2M	0	0	0
Dynamo	I	B	3	$86.0M	NCR	-	$273.3M	0	0	0
Independent Arts Collaborative (MATCH)	D	C	2	$10.0M	$25.2M	-	$13.6M	25	0	25
Kroger	H	A, B	3	$32M	NCR	$2.5M	$33.2M	170	0	159
Centerpointe Hotels	I	B	1,2	$30.5M	NCR	$2.1M	$12M	0	0	0
Convention Center Hotel	I	C	3	$370M	NCR	-	$259.5M	0	0	0
Downtown Living Initiative	I	C	3	-	NCR	-	$487.9M	0	0	0
Westchase	F,G	B	3	$50.0M [2]	NCR	Based on Actual	$4.3B	0	0	0
City Park[4]	D	B	3	$220.0M	NCR	$16.9M	$1.04B	0	0	0
Reserve at Clear Lake	E	B	1,3	$108.0M	NCR	$9.7M	$354.0M	0	0	0
Studemont Venture	I	B	2	$62.0M	NCR	$860K	$211.5M	0	0	0
WOIH Partners LLC	H	B	3	$9.3M	$12.1M	$1.1M	$45M [5]	0	0	0
Westheimer Ranch	G	A,B	1	$19.04M	$23M	-	$17.2M	154	0	208
Meow Wolf	B	A,C	1	$30M	Pending	Based on Actual	$12.6M	102	0	92

Status:
1 – Active, Construction Pending
2 – Active, Reimbursement Pending
3 – Active, Payment in Progress
Type:
A – Jobs
B – Infrastructure
C – Other

Notes:
NCR – Not Condition for Reimbursement
MKT Value – market value for parcel(s) containing project site; TY25 – InTown Homes, TY25 Westchase, City Park, Reserve at Clear Lake
[1] Data represents completed phases only (Upland, Phase 2 100 acres, Cottage Grove 1 and 2).
[2] Represents an induced investment
[3] Appraised Value of Development
[4] An additional $7M of investment associated with infrastructure outside of MUD.
[5] WOIH sold a portion of the property included in the agreement which became Tempo at White Oak Apartments. This development added $32M in market value which is included with the WOIH Partners value.

Compliance Update – Chapter 380 Agreements

Company	Community Benefits (Committed)	Community Benefits (Delivered)
WOIH Partners LLC	• Local Job Fair • Host Farmers Market • Performance Space Availability for local Schools • Free Public Parking Availability	Yes
Westheimer Ranch	• Recruit/Hire at least 30% from the Houston-Westchase area • Job Sourcing through Local Job Boards, Turnaround Houston, the City's Re-entry Program	Yes
Meow Wolf	• Hire at least 25% of their workforce from the local communities (Greater Fifth Ward/Denver Harbor) • Partner with schools and colleges to foster art education, including holding events/trainings for educators, participate in workforce development programs, donate free tickets to area schools for field trips, provide tours of the project, and conduct workshops/demonstrations of the project to students. • Create or commission public art on-site or nearby that will be accessible or visible to the public at no cost. • Make good faith efforts to award at least 10% of contracts/supply agreements to MWBEs registered with the City's certified firm directory. • Utilize local contractors and suppliers for the project, including local artists.	Pending

Compliance Update – Texas Enterprise Zones

Texas Enterprise Zone Program

-Program is administered by the State of Texas
-Reimbursement of state sales/use tax for qualifying projects
-Local municipalities are allotted nine (9) nominations per biennium
-Nominations do not require any funding from the local municipality
-The County can only nominate a project through an interlocal agreement with the City in which the project is located.
-Five nomination rounds remain in the current biennium.
-The End of the biennium is August 31, 2027.

Compliance Update – Active Texas Enterprise Zones

Company	C.D.	Status	Investment (Committed)	Investment (Actual)	New Jobs (Committed/ Retained)	New Jobs (Actual)	Jobs w/ Benefits
United Airlines	B	Active	$326M	Monitored by State	150/350	Monitored by State	Monitored by State
Crown Castle International Corp	A	Active	$85.0M	Monitored by State	150/330	Monitored by State	Monitored by State
Toshiba	ETJ	Active	$65.0M	Monitored by State	25/475	Monitored by State	Monitored by State
Powell Electrical Systems, Inc	I	Active	$5.2M	Monitored by State	10/490	Monitored by State	Monitored by State
Southwest Airlines Co	I	Active	$10.0M	Monitored by State	0/500	Monitored by State	Monitored by State
JPMorgan Chase Bank, N.A.	I	Active	$50.0M	Monitored by State	10//490	Monitored by State	Monitored by State
Quanta Services, Inc	C	Active	$87.0M	Monitored by State	66/434	Monitored by State	Monitored by State
Anheuser Busch, LLC	B	Active	$20.0M	Monitored by State	10/490	Monitored by State	Monitored by State
Macquarie Holdings (USA), Inc	I	Active	$29.0M	Monitored by State	100/400	Monitored by State	Monitored by State

Compliance Update – Active Texas Enterprise Zones

Company	C.D.	Status	Investment (Committed)	Investment (Actual)	New Jobs (Committed/ Retained)	New Jobs (Actual)	Jobs w/ Benefits
The Men's Wearhouse LLC	F, K	Active	$15.0M	Monitored by State	75/425	Monitored by State	Monitored by State
DNOW LP	ETJ	Active	$11.0M	Monitored by State	75/315	Monitored by State	Monitored by State
Powell Electrical Systems, Inc	I	Active	$8.0M	Monitored by State	15/485	Monitored by State	Monitored by State
KPH – Consolidation, Inc.	E	Active	$27.9M	Monitored by State	200/300	Monitored by State	Monitored by State
Kiewit Engineering Group Inc.	A	Active	$20.0M	Monitored by State	15/485	Monitored by State	Monitored by State
Powell Electrical Systems, Inc.	I	Active	$8.0M	Monitored by State	15/485	Monitored by State	Monitored by State
Owens Corning Roof and Asphalt, LLC	B	Active	$47.0M	Monitored by State	75/118	Monitored by State	Monitored by State
NRG Energy, Inc.	I	Active	$10.0M	Monitored by State	150/350	Monitored by State	Monitored by State

Industrial Districts

Article 11, Section 5 of the Texas Constitution allows for cities with a population greater than 5,000 to levy, assess and collect taxes as may be authorized by law or by their charter.

Sections 43.136 and 42.044 of the Texas Local Government Code provide for the designation and guidelines for creation of an industrial district by a municipality within its extraterritorial jurisdiction (ETJ).

Update –

Industrial Districts

Industrial Districts

-The City of Houston has Industrial District Contract Agreements with more than 100 companies located within the Houston Extra-Territorial Jurisdiction (ETJ), for a period of 15 years.

-A contractually reduced ad valorem assessed valuation fee is calculated and billed annually to each company in lieu of the property being annexed and subject to City of Houston property taxes.

Update –

Industrial Districts

City of Houston Industrial District Contract Invoice

Statement Date: May 1, 2026

Property Owner	Haltermann Ltd.	ID Account No	9810000072001
Property Location	16717 JACINTOPORT BLVD, HOUSTON, TX 77015	City ID	190-72-01

HALTERMANN LTD ATTN PROPERTY TAX DEPT
16717 JACINTOPORT BLVD,
HOUSTON, TX 77015-6544

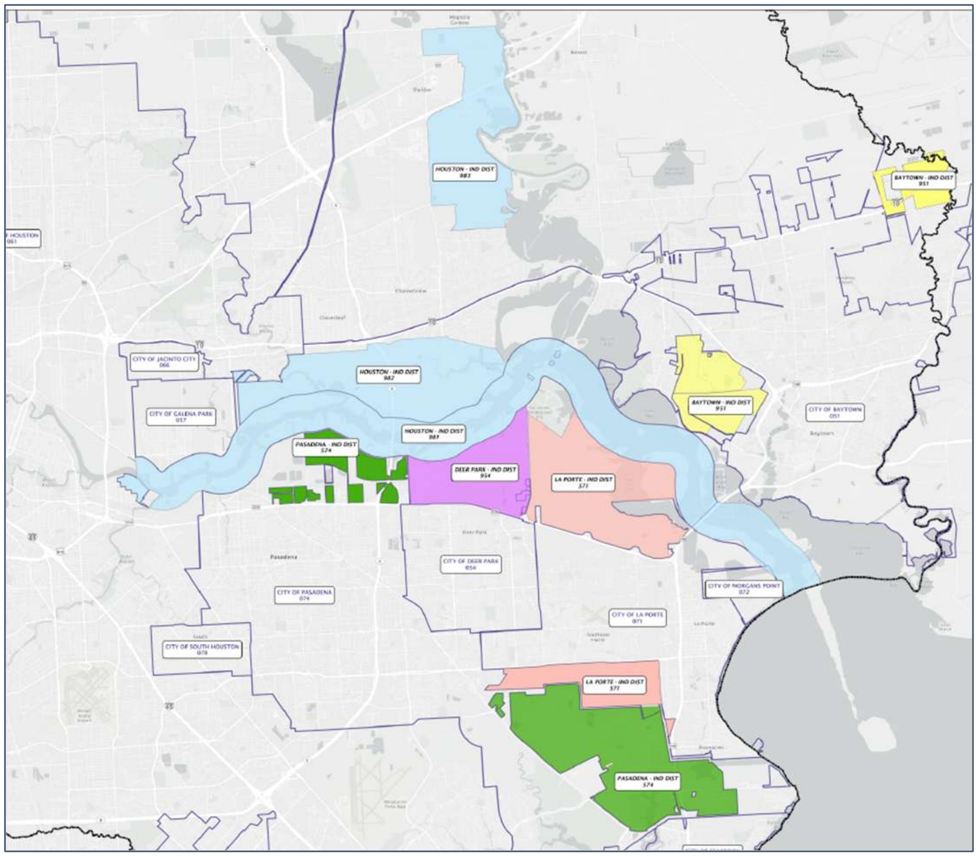
HCAD Real Property Account Numbers Used

0402400050046 0402400050120 0008927 0479974

Asset Category		HCAD Value	Contract %	Contract Value	Contract Fee @ 0.519190 Cents Per $100 Value
Land		**9,260,314**	**100%**	**9,260,314**	**$ 48,078.62**
Improvements					
Improvements as of 1/1/2025		25,504,600	73.4%	18,720,376	$ 97,194.32
Additional Improvements					
Construction in Progress (All)		0	0%	0	$ -
Additional Constructio	1st to 3rd Year	11,804,750	40%	4,721,900	$ 24,515.63
	4th & 5th Years	15,000,000	45%	6,750,000	$ 35,045.33
	6th & 7th Years	0	50%	0	$ -
Total Contract Improvement		**52,309,350**		**30,192,276**	**$ 156,755.28**
Personal Property					
Personal Property - Other		934,389	73.4%	685,842	$ 3,560.82
Personal Property - Inventory		998,472	73.4%	732,878	$ 3,805.03
Total Personal Property		**1,932,861**		**1,418,720**	**$ 7,365.85**
Total Land, Personal Property & Improvements		**63,502,525**		**40,871,310**	**$ 212,199.76**

Update –

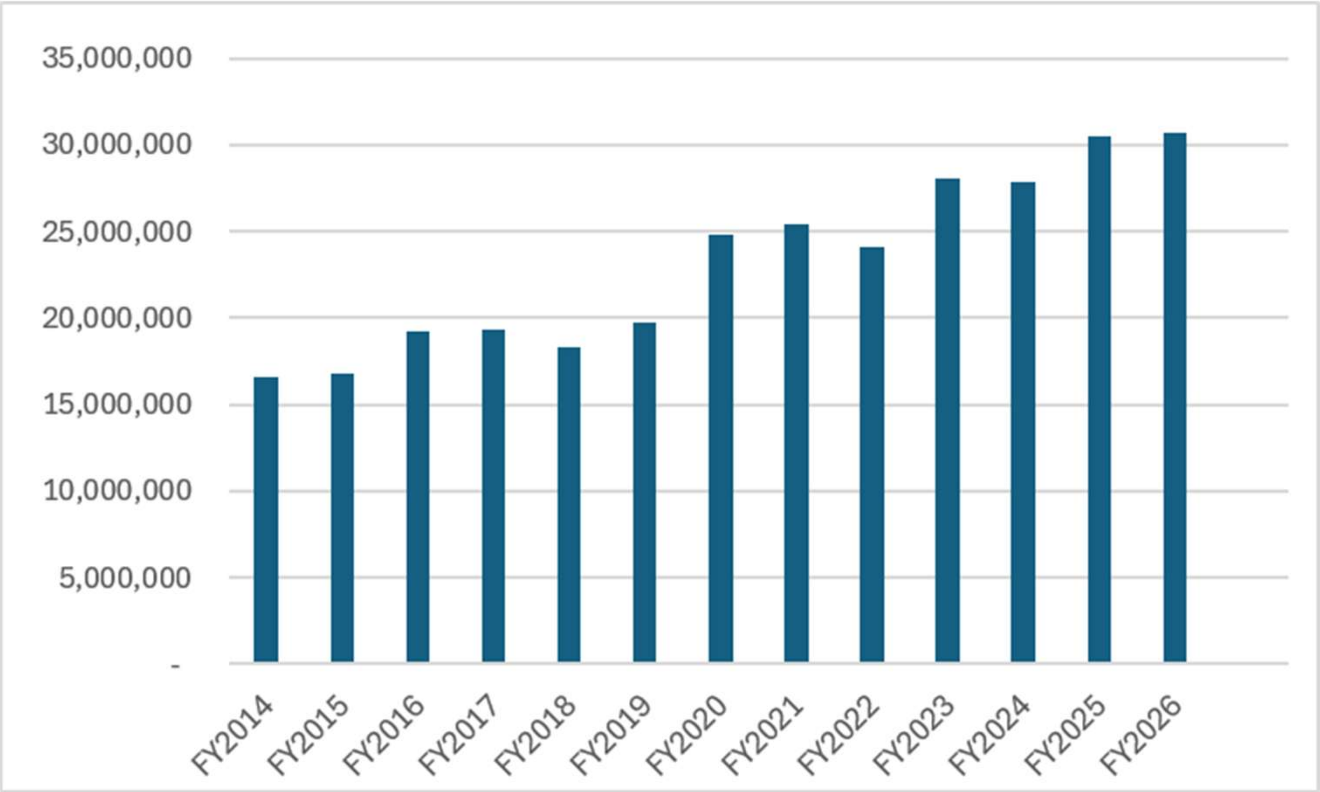
Industrial Districts



Update –

Industrial Districts

Industrial District Revenue – Twelve-Year History



NOTES:

The City of Houston has Industrial District Agreements with more than 100 companies located within the Houston Extra-Territorial Jurisdiction (Average Growth over 12 years is 6%

The Industrial contracts will be renewed for FY2027.

Questions?

Financial Policies Update