

City of Houston
Department of Planning & Development
Tax Abatement Status Report - June 2003

CURRENT ECONOMIC DEVELOPMENT ABATEMENTS

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)			(L)	(M)	(N)		(O)		(P)											
										Company	Passed by Council	Dis.			Total Proposed Investment (1)	Total Proposed Abatable Investment	Investment Required by Agreement	2002 Investment Appraised Value (2)		2002 Tax Revenue Abated	Total Proposed Jobs	Jobs in Houston at Time of Approval	Agreement Requirements			Current Jobs Retained/Created (3)	City Revenues		Tax Abatement Granted by:	
																							Jobs Retained	Jobs Created	Total Jobs Retained/Created		Taxes on other Pers./Real Property (4)	Sales Taxes (5)	ISD	Harris County
1	Michelin N. America (6)	01/19/94	B	\$68,038,000	\$15,171,000	\$3,500,000	\$14,678,710	\$19,229	55	0	0	55	55	55	\$60,735	\$18,370	Yes	Yes												
2	Lyondell-CITGO Refining (7)	06/01/94	I	\$260,000,000	\$260,000,000	\$3,500,000	\$53,024,080	\$0	1,470	1,400	1,400	70	1,470	1,033	N/A	\$345,022	Yes	Yes												
3	H.E.B. Grocery Co.	07/27/94	A	\$45,216,491	\$5,090,610	\$3,500,000	\$3,961,620	\$5,190	800	0	0	25	25	640	\$21,620	\$213,760	No	Yes												
4	The Men's Wearhouse	09/14/94	F	\$3,404,200	\$3,404,200	\$1,000,000	\$1,458,390	\$955	201	176	176	25	201	265	\$8,597	\$88,510	No	Yes												
5	Amerada Hess Corp. (8)	11/08/94	I	\$49,260,000	\$34,260,000	\$3,500,000	\$1,997,510	\$13,084	800	300	300	500	250	486	\$0	\$162,324	No	Yes												
6	Houston Processing/Int'l Trading	12/14/94	B	\$19,300,000	\$9,400,000	\$3,500,000	\$6,434,730	\$8,429	625	500	500	125	625	1,034	\$35,229	\$345,356	No	Yes												
7	Triple-S Steel Supply Co.	12/21/94	H	\$3,556,852	\$1,392,500	\$1,000,000	\$1,173,420	\$769	110	85	85	25	110	194	\$6,835	\$64,796	No	No												
8	Dreyer's Grand Ice Cream (9)	12/06/95	A	\$21,464,000	\$11,161,000	\$9,486,000	\$7,527,580	\$9,861	200	90	125	75	200	242	\$39,358	\$80,828	No	Yes												
9	Tanox BioSystems, Inc. (10)	12/20/95	D	\$6,359,970	\$5,300,000	\$4,770,000	\$4,522,980	\$11,850	59	39	39	20	59	139	\$12,652	\$46,426	No	Yes												
10	J.H. Walker Inc.	01/29/96	H	\$2,160,250	\$1,210,530	\$1,030,000	\$964,260	\$632	69	60	60	25	85	130	\$4,356	\$43,420	No	Yes												
11	Distribution International	03/27/96	I	\$4,017,097	\$3,957,097	\$3,600,000	\$3,419,490	\$8,959	134	134	115	0	115	121	\$8,944	\$40,414	No	Yes												

Notes & Comments

- (1) Column (C) represents total private investment in each company's project, including land costs, unabatable improvements and inventory value where applicable.
- (2) Column (F) represents certified appraised values for Tax Year 2002.
- (3) Column (M) represents jobs retained/created as of 1/1/03.
- (4) Column (N) represents year 2002 certified taxes on all non-abated real and personal property, excluding taxes on land.
- (5) Estimated yearly sales taxes per job (\$334) x current jobs retained/created.
- (6) Although Michelin committed itself to create 55 jobs by 1999, its abatement agreement indicates only the minimum required of 25 jobs.
- (7) Lyondell will not receive an abatement for Tax Year 2002 as the value of its improvements is less than the base value under the agreement.
- (8) The Agreement with Amerada obligates the company to 250 full-time jobs after 01-01-98.
- (9) Dreyer's Agreement was amended by City Council on 3/6/02, increasing their employment requirement from 165 to 200 retained/created jobs.
- (10) Tanox BioSystems' tax abatement became effective on 1/1/97.

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Company	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)		(O)		(P)	
	Passed by Council	Dis.	Total Proposed Investment (1)	Total Proposed Abatable Investment	Investment Required by Agreement	2002 Investment Appraised Value (2)	2002 Tax Revenue Abated	Total Proposed Jobs	Jobs in Houston at Time of Approval	Agreement Requirements			Current Jobs Retained/ Created (3)	City Revenues		Tax Abatement Granted by:			
										Jobs Retained	Jobs Created	Total Jobs Retained/ Created		Taxes on other Pers./Real Property (4)	Sales Taxes (5)				
																	ISD	Harris County	
12	PrimeCo Personal Comm.	08/28/96	F	\$3,972,000	\$3,229,000	\$3,229,000	\$1,307,450	\$1,713	200	0	0	200	200	1,260	\$5,995	\$420,840	No	Yes	
13	Office Depot of Texas, LP	12/04/96	A	\$7,100,000	\$5,850,000	\$5,218,750	\$5,235,770	\$13,718	270	170	170	100	270	316	\$14,478	\$105,544	No	Yes	
14	GTE Mobilnet (6)	12/11/96	F	\$8,722,900	\$5,522,900	\$5,522,900	\$3,009,960	\$7,886	575	166	166	409	575	0	\$7,886	\$0	No	Yes	
15	BMC Software, Inc.	03/12/97	G	\$27,500,000	\$27,500,000	\$27,500,000	\$19,908,700	\$78,241	1,333	847	847	486	1,333	1,927	\$24,499	\$643,618	No	Yes	
16	Continental Airlines (7)	02/26/97	B	\$100,500,000	\$100,500,000	\$100,500,000	\$154,716,210	\$1,013,391	230	130	100	130	230	861	\$0	\$287,574	No	Yes	
17	Dynegy Inc. (NGC Corp.)	04/02/97	I	\$17,000,000	\$10,000,000	\$10,000,000	\$13,731,460	\$89,941	603	403	403	200	603	617	\$0	\$206,078	No	Yes	
18	Corporate Express	04/02/97	A	\$11,000,000	\$7,400,000	\$7,400,000	\$6,863,050	\$26,972	310	262	262	48	310	331	\$10,204	\$110,554	No	Yes	
19	Van Leer Flexibles (Valeron) (8)	07/01/97	A	\$11,350,000	\$11,350,000	\$11,350,000	\$10,677,880	\$41,964	224	186	186	38	224	186	\$14,646	\$62,124	No	Yes	
20	Syndex Corp. (9)	09/03/97	E	\$8,000,000	\$7,500,000	\$7,500,000	\$6,829,560	\$26,840	150	250	150	0	150	320	\$9,170	\$106,880	No	Yes	
21	Continental Airlines, Inc.	11/12/97	I	\$36,060,000	\$13,060,000	\$13,060,000	\$36,015,030	\$209,950	94	3,094	3,094	94	3,188	3,122	\$25,949	\$1,042,748	No	Yes	
22	Lamons Metal Gasket (10)	12/17/97	E	\$9,500,000	\$8,500,000	\$8,500,000	\$8,228,370	\$53,896	25	260	260	25	285	295	\$0	\$98,530	No	Yes	

Notes & Comments

- (1) Column (C) represents total private investment in each company's project, including land costs, unabatable improvements and inventory value where applicable.
- (2) Column (F) represents certified appraised values for Tax Year 2002.
- (3) Column (M) represents jobs retained/created as of 1/1/03.
- (4) Column (N) represents year 2002 certified taxes on all non-abated real and personal property, excluding taxes on land.
- (5) Estimated yearly sales taxes per job (\$334) x current jobs retained/created.
- (6) GTE Mobilnet has requested a termination of their tax abatement. Termination documents have been forwarded to the company.
- (7) The tax abatement applies to the aircraft parts to be maintained in the facility. The tax abatement became effective on 1/1/00.
- (8) VanLeer has defaulted on job requirements. The City has recaptured abated taxes and a termination agreement has been sent to the company.
- (9) Due to trends toward automation in the industry, Syndex contractually committed to retain a minimum of 150 jobs.
- (10) Lamons' tax abatement began 1/1/99.

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										Jobs Retained	Jobs Created	Total Jobs Retained/ Created		Taxes on other Pers./Real Property (4)	Sales Taxes (5)	ISD	Harris County	
23	Solar Turbines (6)	05/15/98	ETJ	\$10,350,000	\$9,700,000	\$9,700,000	\$16,796,520	\$0	100	258	258	100	358	258	N/A	N/A	No	Yes
24	Cabot Oil (7)	06/24/98	G	\$14,000,000	\$9,700,000	\$9,700,000	\$15,839,300	\$82,998	30	142	142	30	172	173	\$0	\$57,782	No	Yes
25	ABB, Inc. (8)	06/24/98	G	\$58,360,000	\$53,360,000	\$53,360,000	\$57,037,600	\$373,596	225	1,004	1,332	300	1,632	1,731	\$0	\$578,154	No	Yes
26	Alliant Foodservice (9)	09/02/98	B	\$15,000,000	\$12,807,000	\$12,807,000	\$12,285,390	\$0	107	168	168	107	275	240	N/A	\$80,160	No	Yes
27	United Stationers (10)	09/02/98	A	\$9,100,000	\$9,100,000	\$9,100,000	\$6,746,360	\$35,351	25	95	95	25	120	125	\$0	\$41,750	No	Yes
28	Glass Wholesalers, Inc. (11)	10/28/98	A	\$8,716,000	\$7,900,000	\$7,900,000	\$7,576,180	\$39,699	30	47	47	30	77	200	\$0	\$66,800	No	Yes
29	Metalplate Galvanizing (12)	10/28/98	I	\$5,000,000	\$4,825,446	\$4,825,446	\$4,554,060	\$29,829	50	77	0	50	50	86	\$0	\$28,724	No	Yes
30	HHA (Whitehall Hotel) (13)	12/16/98	I	\$27,000,000	\$15,060,680	\$15,060,680	\$15,260,690	\$99,958	240	0	0	240	240	249	N/A	\$83,166	No	Yes
31	Nextlink (XO Comm.) (14)	07/14/99	C	\$8,227,000	\$7,897,000	\$7,897,000	\$9,814,490	\$64,285	85	0	0	85	85	50	\$0	\$16,700	No	Yes
32	Action Box (15)	07/27/99	A	\$7,525,000	\$7,525,000	\$7,525,000	\$7,525,000	\$49,289	25	98	98	25	123	109	N/A	\$36,406	No	Yes
33	Halliburton Energy Serv. (16)	07/27/99	B	\$8,239,000	\$5,030,000	\$8,239,000	\$11,086,280	\$72,615	295	2,150	380	295	675	1,213	\$0	\$405,142	No	Yes
34	Introgen Therapeutics, Inc. (16)	10/20/99	D	\$8,400,000	\$7,600,000	\$7,600,000	\$7,921,450	\$51,885	112	46	46	66	112	51	\$0	\$17,034	No	Yes

Notes & Comments

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- (3) Column (M) represents jobs retained/created as of 1/1/03.
- (4) Column (N) represents year 2002 certified taxes on all non-abated real and personal property, excluding taxes on land.
- (5) Estimated yearly sales taxes per job (\$334) x current jobs retained/created.
- (6) Solar Turbine is operating in the City's Extra Territorial Jurisdiction. The tax abatement will go into effect only if the area is annexed into the City of Houston.
- (7) According to its Agreement, Cabot Oil would retain at least 127 permanent employees and create jobs for 30 new permanent employees, as well as retain at least 15 contract employees by Jan. 1, 2002.
- (8) According to its Agreement, ABB will retain at least 1,004 permanent employees and create jobs for 225 new permanent employees, as well as retain at least 328 contract employees and create jobs for 75 new contract employees by Jan. 1, 2003.
- (9) Alliant Foodservice's tax abatement period began on January 1, 2000. City Council amended the Agreement on November 13, 2002, extending the job creation period to January 1, 2004.
- (10) United Stationers' Abatement Agreement was assigned to Spiegel Family Venture 8 and Active West, Inc. on 12/8/99 following an acquisition. Also, the total current jobs listed in column (m) does not include 25 contract employees currently employed in the reinvestment zone. The F&A Dept. will conduct a compliance audit to determine compliance with the Agreement.
- (11) The Finance & Administration Department has scheduled an audit to determine compliance with the Tax Abatement Agreement.
- (12) Metalplate's tax abatement was amended on 12/15/99 to allow for a full-scale abatement, up from half, and a 61% increase in the company's committed investment. Employment requirements have not changed. Tax abatement period started on Jan. 1, 2000. The Finance & Administration Department will conduct a compliance audit to determine compliance with the Agreement.
- (13) The Whitehall Hotel has a deadline of 1/1/03 to make the job requirements.
- (14) Nextlink (XO Communications) has requested that its tax abatement be terminated as it will not meet the required employment. A notice of default has been sent to the company requesting recaptured taxes.
- (15) The Finance & Administration Department will conduct a compliance audit to determine compliance with the Tax Abatement Agreement.
- (16) Introgen Therapeutics has requested an amendment to their Abatement Agreement to include contract employees. The City is currently processing this amendment.

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Company	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J) (K) (L)			(M)	(N) (O)		(P)	
	Passed by Council	Dis.	Total Proposed Investment (1)	Total Proposed Abatable Investment	Investment Required by Agreement	2002 Investment Appraised Value (2)	2002 Tax Revenue Abated	Total Proposed Jobs	Jobs in Houston at Time of Approval	Agreement Requirements			Current Jobs Retained/ Created (3)	City Revenues		Tax Abatement Granted by:	
										Jobs Retained	Jobs Created	Total Jobs Retained/ Created		Taxes on other Pers./Real Property (4)	Sales Taxes (5)	ISD	Harris County
35 BMC Software, Inc. - Phase I (6)	10/20/99	G	\$100,000,000	\$100,000,000	\$100,000,000	\$903,313,400	\$5,916,703	3,495	1,745	1,745	1,750	3,495	1,927	N/A	\$643,618	No	No
36 The Men's Wearhouse (7)	12/15/99	C	\$10,342,025	\$7,342,000	\$7,017,125	\$13,699,930	\$89,735	72	713	0	72	72	301	N/A	\$100,534	No	Yes
37 Extrusion Technology (RTI) (8)	06/07/00	E	\$9,525,000	\$9,300,000	\$9,300,000	\$8,757,880	\$57,364	55	0	0	55	55	35	N/A	\$11,690	No	Yes
38 Novo Industries, Inc. #2 (9)	06/28/00	A	\$14,287,573	\$14,181,593	\$14,181,593	\$0	\$0	500	1,074	1,074	500	1,574	0	N/A	\$0	No	Yes
39 Liebherr-America, Inc.	02/20/02	B	\$6,200,000	\$6,200,000	\$6,200,000	\$0	\$0	30	5	5	25	30	0	N/A	N/A	No	Yes
40 R&L Carriers, Inc.	03/27/02	I	\$1,700,000	\$1,700,000	\$1,700,000	\$0	\$0	250	100	100	150	250	0	N/A	N/A	No	Yes
41 Landry's Management LP (10)	07/31/02	I	\$37,000,000	\$21,442,000	\$21,442,000	\$0	\$0	125	0	0	125	125	0	N/A	N/A	No	No
42 Kerr-McGee (11)	08/21/02	B	\$12,286,500	\$11,886,500	\$11,886,500	\$0	\$0	50	0	0	50	50	0	N/A	N/A	No	Yes
Totals			\$1,094,739,858	\$873,316,056	\$563,607,994	\$1,456,324,560	\$8,567,077	14,438	16,274	13,928	6,755	20,133	20,122	\$311,154	\$6,701,376		

Notes & Comments

- (1) Column (C) represents total private investment in each company's project, including land costs, unabatable improvements and inventory value where applicable.
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- (3) Column (M) represents jobs retained/created as of 1/1/03.
- (4) Column (N) represents year 2002 certified taxes on all non-abated real and personal property, excluding taxes on land.
- (5) Estimated yearly sales taxes per job (\$334) x current jobs retained/created.
- (6) This was Phase One of the BMC project, which involved the construction of 2 buildings (abatement period starts on 1/1/01); Phase Two (a separate tax abatement agreement that involved the construction of 3 additional buildings) will not take place.
- (7) The Men's Wearhouse tax abatement began on 1/1/01.
- (8) Extrusion Technology's abatement was assigned to RTI Fabricators on 9/26/01.
- (9) Novo Industries has requested a termination of their tax abatement as the expansion project never occurred. Termination documents are being generated.
- (10) Landry's tax abatement begins Jan. 1, 2004.

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CURRENT REDEVELOPMENT ABATEMENT PROJECTS

Company	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J) (K) (L)			(M)	(N) (O)		(P)	
	Passed by Council	Dis.	Total Proposed Investment (1)	Total Proposed Abatable Investment	Investment Required by Agreement	2002 Investment Appraised Value (2)	2002 Tax Revenue Abated	Total Proposed Jobs (3)	Jobs in Houston at Time of Approval	Agreement Requirements			Current Jobs Retained/ Created (4)	City Revenues		Tax Abatement Granted by: (7)	
									Jobs Retained	Jobs Created	Total Jobs Retained/ Created	Taxes on other Pers./Real Property (5)		Sales Taxes (6)	ISD	Harris County	
1 Weingarten Realty Invst. (8)	07/08/98	I	\$6,100,000	\$3,100,000	\$3,100,000	\$3,158,500	\$20,688	33	206	0	0	0	106	\$0	\$35,404	No	No
Totals			\$6,100,000	\$3,100,000	\$3,100,000	\$3,158,500	\$20,688	33	206	0	0	0	106	\$0	\$35,404		

Notes & Comments

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- (2) Column (F) represents certified appraised values for Tax Year 2002.
- (3) Column (H) represents the number of jobs estimated to be created by the project. Redevelopment abatements do not require job creation.
- (4) Column (M) represents jobs retained/created as of 1/1/02.
- (5) Column (N) represents year 2002 certified taxes on all non-abated real and personal property, excluding taxes on the land.
- (6) Estimated yearly sales taxes per job (\$334) x current jobs retained/created.
- (7) Harris County and HISD have not adopted guidelines and criteria to enable their consideration of Redevelopment Abatements.
- (8) Weingarten's tax abatement agreement does not contain a job creation requirement.

ECONOMIC DEVELOPMENT AND REDEVELOPMENT SUMMARY

TOTALS	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J) (K) (L)			(M)	(N) (O)	
	Total Proposed Investment	Total Proposed Abatable Investment	Investment Required by Agreement	2002 Investment Appraised Value (2)	2002 Tax Revenue Abated (2)	Total Proposed Jobs	Jobs in Houston at Time of Approval	Jobs Retained	Jobs Created	Total Jobs Retained/ Created	Current Jobs Retained/ Created	Other Pers./Real Property Taxes	Sales/ Franchise Taxes
Economic Development Abatements	\$1,094,739,858	\$873,316,056	\$563,607,994	\$1,456,324,560	\$8,567,077	14,438	16,274	13,928	6,755	20,133	20,122	\$311,154	\$6,701,376
Economic Redevelopment Abatements	\$6,100,000	\$3,100,000	\$3,100,000	\$3,158,500	\$20,688	33	206	0	0	0	106	\$0	\$35,404
Grand Totals	\$1,100,839,858	\$876,416,056	\$566,707,994	\$1,459,483,060	\$8,587,765	14,471	16,480	13,928	6,755	20,133	20,228	\$311,154	\$6,736,780