

City of Houston, Texas, Ordinance No. 2025 - 985

AN ORDINANCE APPROVING AND AUTHORIZING A TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF HOUSTON, TEXAS, AND OWENS CORNING ROOFING AND ASPHALT, LLC, FOR PROPERTY LOCATED WITHIN THE OWENS CORNING ROOFING AND ASPHALT, LLC REINVESTMENT ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON,

TEXAS:

Section 1. That the City Council hereby approves and authorizes the contract, agreement, or other undertaking ("Agreement") described in the title of this Ordinance, in substantially the form of the document attached hereto and incorporated herein by this reference. The Mayor is hereby authorized to execute the Agreement described in the title of this Ordinance and all related documents on behalf of the City of Houston and to take all actions necessary to effectuate the City's intent and objectives in approving the Agreement in the event of changed circumstances. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

Section 2. That the City Council hereby finds that the terms of the Agreement authorized by this Ordinance meet the guidelines and criteria of Chapter 44 of the City of Houston Code of Ordinances ("Code") relating to tax abatement; that the property subject to abatement under the Agreement authorized by this Ordinance lies within the Owens Corning Roofing and Asphalt, LLC Reinvestment Zone, a designated reinvestment zone authorized by Chapter 312 of the Texas Tax Code and Section 44-122 of the Code; that this Agreement will result in no substantial potential adverse effect on the provision of City services or the tax base; and that the proposed development of the facility will contribute to the economic development of the City.

Section 3. That the City Council hereby approves Owens Corning Roofing and Asphalt, LLC's request for a variance from the requirements of Section 44-131 of the Code relating to the timing of the commencement of construction of the facility at the Property and formal announcement of the project, in accordance with Section 44-125 of the Code.

Section 4. That the City Attorney is hereby authorized to take all actions necessary to enforce all legal obligations under such contracts, agreements, or other undertakings without further authorization from the City Council.

Section 5. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor;

therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED ON 12/03/2025

APPROVED ON _____

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is: 12/09/2025.

ATTEST: CITY OF HOUSTON, TEXAS

Signed by:
Troy D. Lemon
50EA7451720D4B5...

City Secretary

Mayor

Prepared by Legal Dept.
MS/ems 11/3/25
Requested by: Gwendolyn F. Tillotson-Bell
Chief Development Officer, Office of the Mayor
LD-RE-0000004224

Mark Swain

Senior Assistant City Attorney



TAX ABATEMENT AGREEMENT

This **TAX ABATEMENT AGREEMENT** ("Agreement") is made by and between the **CITY OF HOUSTON, TEXAS**, a municipal corporation and home-rule city ("City"), and **OWENS CORNING ROOFING AND ASPHALT, LLC**, a Texas limited liability company ("Company"). The City and the Company may be referred to singularly as "Party" and collectively as the "Parties." Capitalized terms have the meanings defined in the first section of this Agreement. This Agreement shall be effective as of the date of the City Controller's countersignature hereto ("Effective Date").

RECITALS

WHEREAS, the encouragement of new and existing development and investment in the City is paramount to the City's continued economic development; and

WHEREAS, in accordance with the requirements of Section 44-127 of the Code, as defined below, the Company intends to complete the design, development, and construction of a "*Manufacturing facility*" as defined in Section 44-121 of the Code for the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change ("the Project"); and

WHEREAS, in accordance with Section 44-123 of the Code, the Company has filed a written application for tax abatement dated November 22, 2024; and

WHEREAS, the City Council finds that it is reasonably likely that the Company, if granted the tax abatement described in this Agreement, will contribute to the retention, expansion, and creation of primary employment and will attract major investment in the Owens Corning Roofing & Asphalt, LLC Reinvestment Zone ("Zone") that will benefit property in the Zone and contribute to the economic development of the City; and

WHEREAS, the City Council finds that the Company Improvements (as each are defined below) are practical and are of benefit to the area within the Zone and to the City; and

WHEREAS, the City Council finds that there will be no substantial potential adverse effect on the provision of City services or on the tax base caused by this Agreement; and

WHEREAS, the Company, has represented that their respective Improvements at the Facility will be designed, constructed, and installed according to all applicable federal, State, and local environmental regulations; and

WHEREAS, the City Council finds that the terms of this Agreement meet the applicable requirements of Chapter 44, Article IV, of the Code;

NOW, THEREFORE, for and in consideration of the premises and mutual promises stated herein, the Parties agree as follows:

1. Definitions

As used in this Agreement, the following capitalized terms shall have the meanings assigned to them below, unless otherwise defined or the context clearly requires otherwise.

"Abatement Period" means the ten (10) year time period that begins on the January 1st following the Effective Date of Abatement.

"Base Year Value" shall mean the value of the Real Property as determined by HCAD on January 1, 2025.

"Chapter 44" means Article IV of Chapter 44 of the Code, approved by City Council on August 28, 2024, by City Ordinance No. 2024-624, which sets forth the property tax abatement program guidelines and criteria for properties in designated reinvestment zones, and by the Ordinance.

"City Council" means the City Council of the City.

"Code" means the Code of Ordinances of the City, as amended from time to time.

"Construction Code" means the City of Houston Construction Code, which sets forth requirements relating to building construction and safety, and consists of various components, such as the Building Code, the Plumbing Code, the Electrical Code, and the Mechanical Code.

"Department" means the City's Office of the Mayor, Economic Development, or its successor.

"Director" means the Chief Economic Development Officer of the City, or his or her designee, or the director of any City department that the Mayor may designate in writing to perform the functions delegated to the Director in this Agreement, but only for so long as the designations remain in effect.

"Effective Date of Abatement" means Jan. 1st immediately following the date that the City has received satisfactory evidence that all the following have occurred: (a) final certificate of occupancy/completion for the Project or its equivalent has been issued; (b) the Company has achieved the first year hiring goal; (c) the Company is operational within

the Facility; and (d) the Company has achieved the minimum capital investment of \$39,000,000.00 for the Project.

“EXHIBIT 1” attached to this Agreement and made a part hereof is a boundary map and aerial map of the Real Property.

“EXHIBIT 2” attached to this Agreement and made a part hereof is a legal description of the Real Property and the HCAD account number for the Real Property.

“EXHIBIT 3” attached to this Agreement and made a part hereof is a description of the Improvements that comprise the Facility.

“EXHIBIT 4” attached to this Agreement and made a part hereof is a copy of the economic impact analysis of the Project.

“Facility” means the property improvements on the Real Property, completed or in the process of construction or expansion, that together comprise an integral whole, as defined in Section 44-121 of the Code.

“FTE” means a job within the Project equaling to thirty-five (35) or more hours per week, on a cumulative basis, performed by one or more individuals.

“HCAD” means the Harris Central Appraisal District.

“Improvements” means the buildings, structures, fixed machinery and equipment, site improvements, office space and related fixed improvements necessary to the operation and administration of the Facility (including the Company Improvements as defined below), as further described in **EXHIBIT 3**, that are developed, constructed, or installed in the Zone by the Company pursuant to the terms of this Agreement.

“Ordinance” means City Ordinance No. 2025-_____, adopted on _____, 2025,¹ creating the Zone.

“Permanent Employee” has the meaning assigned by Section 44-121 of the Code.

“Personal Property Tax Abatement” means the tax abatement on business personal property as set forth in Sec. 7 below.

¹ City Secretary to insert ordinance number and date adopted by City Council.

"Real Property Tax Abatement" means the tax abatement on real property as set forth in Sec. 7 below.

"Real Property" means the land in the Zone and all improvements thereon, which land is owned by the Company. The Real Property is more specifically described on **EXHIBITS 1 and 2**.

"Tax Code" means the Texas Tax Code, as amended.

"Total Annual Salary" means \$13,167,719 which is what the Company expects as the total annual salary at full operation by December 31, 2028.

"Total Annual Salary of New Employees" means \$5,209,088 which is the portion of the Total Annual Salary of new employees.

2. Authorization

This Agreement is authorized by Chapter 312 of the Texas Tax Code, as amended, and Chapter 44 of the Code.

3. Property

The legal description, street address, and HCAD tax account numbers of the Real Property are listed on **EXHIBIT 2**.

4. Termination of Abatement and Agreement

Notwithstanding any other provision in this Agreement, in the event the Company decides not to complete the construction of the Improvements relating to the Project for any reason, the Company will provide a written termination notice to the City and the Parties will sign a letter agreement acknowledging the termination of this Agreement in a form reasonably acceptable to both Parties. Upon execution of the letter agreement, this Agreement and all rights and obligations of the Parties shall cease and terminate, and the Company shall not be entitled to any tax abatement pursuant to this Agreement. The Director is authorized to sign the letter agreement on behalf of the City.

Also, during the Abatement Period, the Company shall have the option and right at any time to give the City written notice that the Company has elected to terminate this Agreement for any reason; provided, however, at the time the termination notice is given by the Company, no event of default shall exist which has not been cured. Upon delivery to the City of a termination notice by the Company and subject to the provision of the preceding sentence, this Agreement and all rights and obligations of the Parties shall cease and terminate and the Company shall not be entitled to any tax abatement pursuant

to this Agreement for the year in which the termination notice is given and for all years remaining in the Abatement Period.

5. Representations and Warranties

- (a) The Company represents that it owns the Real Property.
- (b) The Company represents that the Real Property is located at 8360 Market Street within the City of Houston and is located within a Texas Enterprise Zone.
- (c) The Company represents that, to the best of its knowledge, no direct interest in the Real Property or the Improvements is held or leased by a member of the City Council or a member of the City's Planning Commission.
- (d) Unless this Agreement is terminated earlier pursuant to Section 4 hereof, the Company represents and warrants that it will invest or cause to be invested, approximately \$39,000,000.00 in designing, constructing, and installing the Improvements by the Effective Date of Abatement.
- (e) The Company represents and warrants that the Improvements are being designed, developed, constructed, and installed (i) in accordance with all applicable federal, state, and local environmental laws and regulations; and (ii) substantially in conformity with the description, plans, and specifications described in **EXHIBIT 3** and applicable provisions of the Construction Code.

(f) Unless terminated earlier pursuant to Section 4 hereof, the Company represents and warrants that the Company will create, and will continue to employ at the Project, throughout the Abatement Period, at least 75 new FTE jobs by December 31, 2028 and retain the baseline of 105 FTE jobs in connection with the Company's operation of its business at the Project in accordance with the schedule set forth below (the "Job Creation Requirement"):

Schedule of Full Time Equivalent (FTE) Employment			
Year	2026	2027	2028
Annual Hiring Goal (FTE Jobs)	15	25	35
Cumulative Hiring Goal (FTE Jobs)	120	145	180

(g) The Company represents that developing, constructing and installing the Improvements in the Zone will contribute to the retention, expansion, and creation of primary employment and will attract major investment in the Zone that would be a benefit to property within the Zone and that would contribute to the economic development of the City.

6. Terms of the Agreement

(a) In case of any conflict between the description, plans, and specifications of the Improvements described in **EXHIBIT 3** and the Construction Code, the Construction Code shall prevail. In addition, the Company shall comply with Chapter 42 of the Code, if applicable (platting regulations), and all other laws and regulations applicable to the construction and installation of the Improvements.

(b) Upon substantial completion of the design, development, construction and installation of the Improvements, the Facility shall be used for the proposed uses specified in this paragraph during the Abatement Period; provided, however, the Director may approve a change from those proposed uses, if the Director determines that the change is consistent with Chapter 44 and with the City's general purpose of encouraging development or redevelopment of the Zone during

the Abatement Period. The proposed use of the Facility (unless the Director approves a change in use) is as a *Manufacturing facility*, as defined by Section 44-121 of the Code.

(c) The Company shall maintain the Improvements in good repair and condition during the Abatement Period, subject to casualty, condemnation and force majeure.

(d) The Company shall allow City employees, and/or designated representatives, full access to the common areas of the Real Property in the Zone, during the term of this Agreement, for the purpose of inspecting the Improvements to ensure that the Facility and Improvements are completed, installed, renovated, and maintained in accordance with the terms of this Agreement. All inspections will be made only after giving the Company at least three (3) business day's advance notice and will be conducted during normal business hours in such manner as to not unreasonably interfere with the construction, development and/or operation of the Facility. All inspections will be made with one (1) or more representatives of the Company and in accordance with the Company's safety and security procedures. The above shall not act as a limitation on the City's ability to otherwise perform any inspections or to otherwise enter the Facility pursuant to the Code, the Construction Code, or otherwise.

(e) The Company shall each provide and cause its affiliates to provide City employees and/or designated representatives full access to all records related to the Agreement and necessary for the purpose of determining, by audit or otherwise, that the Company is and has been in full compliance with this Agreement. Any such inspection and audit shall be made only after giving the Company at least ten (10) business days advance notice and will be conducted during normal business hours in such a manner as to not unreasonably interfere with the construction, development and/or operation of the Facility. Documents and materials provided by the Company or their affiliates to the City in connection with any audit or other inspections under this Agreement which contain information that is, or which themselves are, confidential or proprietary to the Company shall not be removed from the Facility nor shall the information contained in them be copied, used or disclosed by the City other than for the sole purpose of determining the Company's compliance with the terms and conditions of this Agreement, unless disclosure is otherwise required by state or federal law. In the event that the City receives any request for information relating to this Agreement pursuant to the Texas Public Information Act or similar provision of federal law, the City agrees to promptly give the Company notice of that request. If the Company, for itself or one or more of its affiliates, advises the City that it believes that the right

of the City to withhold information from disclosure is allowed by the Texas Public Information Act or other applicable state or federal statute, rule or regulation, the City agrees to withhold the information or to immediately request an opinion from the Texas Attorney General or other appropriate public official with authority under law to render such decision on the right of the City to withhold the information. If the decision rendered is to the effect that disclosure is not required to be made, then the City agrees to withhold disclosure of the information unless thereafter authorized by the Company to be disclosed. The City agrees that during any period after request but before the rendering of a decision by the Texas Attorney General or other appropriate public official regarding the obligation of the City to make disclosure of information deemed confidential, proprietary or both by the Company, it will not disclose the requested information unless ordered to do so by a court of competent jurisdiction.

(f) An abstract of this Agreement may be recorded in the Official Real Property Records of Harris County, Texas, and will be associated with the land.

(g) This Agreement may be amended at any time upon the mutual written consent of all Parties hereto subject to approval by the City Council.

(h) Not later than April 15th (or such other date as required by HCAD) of each year during the Abatement Period, the Company shall file the appropriate form with HCAD to qualify for the real property tax abatement granted under this Agreement for that year.

(i) Each year that the Agreement is in effect, not later than February 1st, the chief financial officer (or his or her designee) of the Company shall submit to the Director a sworn statement of the number of Permanent Employees, contract employees and part-time employees of the Company or its affiliates as of the immediately preceding December 1st, who report to work at the Project. The employee count submitted shall correspond to the employee count reported by the Company or their affiliate in its "Employer's Quarterly Report" to the Texas Workforce Commission. The employee count submitted by the Company shall be used to determine abatement eligibility for that year and be subject to audit, if requested by the Director, pursuant to the provisions of Code Section 44-135(b). Not later than March 31st of each year during the Abatement Period, the Director shall certify to the Chief Appraiser of HCAD whether the Company is in compliance with the employment requirements of this Agreement.

(j) Commencing on the Effective Date of Abatement, and on or before January 1st of each subsequent year during the Abatement Period, the chief financial officer (or his or her designee) of the Company shall provide the Director a sworn

statement that the Company is and has been in compliance with all provisions of this Agreement in the prior year.

(k) If the chief financial officer (or his or her designee) of the Company cannot make the sworn statement required by paragraph (j) above on any January 1st, he or she shall provide the Director with a written statement identifying any provision of the Agreement with which the Company is not or has not been in full compliance.

(l) Failure by the chief financial officer (or his or her designee) of the Company to timely provide the Director with either the sworn statement required by paragraph (j) above or the written statement required by paragraph (k) above will not be a default under this Agreement unless the City gives the Company written notice of such failure and Company fails to cure such failure within the cure period set forth in Section 8(c) below.

(m) The City may amend the Agreement upon mutual written consent of all Parties in lieu of termination pursuant to Section 44-135(d).

(n) Contract employees and part-time employees may be used to comply with the Owner's contractual obligation to create/retain jobs on a full-time equivalency basis for any number of jobs; provided that full-time equivalent jobs shall only be used to satisfy the Owner's contractual obligation if the Owner maintains a minimum of twenty-five (25) Permanent Employees.

(o) Commencing on the date of this Agreement and continuing until the date the Company has achieved its Job Creation Requirement for calendar year 2026, the Company shall do the following:

(1) With respect to new FTE jobs created at the Project, provide a starting hourly wage equivalent to \$25.00 or higher.

(2) Advertise new FTE job postings available at the Project with the City of Houston's Community Reentry Network Program and make good faith efforts to recruit employees from reentry programs, including the City of Houston's Community Reentry Network Program.

(3) Make good faith efforts to ensure that a minimum of twenty-five percent (25%) of the Company's total new FTE jobs at the Project consist of individuals who live in the same or in an adjacent Census tract as the Project.

(4) Make good faith efforts to ensure that a minimum of twenty-five percent (25%) of the Company's total new FTE jobs at the Project consist

of individuals who live in a Census tract with an average income lower than the City of Houston median income.

(5) Make good faith efforts to provide job training (which may be conducted in-house) for entry or mid-skill level FTE jobs located at the Project.

(p) In addition, the Company may, if in the Company's interests and at the Company's discretion, collaborate with Workforce Solutions as Follows:

- (1) Participate in Workforce Solutions' on-the-job training program.
- (2) Post FTE job openings online to Workforce Solution's platform
- (3) Support or utilize other programs provided by Workforce Solutions.

7. Tax Abatement

(a) In consideration of the completion of the Facility, the City agrees to provide (1) a Real Property Tax Abatement on the real property Improvements referenced in **EXHIBIT 3** subject to ad valorem real estate taxes and (2) a Personal Property Tax Abatement on the business personal property Improvements referenced in **EXHIBIT 3** subject to personal property taxes. The annual Real Estate Tax Abatement on the Improvements will be calculated as the current City tax rate multiplied by the value of the Improvements attributable to the tax increment above the Base Year Value, as measured by HCAD per \$100, multiplied by Ninety percent (90%).

(b) The average Real Property Tax Abatement is estimated to be \$18,739.00 annually.

(c) The average Personal Property Tax Abatement is estimated to be \$103,381.00.

(d) For the purpose of determining the Real Property Tax Abatement amount, the base value of the Project as of January 1, 2025 of the year in which the Abatement Effective Date occurs and the improvement value in subsequent years will be established and certified by Harris County Appraisal District (HCAD).

(e) For the purposes of determining the Personal Property Tax Abatement amount, the base value as of January 1, 2025 of the year in which the Abatement Effective Date occurs and the business personal property improvement value in

subsequent years will be established and certified by Harris Central Appraisal District (HCAD).

(f) From the Effective Date of Abatement to the end of the Abatement Period, taxes shall be payable as follows:

(1) The value of "ineligible property," as that term is defined in Section 44-127(e) of the Code, shall be fully taxable.

(2) The Base Year Value of "eligible property," as that term is defined in Section 44-127(d) of the Code, shall be fully taxable.

(3) The additional value of the Real Property Improvements and Personal Property Improvements shall be taxable in accordance with Section 7(a) of this Agreement.

(g) The City shall enter into only one tax abatement agreement for the Facility described in this Agreement during the term of this Agreement.

(h) The Real Property Tax Abatement and the Personal Property Tax Abatement shall continue during the Abatement Period or until the maximum abatement amount of \$1,361,418.00 has been reached, whichever occurs first.

8. Compliance, Default and Recapture

(a) Compliance

(1) No later than February 1 of each year, beginning on the Tax Abatement Effective Date and continuing throughout the Abatement Period of ten (10) years, the Company shall submit a report to the City in such form and manner as the City may reasonably prescribe, evidencing with **Section 5(f)** and **Section 6(o)**. In the event that the Company is not in compliance with the requirements of **Section 6(o)**, the Company will maintain and submit to the City records showing the Company's good faith efforts to comply with such provisions.

(2) By January of each abatement year, the Company will provide to the City's Chief Development Officer a statement attesting to the number of FTE jobs created and retained in connection with the Project and the amount of capital investment in the Project and the amount of capital investment in the Project with respect to such abatement year.

(3) By February 1 of each abatement year, the Company will provide to the City's Chief Development Officer and HCAD its collective employment count as reported in its report to the Texas Workforce Commission.

(4) Annually by April 1, beginning after the Abatement Effective Date, the Company will file its Annual Report on Form 10-K with the Securities and Exchange Commission, which is prepared in accordance with GAAP, for the fiscal year ending December 31, reflecting the Company's operating performance for such prior fiscal year.

(b) Events of Default

The Company shall be in default under this Agreement if any of the following occur at any time from the Effective Date until the expiration of the Abatement Period or such earlier date on which this Agreement may otherwise expire or otherwise be terminated:

(1) The Facility is completed and is occupied, but subsequently is wholly vacated or abandoned for any reason other than the occurrence of a fire, explosion, or other casualty or accident or natural disaster;

(2) The Company fails to comply timely with the requirements of Section 8(a) or with the job creation, job retention or investment requirements stated in this Agreement;

(3) The Company fails to comply timely with any material term of this Agreement, and such failure continues after notice and the passage of any applicable cure period;

(4) The Company fails to timely file any required report or statement or to timely give any required notice pursuant to this Agreement, and such failure continues after notice and the passage of any applicable cure period; or

(5) Employees or designated representatives of the City determine pursuant to an inspection under Section 44-135 of the Code that the Company has not complied with this Agreement.

(c) Notice of Default

If the Director determines that an event of default has occurred, the Director shall notify the Company in writing at the address stated in the Agreement, and if the condition of default is not cured within thirty (30) days from the date of the notice, then the City may take any one or more of the following actions set forth in Section 8(d) or 8(e) of this

Agreement; provided, however, that the City shall only be required to give a thirty (30) day notice of default for failure to comply with job creation or investment requirements.

(d) Job Creation Recapture

(1) At the beginning of the third year after the Effective Date of Abatement, the Tax Abatement will be reduced to an amount that reflects any reduced Total Annual Salary of New Employees. If the Company's actual total annual salary of new employees is lower than the Total Annual Salary of New Employees (\$5,209,088), the maximum total abatement amount will be proportionally reduced to reflect the difference between the Company's actual total annual salary of new employees and the Total Annual Salary of New Employees (a reduction in the financial barrier). The proportionally reduced maximum total abatement amount will be calculated as follows: Company's actual total annual salary of new employees divided by the Total Annual Salary of New Employees equals the proportional abatement not to exceed 100%, then multiplied by the maximum abatement amount stated in Section 7(h).

(i) Example 1: If at the beginning of the third year of the Abatement Effective Date, the Company has an actual total annual salary of new employees of \$4,900,000, the maximum total abatement amount would be reduced from \$1,361,418 to \$1,280,636.

$$4,900,000 / 5,209,088 = 94.06\% \rightarrow \$1,361,418 * 94.06\% = \$1,280,636$$

(ii) Example 2: If at the beginning of the third year of the Abatement Effective Date, the Company has an actual total annual salary new employees of \$6,000,000, the maximum total abatement amount would remain \$1,361,418.

$$6,000,000 / 5,209,088 = 115.2\% \rightarrow \$1,361,418.$$

(2) If the Company fails to meet the Hiring Goal for any applicable year or fails to retain 180 jobs over the term of the Abatement once the Hiring Goal has been achieved, the Tax Abatement Benefit for that year may be reduced by one percent (1%) for each percentage point per 15 FTE jobs of the Hiring Goals not

(3) The decision whether to reduce the Tax Abatement Benefit pursuant to this subsection VIII shall be in the sole judgement and discretion of the City's Chief Development Officer, provided, however, that the maximum annual reduction of the Tax Abatement Benefit for failure to meet the Cumulative Hiring Goal for any applicable year shall be twenty percent (20%).

(e) Community Benefits Recapture

(1) If the Company fails to meet the Community Benefit conditions set forth in Section 6 above, then the Tax Abatement Benefit may be reduced as follows:

- a. Failure to advertise and make good faith efforts to recruit employees from reentry programs as set forth in Section 6(o) will result in up to at 5% reduction in the annual Tax Abatement Benefit for the year in which such failure shall occur.
- b. Failure to use best effort for local hiring as set forth in Section 6(o) will result in up to a 5% reduction Tax Abatement Benefit for the year in which such failure shall occur.

(f) Survival

The City's right and authority to pursue any default and to recover abated taxes granted under this Section 8 shall survive the amendment, revision, expiration, or termination of this Agreement other than a termination of the Agreement pursuant to Section 4.

9. Administration

(a) The Chief Appraiser of HCAD shall annually determine the taxable value of the real property comprising the Zone. Each year, the Company shall furnish the City with any additional information applicable to the tax abatement that may be necessary for the administration of the abatement granted under this Agreement. Once the preliminary taxable values of the real property comprising the Zone have been established, the Chief Appraiser of HCAD shall notify the eligible jurisdictions of the amount of the assessment.

(b) Upon substantial completion of construction, installation, or renovation of the Improvements, the Director shall annually evaluate the Facility to ensure compliance with this Agreement and prepare a report of any violations of this Agreement.

10. Assignment

This Agreement may be assigned by the Company to a new party with the written consent of the Director, which consent shall not be unreasonably withheld, conditioned or delayed. If the proposed assignee is an affiliated entity of the Company, then the Director may consent to an assignment if the assigning entity is in compliance with all terms of this Agreement, subject only to the condition set forth in the last sentence of this Section 10. Any assignment of this Agreement shall not relieve the assigning party of continuing liability under this Agreement unless specifically agreed to in a writing signed by both the Director and the City Attorney. Any assignment shall provide that the assignee

shall irrevocably and unconditionally assume all the duties and obligations of the Company upon the same terms and conditions as set out in the Agreement. Any assignment of this Agreement shall be to an entity that contemplates the same improvements or repairs to the property in the Zone, except to the extent such improvements or repairs have been completed. No assignment shall be approved if either the assigning party or the assignee has past due indebtedness to the City for ad valorem taxes or other obligations not being contested in good faith.

11. Compliance with Applicable Government Regulations

Except as specifically provided herein, nothing in this Agreement shall be construed to alter or affect the obligation of the Company to comply with any ordinance, rule or regulation of the City, or the laws and regulations of the State of Texas.

12. Merger

The Parties agree that this Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

13. Notices

All notices shall be in writing and unless hand-delivered, shall be sent by U.S. Mail certified, return receipt requested. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To the Company: Owens Corning Roofing and Asphalt, LLC

To the City: Chief Economic Development Officer
Office of the Mayor
901 Bagby, 4th Floor
Houston, Texas 77002

Each Party may designate a different address by giving the other Party written notice ten (10) days in advance of such designation.

[Execution pages follow]

This Agreement has been executed by the Parties in multiple originals, each having full force and effect.

Owens Corning Roofing and Asphalt, LLC

Signed by:
By: Matt Tober
Name: Matt Tober
Title: Indirect Tax Leader

Signed by:
CITY OF HOUSTON, TEXAS

[Handwritten Signature]

DS

Mayor

DocuSigned by:

Steven David

C3855B63AE1F45D...



EST/SEAL:

Signed by:

Troy D. Lemon

50EA7451720D4B5...

City Secretary

DS
COUNTERSIGNED:

[Handwritten Signature]

City Controller

DocuSigned by:

Emad Talir

C7034DC62F544DF...

DATE COUNTERSIGNED:

12/15/2025

APPROVED:

Signed by:

Gwendolyn Jillettson-Bell

16A395518AE24DE...

Chief Economic Development Officer
Office of the Mayor

APPROVED AS TO FORM:

DocuSigned by:

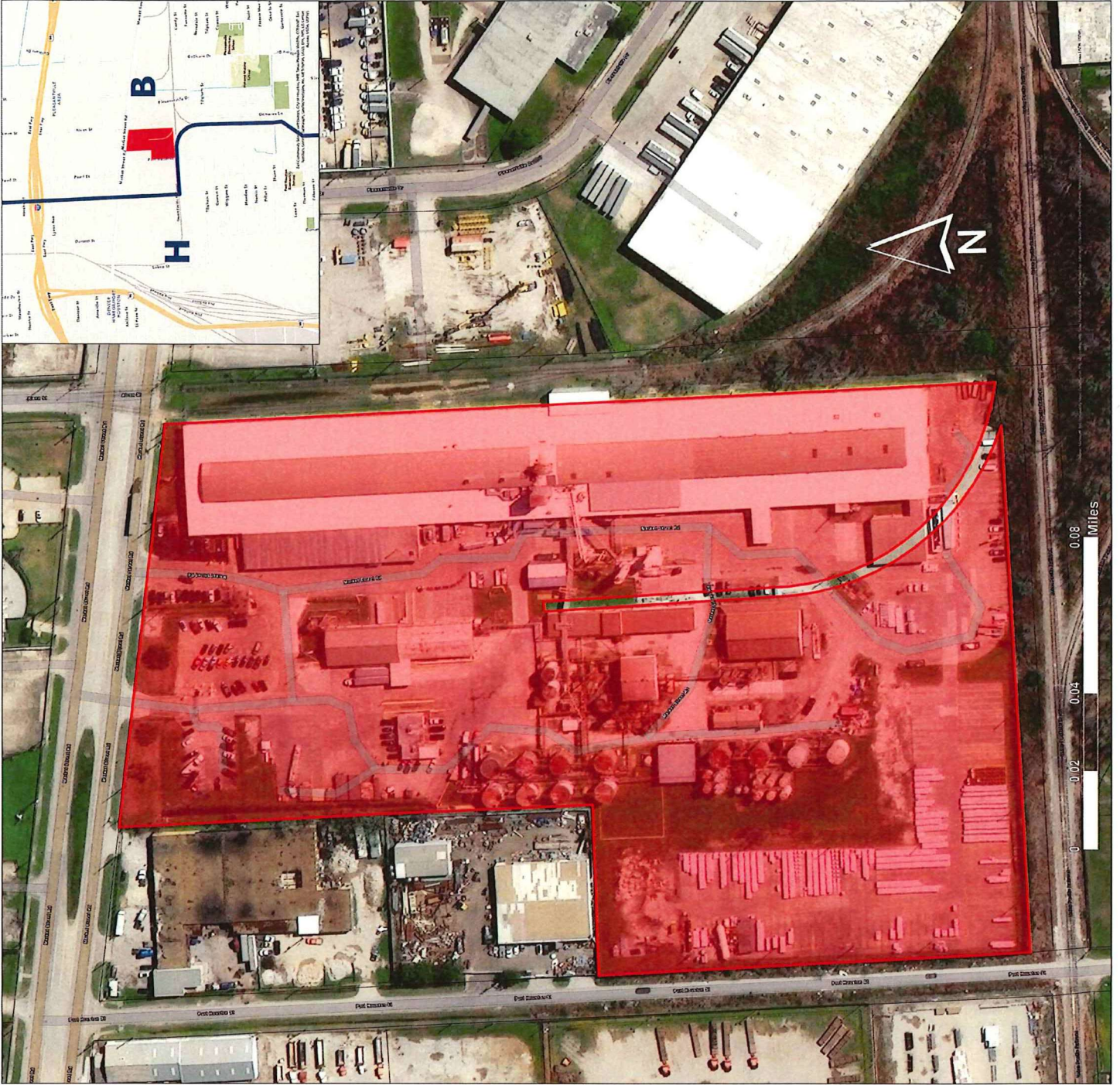
Mark Swaim

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Mark Swaim, Senior Assistant City Attorney
LD-RE-0000004224

EXHIBIT 1



BOUNDARY MAP AND AERIAL MAP OF THE REAL PROPERTY

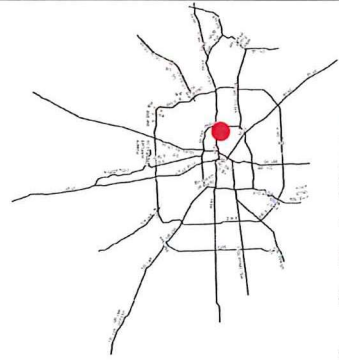


**PROPOSED
TAX ABATEMENT
REINVESTMENT ZONE**

**OWENS CORNING
REINVESTMENT ZONE**

8360 MARKET ST

-  HCAD Parcels
-  Proposed Tax Abatement Reinvestment Zone



Source: City of Houston GIS database,
Date: August 29, 2025

This map is made available for reference purposes only and should not be substituted for a survey product. The City of Houston will not accept liability of any kind in conjunction with its use.

EXHIBIT 2

**LEGAL DESCRIPTION, STREET ADDRESS AND HCAD ACCOUNT NUMBER
OF THE REAL PROPERTY**

Address	HCAD Account Number
8360 Market Street, Houston, TX 77029	0151300000060
8360 Market Street, Houston, TX 77029	0043255

LTIC: TEX 2006 04 2848
Property: 8360 Market Street
Houston, Harris County, Texas

All that certain tract of 18.410 acres being part of Lots Twenty-One (21) and Twenty-Five (25), GLENDALE, a subdivision recorded in Volume 69, Page 640 and Volume 72, Page 6, Deed Records of Harris County, Texas, and being situated in the John Brown Survey, Abstract 8, Harris County, Texas; said tract of 18.410 acres being more particularly described as follows:

BEGINNING at a ½ inch iron rod set in the intersection of the Easterly line of Lot Twenty-One (21), common with the Westerly line of Aleen Street (based on a width of 50.00 feet), with the Southerly line of Market Street Road (based on a width of 120.00 feet), being the Southerly line of that certain 20 foot wide strip described in Volume 715, Page 208, Harris County Deed Records;

THENCE South 00 deg. 08' 00" East, 1134.38 feet with the Westerly line of Aleen Street to a ½ inch iron rod set in the Southeasterly corner of the tract herein described, being in the intersection of the Easterly line of Lot Twenty-Five (25), common with the Westerly line of Aleen Street and the Northerly line of the Houston North Shore Railway Company 30 foot right of way described in Volume 704, Page 339, Harris County Deed Records;

THENCE South 89 deg. 42' 31" West, 792.37 feet with the Northerly line of said 30.00 foot right of way to a chain link fence corner post found in the Southwesterly corner of the tract herein described, being in the Easterly line of Port Houston Road (based on a width of 60.00 feet);

THENCE North 00 deg. 08' 00" West, 588.80 feet with said Easterly line to a ¾ inch iron pipe found in the Southwesterly corner of that certain 3.43 acre tract now or formerly of Kircoe Realty Company, described in deed recorded in Volume 5358, Page 611, Harris County Deed Records;

THENCE North 89 deg. 50' 30" East, 224.50 feet with the Southerly line of said 3.43 acre tract to a ½ inch iron rod set in the Southeasterly corner of same and being re-entrant corner of the tract herein described;

THENCE North 00 deg. 03' 08" East, 638.45 feet with the Easterly line of said 3.43 acre tract to a ½ inch iron rod set in the Northeasterly corner of same, being in the aforesaid Southerly line of Market Street Road and being the most Northerly Northwest corner of the tract herein described;

THENCE South 81 deg. 01' 03" East, 573.04 feet to the POINT OF BEGINNING and containing 18.410 acres or 801,958 square feet, more or less.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me, and was duly RECORDED. In the Official Public Records of Real Property of Harris County, Texas on

JAN - 8 2007



Caroly B. Hayden

COUNTY CLERK
HARRIS COUNTY, TEXAS

EXHIBIT 3

ABATED PROPERTY/IMPROVEMENTS

Abated improvements include upgrades to the building and its internal infrastructure as well as upgrades to water lines and site electricity.

Abated property includes manufacturing and non-manufacturing Machinery & Equipment related to the new raw material manufacturing process at the facility including, but not limited to, production line extensions and upgrades to material handling equipment, conveyors, and binders.

EXHIBIT 4

Economic Impact Analysis



Project Gumby - Impact Report - Expansion Only

Project Type: Business Retention & Expansion
Industry: Manufacturing
Prepared By: Greater Houston Partnership

Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by Greater Houston Partnership using Impact DashBoard, a customized web application developed by Impact DataSource, LLC.

Impact DashBoard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for Greater Houston Partnership.

This report, generated by the Impact DashBoard application, has been prepared by Greater Houston Partnership to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. Greater Houston Partnership made reasonable efforts to ensure that the project-specific data entered into Impact DashBoard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

Greater Houston Partnership and Impact DataSource make no representation or warranty as to the accuracy or completeness of the information contained herein, and expressly disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

Introduction

This report presents the results of an economic impact analysis performed using Impact DashBoard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

Existing & Expanded Operations

The Project under analysis represents the expansion of an existing business. The table below illustrates the economic impact over the next 10 years including both the current and expanded operations.

ECONOMIC IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 10 YEARS IN CITY OF HOUSTON			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
JOBS			
Direct	105.0	75.0	180.0
Spin-off	139.3	99.5	238.7
Jobs Total	244.3	174.5	418.7
SALARIES			
Direct	\$112.98M	\$65,291,813	\$178.27M
Spin-off	\$110.51M	\$63,867,132	\$174.38M
Salaries Total	\$223.49M	\$129.16M	\$352.65M

The table below summarizes the fiscal impact, the net benefits for local taxing districts, over the next 10 years including both the current and expanded operations.

FISCAL IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 10 YEARS			
NET BENEFITS			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
City of Houston	\$2,591,972	\$1,195,921	\$3,787,893
Harris County	\$1,809,585	\$749,486	\$2,559,071
Houston ISD	\$4,210,273	\$344,594	\$4,554,867
Houston Community College	\$466,379	\$201,224	\$667,603
Harris County Hospital District	\$792,693	\$347,382	\$1,140,075
Harris County Department of Education	\$23,270	\$10,197	\$33,467
Harris County Flood Control	\$237,449	\$104,057	\$341,506
Port of Houston	\$29,821	\$13,068	\$42,889
Harris County Emergency Services District	\$0	\$0	\$0
Harris County ID #18	\$0	\$0	\$0
Harris County ESD	\$71,866	\$95,494	\$167,360
	\$10,233,307	\$3,061,423	\$13,294,730

The remainder of this report will focus on only the economic and fiscal impact associated with the expansion.

Economic Impact Overview

The table below summarizes the economic impact of the project over the first 10 years in terms of job creation, salaries paid to workers, and taxable sales.

SUMMARY OF ECONOMIC IMPACT OVER 10 YEARS IN CITY OF HOUSTON			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Jobs	75.0	99.5	174.5
Annual Salaries/Wages at Full Ops (Yr 3)	\$7,022,076	\$6,868,853	\$13,890,928
Salaries/Wages over 10 Years	\$65,291,813	\$63,867,132	\$129.16M
Taxable Sales/Purchases in City of Houston	\$15,079,636	\$4,790,035	\$19,869,671

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

SUMMARY OF POPULATION IMPACT OVER 10 YEARS IN CITY OF HOUSTON			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Workers who will move to City of Houston	0	14.9	14.9
New residents in City of Houston	0	38.8	38.8
New residential properties constructed in City of Houston	0	2.2	2.2
New students to attend local school district	0	7.5	7.5

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 10 years is summarized in the following table.

SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 10 YEARS IN CITY OF HOUSTON							
YR.	NEW RESIDENTIAL PROPERTY	LAND	BUILDINGS...	FF&E	INVENTORIES	NON-RESIDENTIAL PROPERTY	TOTAL PROPERTY
1	\$113,429	\$0	\$2,437,803	\$31,606,273	\$0	\$34,044,076	\$34,157,505
2	\$308,527	\$0	\$2,486,559	\$28,445,646	\$0	\$30,932,205	\$31,240,732
3	\$590,058	\$0	\$2,536,290	\$25,285,018	\$0	\$27,821,309	\$28,411,367
4	\$601,859	\$0	\$2,587,016	\$22,124,391	\$0	\$24,711,407	\$25,313,266
5	\$613,896	\$0	\$2,638,756	\$18,963,764	\$0	\$21,602,520	\$22,216,417
6	\$626,174	\$0	\$2,691,531	\$15,803,137	\$0	\$18,494,668	\$19,120,842
7	\$638,698	\$0	\$2,745,362	\$12,642,509	\$0	\$15,387,871	\$16,026,569
8	\$651,472	\$0	\$2,800,269	\$9,481,882	\$0	\$12,282,151	\$12,933,623
9	\$664,501	\$0	\$2,856,275	\$6,321,255	\$0	\$9,177,529	\$9,842,031
10	\$677,791	\$0	\$2,913,400	\$6,321,255	\$0	\$9,234,655	\$9,912,446

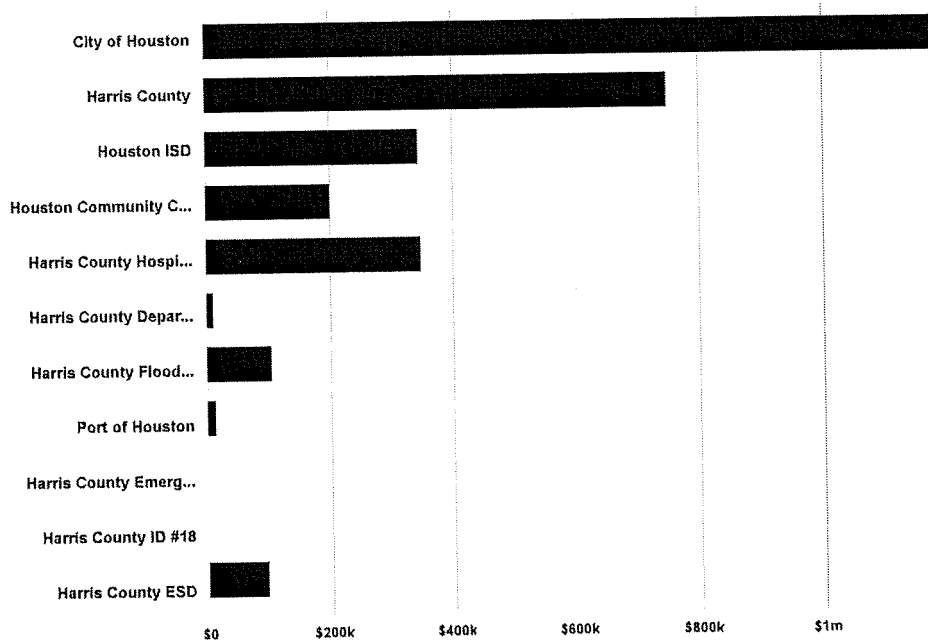
Fiscal Impact Overview

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages.

FISCAL NET BENEFITS OVER THE NEXT 10 YEARS				
	BENEFITS	COSTS	NET BENEFITS	PRESENT VALUE*
City of Houston	\$1,907,694	(\$711,774)	\$1,195,921	\$988,123
Harris County	\$895,244	(\$145,758)	\$749,486	\$614,881
Houston ISD	\$1,800,262	(\$1,455,668)	\$344,594	\$281,149
Houston Community College	\$201,224	\$0	\$201,224	\$164,002
Harris County Hospital District	\$347,382	\$0	\$347,382	\$282,740
Harris County Department of Education	\$10,197	\$0	\$10,197	\$8,300
Harris County Flood Control	\$104,057	\$0	\$104,057	\$84,694
Port of Houston	\$13,068	\$0	\$13,068	\$10,636
Harris County Emergency Services District	\$0	\$0	\$0	\$0
Harris County ID #18	\$0	\$0	\$0	\$0
Harris County ESD	\$95,494	\$0	\$95,494	\$82,280
Total	\$5,374,623	(\$2,313,200)	\$3,061,423	\$2,516,806

*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.

Net Benefits Over the Next 10 Years

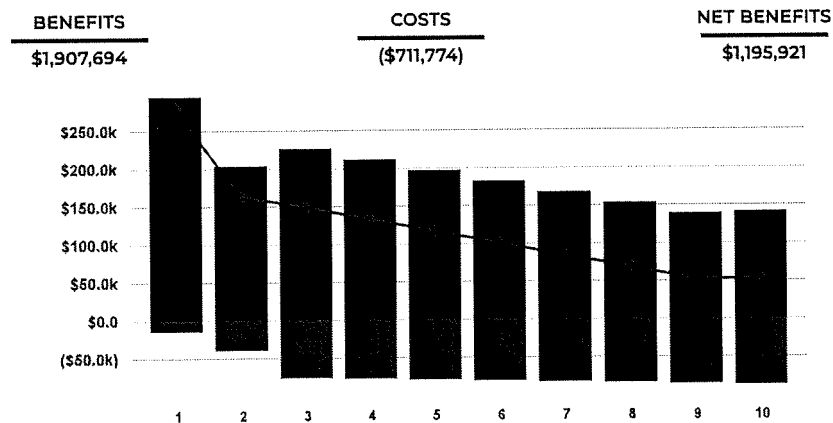


City of Houston Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by City of Houston over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CITY OF HOUSTON			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$101,828	\$96,869	\$198,697
Real Property Taxes	\$138,589	\$0	\$138,589
FF&E Property Taxes	\$918,941	\$0	\$918,941
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$28,485	\$28,485
Hotel Occupancy Taxes	\$0	\$0	\$0
Building Permits and Fees	\$0	\$0	\$0
Utility Revenue	\$354,058	\$181,004	\$535,062
Utility Franchise Fees	\$26,845	\$13,857	\$40,701
Miscellaneous Taxes and User Fees	\$31,198	\$16,022	\$47,220
Benefits Subtotal	\$1,571,458	\$336,236	\$1,907,694
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$116,810)	(\$59,902)	(\$176,712)
Cost of Utility Services	(\$354,058)	(\$181,004)	(\$535,062)
Costs Subtotal	(\$470,868)	(\$240,905)	(\$711,774)
Net Benefits	\$1,100,589	\$95,331	\$1,195,921

Annual Fiscal Net Benefits for City of Houston

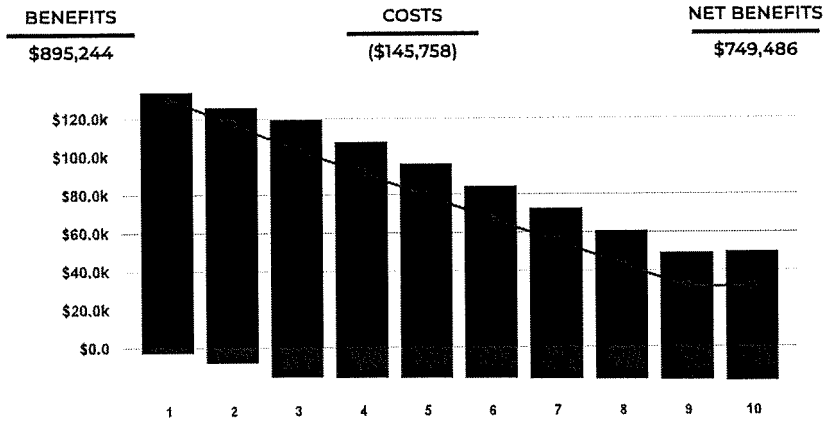


Harris County Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$102,846	\$0	\$102,846
FF&E Property Taxes	\$681,945	\$0	\$681,945
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$33,919	\$33,919
Hotel Occupancy Taxes	\$0	\$0	\$0
Miscellaneous Taxes and User Fees	\$40,630	\$35,904	\$76,534
Benefits Subtotal	\$825,421	\$69,823	\$895,244
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$77,632)	(\$68,126)	(\$145,758)
Costs Subtotal	(\$77,632)	(\$68,126)	(\$145,758)
Net Benefits	\$747,789	\$1,697	\$749,486

Annual Fiscal Net Benefits for Harris County

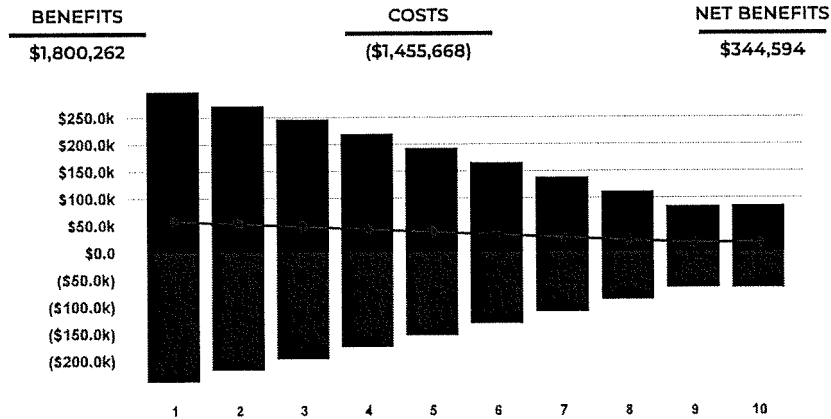


Houston ISD Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Houston ISD over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HOUSTON ISD			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$231,778	\$0	\$231,778
FF&E Property Taxes	\$1,536,849	\$0	\$1,536,849
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$12,096	\$12,096
Addtl. State & Federal School Funding	\$0	\$19,540	\$19,540
Benefits Subtotal	\$1,768,626	\$31,636	\$1,800,262
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost to Educate New Students	\$0	(\$16,845)	(\$16,845)
Reduction in State School Funding	(\$1,429,050)	(\$9,774)	(\$1,438,824)
Costs Subtotal	(\$1,429,050)	(\$26,618)	(\$1,455,668)
Net Benefits	\$339,576	\$5,018	\$344,594

Annual Fiscal Net Benefits for Houston ISD

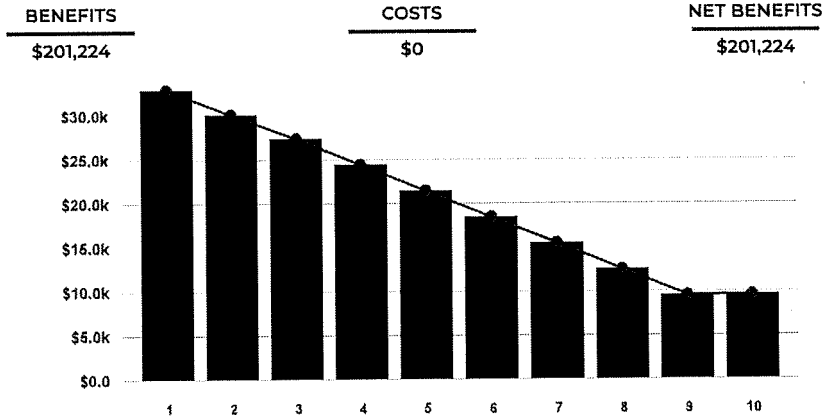


Houston Community College Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Houston Community College over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HOUSTON COMMUNITY COLLEGE			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$25,674	\$0	\$25,674
FF&E Property Taxes	\$170,239	\$0	\$170,239
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$5,310	\$5,310
Benefits Subtotal	\$195,914	\$5,310	\$201,224
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$195,914	\$5,310	\$201,224

Annual Fiscal Net Benefits for Houston Community College

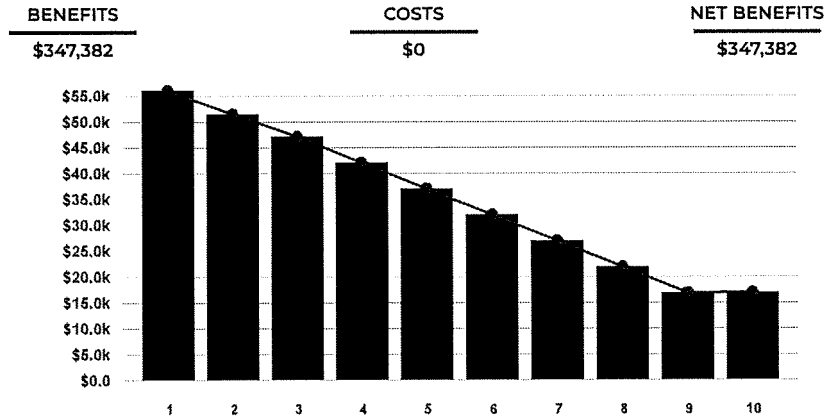


Harris County Hospital District Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Hospital District over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY HOSPITAL DISTRICT			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$43,638	\$0	\$43,638
FF&E Property Taxes	\$289,352	\$0	\$289,352
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$14,392	\$14,392
Benefits Subtotal	\$332,990	\$14,392	\$347,382
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$332,990	\$14,392	\$347,382

Annual Fiscal Net Benefits for Harris County Hospital District

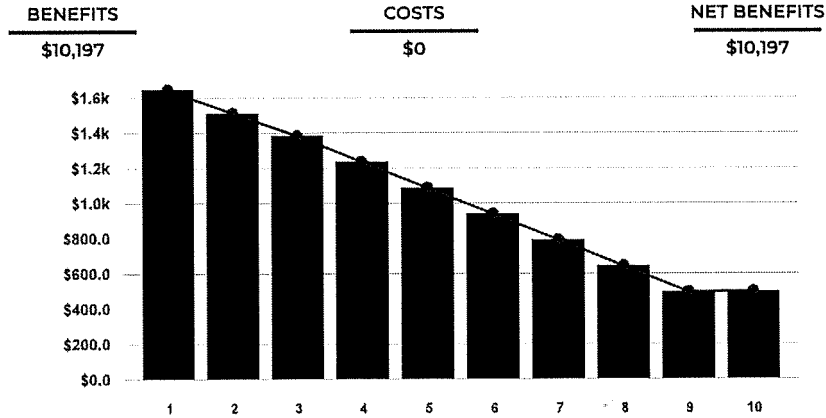


Harris County Department of Education Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Department of Education over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY DEPARTMENT OF EDUCATION			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$1,281	\$0	\$1,281
FF&E Property Taxes	\$8,494	\$0	\$8,494
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$422	\$422
Benefits Subtotal	\$9,775	\$422	\$10,197
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$9,775	\$422	\$10,197

Annual Fiscal Net Benefits for Harris County Department of Education

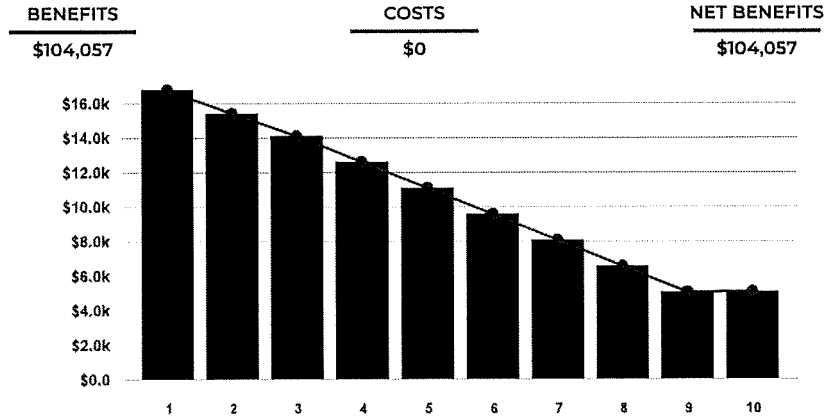


Harris County Flood Control Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Flood Control over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY FLOOD CONTROL			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$13,072	\$0	\$13,072
FF&E Property Taxes	\$86,675	\$0	\$86,675
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$4,311	\$4,311
Benefits Subtotal	\$99,746	\$4,311	\$104,057
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$99,746	\$4,311	\$104,057

Annual Fiscal Net Benefits for Harris County Flood Control

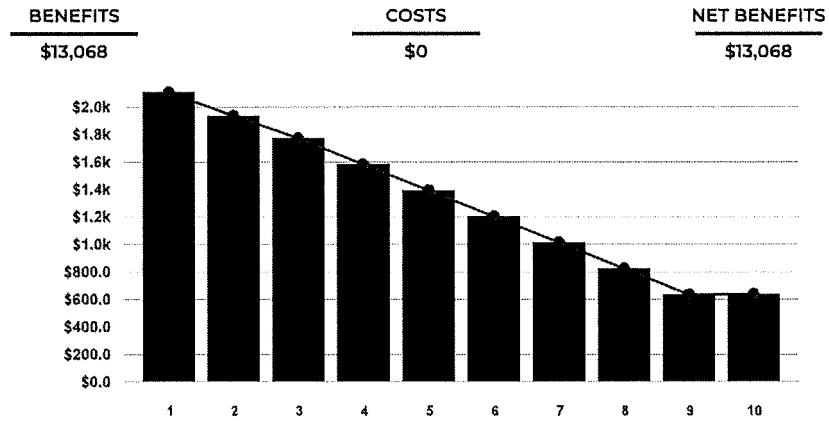


Port of Houston Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Port of Houston over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: PORT OF HOUSTON			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$1,642	\$0	\$1,642
FF&E Property Taxes	\$10,885	\$0	\$10,885
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$541	\$541
Benefits Subtotal	\$12,527	\$541	\$13,068
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$12,527	\$541	\$13,068

Annual Fiscal Net Benefits for Port of Houston



Harris County Emergency Services District Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Emergency Services District over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY EMERGENCY SERVICES DISTRICT			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Benefits Subtotal	\$0	\$0	\$0
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$0	\$0	\$0

Harris County ID #18 Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County ID #18 over the next 10 years of the Project.

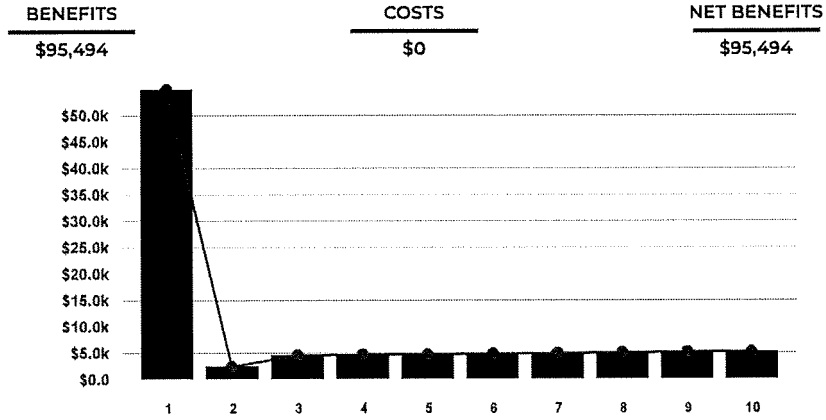
NET BENEFITS OVER 10 YEARS: HARRIS COUNTY ID #18			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$0	\$0	\$0
FF&E Property Taxes	\$0	\$0	\$0
Inventory Property Taxes	\$0	\$0	\$0
New Residential Property Taxes	\$0	\$0	\$0
Benefits Subtotal	\$0	\$0	\$0
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$0	\$0	\$0

Harris County ESD Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County ESD over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY ESD			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$53,961	\$41,533	\$95,494
Benefits Subtotal	\$53,961	\$41,533	\$95,494
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$53,961	\$41,533	\$95,494

Annual Fiscal Net Benefits for Harris County ESD



Methodology

Overview of Methodology

The Impact DashBoard model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the spin-off or indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes adjusted county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

327993 MINERAL WOOL MANUFACTURING		CITY OF HOUSTON
Employment Multiplier	(Type II Direct Effect)	2.3263
Earnings Multiplier	(Type II Direct Effect)	1.9782

Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach.

This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by local jurisdictions to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs.

This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

Additionally, this analysis seeks to calculate the impact on the school district's finances from the Project by generally, and at a summary level, mimicking the district's school funding formula.

According to the Texas Education Agency, any property added to local tax rolls, and the local taxes that this generates, reduces the amount of state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and the corresponding state funding is not reduced. However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

About Impact DataSource

Established in 1993, Impact DataSource is an Austin, Texas-based economic consulting firm. Impact DataSource provides high-quality economic research, specializing in economic and fiscal impact analyses. The company is highly focused on supporting economic development professionals and organizations through its consulting services and software. Impact DataSource has conducted thousands of economic impact analyses of new businesses, retention and expansion projects, developments, and activities in all industry groups throughout the U.S.

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