



Economic Development Proposals

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Proposals for Consideration

- **White Oak Music Hall – Chapter 380 Agreement**
 - District H
- **United Parcel Services, Inc. – Tax Abatement**
 - District A
- **Fairway Energy Partners, LLC – Tax Abatement**
 - District K



White Oak Music Hall





White Oak Music Hall

- **Developers will create a music venue with 3 performance spaces and 500 parking spaces that will be both on- and off-site**
- **Developers have demonstrated that through unanticipated costs to replace aging, deteriorating underground infrastructure, the incentive is critical to the completion of the project**
- **County has agreed to \$1m of public improvements along Bayou**
- **Public Benefits**
 - Upgraded sewage capacity in area
 - Pedestrian corridor upgrade with streetscape, lighting, and landscaping being addressed
 - Parking lots will be open to public on days with no events scheduled
 - 2 farmers markets will be hosted on site; high school and middle school band and orchestra's will have rehearsal space at the venue



White Oak Music Hall

- **\$3M funding gap of which \$1.6m is attributed to public improvements**
- **Recommendation:**
 - Enter into reimbursement agreement with Developers with a maximum reimbursement amount of \$1.1m over 10 years
 - 100% of both sales tax and mixed beverage tax are reimbursed

Tax Year	2016	2017-2025	Total
Sales Tax + Mixed Beverage Revenue	\$8,186,000	Growth 3% per year	
Reimbursement at 100%	\$99,422	Growth 3% per year	
Total 10 Yr. Abatement			\$1,139,759



United Parcel Services (UPS)





United Parcel Services (UPS)

- UPS is considering an expansion of its Houston area hub operations
- The greenfield project will include construction of 400k-500k sq. ft. warehouse space on approximately 125 acres of land
- Over 500 new jobs will be created with a mixture of transfers to Houston and new hires from Houston
- The UPS executive board is currently looking at other cities in the area, (Tomball, Cypress, Woodlands, Conroe) and will make their location decision based on their ability to keep capital costs as low as possible
- Harris County is fully supportive of this project

Tax Year	2018	2019 -2027	Total
Taxable Value (Real+Equip)	\$112,048,336	Growth 4% per year	
Abatement at 75%	\$505,159	Growth 4% per year	
Total 10 Yr. Abatement			\$5,135,345



Fairway Energy Partners, LLC





Fairway Energy Partners, LLC.

- **Fairway Energy Partners, LLC intends to store crude oil in existing salt caverns (6) located in the Pierce Junction area south of Reliant Stadium (Stevenson properties).**
- **The crude oil will be pipeline transported to the salt caverns, pumped into the caverns where it displaces brine, which is sent to an above ground brine storage reservoir and eventually reused in the storage and distribution process. When brine is pumped into the caverns, it displaces the crude oil into delivery pipelines. Because brine is heavier than crude oil, the oil sits atop the brine and no mixing occurs. The caverns are always full of brine and/or crude oil. (Same process as the Strategic Petroleum Reserve in LA)**
- **The large capacity of the caverns allow customers to offload large volumes of crude oil at one time and make deliveries to refineries in batch sizes that meet their specific needs, freeing up valuable storage capacity at their refineries.**
- **Will store 19.8 million barrels of crude oil and avoid the construction of 20 tankers**



Fairway Energy Partners, LLC

- **Total Project Cost: \$300-\$400 Million (approximately)**
- **Ray Perryman performed economic study of project:**
 - Construction jobs – 2300 – 2500
 - Permanent jobs – 75
 - Economic value to the city - \$50m
 - Economic value to region - \$200m
- **Fairway’s property tax relief, if granted, is more than offset by the prospective personal property (ad valorem) tax collection on crude oil inventory at the Pierce Junction site that the City of Houston would receive which is estimated at \$2.5M-\$5.5M per year (assumes \$50 crude oil at 50% and 100% capacity utilization).**

Tax Year	2018	2019-2027	Total
Taxable Value	\$300,000,000	Growth 4% per year	
Abatement Value 50%	\$721,344	Growth 4% per year	
Total 10 Yr. Abatement			\$8,660,533