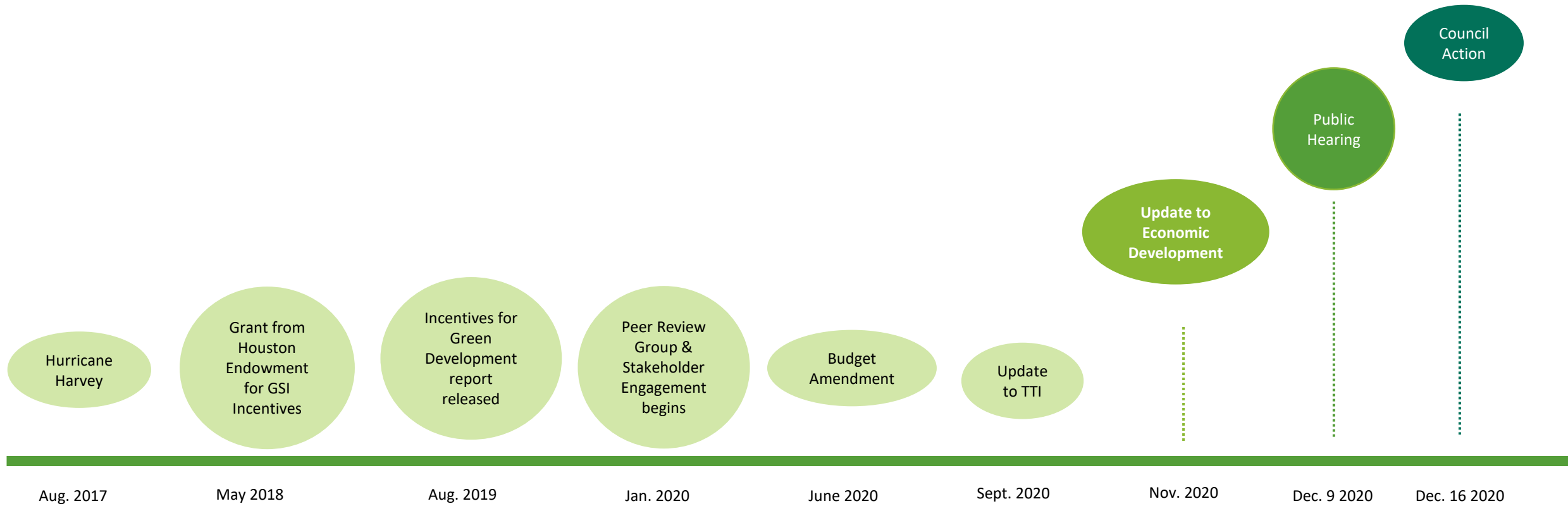


Green Stormwater Infrastructure Tax Abatement Program

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Gwen Tillotson, Deputy Director, Economic Development

March 2021



TODAY

- GSI Tax Abatement Application & Evaluation Matrix review, in accordance with Administrative Policies

Tax Abatement Process

Application submittal

Review, evaluation and scoring

Recommendation to Administration

Recommendation to Council


Abatement award

- Annual monitoring and reporting for granting abatement for the time-period specified


Tax Abatement Ordinance is updated every 2 years, per Texas Tax Code.
Programs are revisited and reviewed on a 2-year cycle.

GSI Tax Abatement Program

Changes to Chapter 44 Article IV based on Incentives for Green Development Report



A developer/owner invests in a new development or redevelopment, including GSI infrastructure, in exchange for a City property tax abatement for a certain period of time.



The City would agree to “a reduced public good arising from tax revenue in exchange for an increase in public good arising from the use of GSI and incremental future increases in tax revenue resulting from enhanced property value in a new development.”

GSI Tax Abatement Program



Project Thresholds

\$3 M total investment required

\$100,000 GSI Investment required

Cap

The tax abatement is not to exceed the value of the total costs of green stormwater infrastructure investment, but 100% reimbursement is not guaranteed.

Timeframe

Agreement shall be effective up to 10 years

Minimum Requirements

- Be expected to mitigate risk of flooding, reduce heat island effect, improve water quality, encourage water conservation, or restore native ecosystems through green stormwater infrastructure.
- Be designed in accordance and expected to remain in compliance with (including maintenance), design manual requirements during the abatement period.
- Be expected to make “features” accessible for training opportunities

GSI Tax Abatement Application Requirements

- Project Background
 - Description of project and type GSI investments
 - Description of how GSI investment links to Resilient Houston
 - Description of intended process for permits, plans and approvals
 - Description of how the site can serve for education and demonstration
 - Location
 - Timeline
- Co-benefits Calculations & Description of benefits achieved by GSI investment
- Maintenance plan/commitment based on permit requirements, life of asset, abatement duration
- Project Costs & GSI Costs

The amount of the GSI tax abatement is to be calculated based on the total green stormwater infrastructure costs, which exclude the cost of conventional stormwater detention, but include soft costs such as planning and design, and 2 years of maintenance for establishment.

Development without GSI		Development with GSI	
Total Project Development Costs	Conventional Stormwater Detention Costs	Total Project Development Costs	GSI Development Costs
\$	\$	\$	\$

Allowable GSI Tax Abatement = Total GSI Costs + GSI benefits obtained from GSI Benefits Calculator

Actual Tax Abatement value is dependent on actual incremental property taxes resulting from total investment

**Per ordinance, GSI Total Costs Total green stormwater infrastructure cost means, with respect to a facility that is eligible for a green stormwater infrastructure tax abatement, the total cost to the owner for the construction of green stormwater infrastructure, including soft costs, such as planning and design, and, for green stormwater infrastructure described in subsection (c)(ii) of section 44-132, two years of maintenance costs, but excluding the costs associated with construction of conventional stormwater detention.*

GSI Specific Application Evaluation Criteria

Completion of Application

GSI threshold and total project threshold met

GSI Investment Located in a (1) Complete Community, (2) LMI area, or (3) area of extreme heat, sensitive habitat, limited greenspace and significant redevelopment

GSI investment Located in 100-year floodplain; (2) within 1 mile of bayou watershed; (3) area of significant flooding/flood claims

Number of GSI techniques involved

Demonstrates conservation or restoration efforts, including but not limited to preservation of trees and native plants

Written analysis which shows impact of the project and co-benefits, methodology explained, at least one additional co-benefit beyond stormwater is demonstrated

Educational opportunities

Plans, permits, certification documentation or proposed plans - robustness of plans (may be in transition as plans develop)

Proposed maintenance plan - robustness of plan (may be in transition as plans develop)

Link to Resilient Houston (see Appendix 1) - A minimum of 5 direct linkages to Resilient Houston goals and actions.

To look out for...

- Ordinance can be found www.houstontx.gov/igd
- Application will be made available
https://www.houstontx.gov/ecodev/tax_abatements.html

For Questions:
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832 393 1123

A photograph of the Houston skyline at night, with several skyscrapers illuminated. In the foreground, there is a lush green area with a path and a body of water, reflecting the city lights.

HOUSTON INCENTIVES FOR GREEN DEVELOPMENT

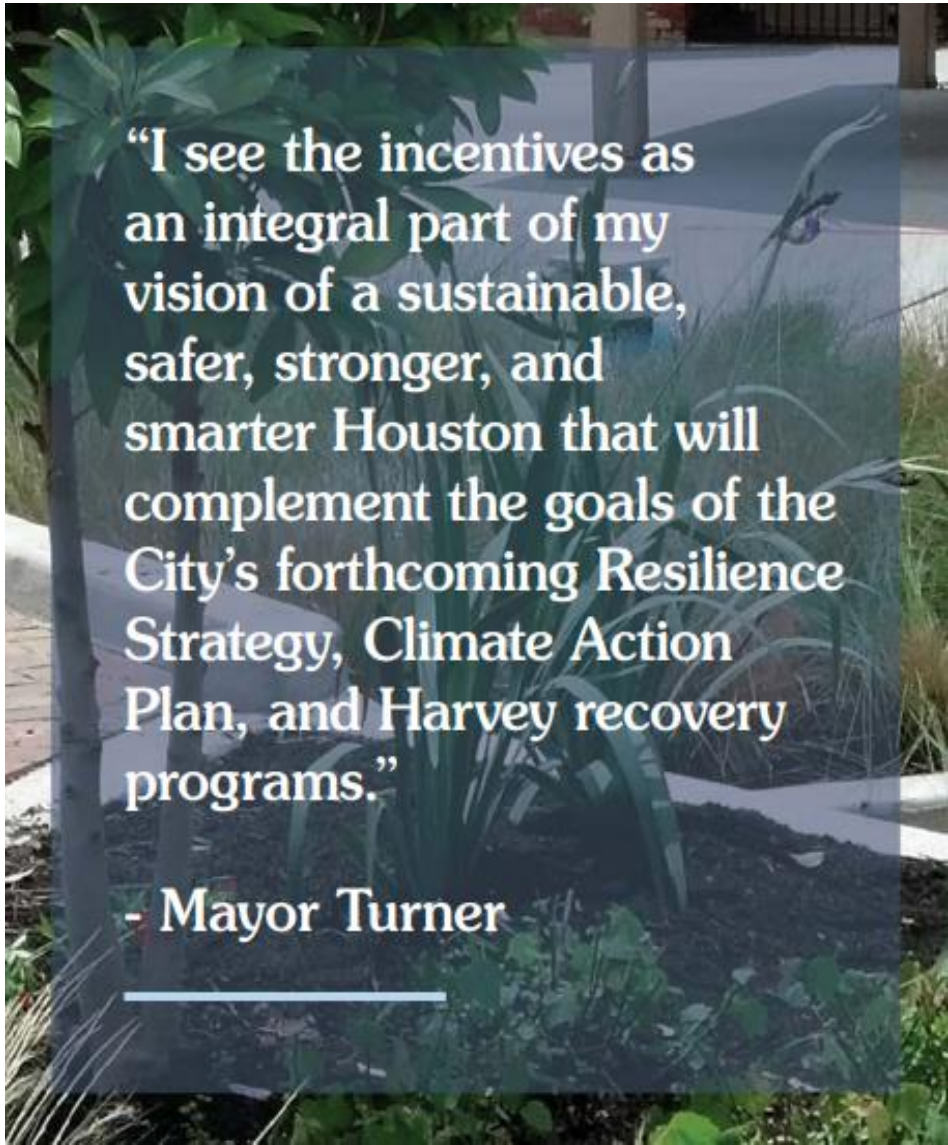
Released in August of 2019

Goal: Encourage private sector
to incorporate GSI within private
development

Integrated GSI Development Rules
Award and Recognition Program
Increased Permitting Process Certainty and Speed
Property Tax Abatements

<http://www.houstontx.gov/igd/documents/igd-report-final.pdf>

Questions?



“I see the incentives as an integral part of my vision of a sustainable, safer, stronger, and smarter Houston that will complement the goals of the City’s forthcoming Resilience Strategy, Climate Action Plan, and Harvey recovery programs.”

- Mayor Turner
