CITY OF PASADENA, TX
ECONOMIC DEVELOPMENT

CHAPTER 380 POLICY

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PURPOSE:

The City of Pasadena Chapter 380 Policy is established to support retention, attraction and expansion of targeted industries as listed on the 2023 Strategic Plan (five-year update). The City Council intends to strategically invest municipal resources to strengthen trade, workforce, and infrastructure to facilitate business activity and achieve the following objectives:

- Diversify the tax base
- Attract new quality jobs
- Retain and grow existing local industries
- Develop the existing workforce

Pursuant to Chapter 380 of the Texas Local Government Code, municipalities are authorized to establish and administer economic development programs including the provision of loans and grants. The City Council has authorized this policy through **Council Resolution No. 2026-126.**

In exchange for financial assistance provided by the City, eligible businesses must commit to minimum capital investment and job creation thresholds within a defined timeframe, these commitments shall be formalized through Chapter 380 Agreements between the City of Pasadena and eligible owners and/or developers.

The Pasadena Economic Development Corporation (PEDC) shall oversee the implementation and administration of these agreements. Projects must provide proof that investment will make a measurable difference in achieving economic growth to be awarded assistance.

In furtherance of the overarching goals, these guidelines define the financial incentives and establish standards for implementation. Incentives awarded under this policy shall not be transferable due to a change in majority ownership of a business without the prior written consent of the City.

The City of Pasadena is under no obligation to approve any requested incentive and no right to these incentives is neither intended nor implied. Applicants that meet the criteria stated in this policy are not guaranteed receipt of incentives.

The City of Pasadena discourages public announcement of projects that are contingent upon incentive approval. Projects that have submitted a building permit application prior to incentive consideration shall not be eligible for assistance under this policy.

The City of Pasadena shall periodically evaluate the need to update the Chapter 380 Incentives Policy at least once every two years, and the Economic Development Department shall provide proposed amendments to the policy as needed during this time.

DEFINITIONS

Base Year Value – Assessed value of eligible property both real and personal, as of January 1st preceding the execution of the Chapter 380 Agreement.

Capital Investment – Expenditures for real or personal property such as: new facilities and structures, site improvements, infrastructure improvements, facility expansion, facility modernization, and/or utility installation. (Capital Investment excludes acquisition costs and soft costs).

City – The City of Pasadena, Texas.

City Council – Mayor and City Council of Pasadena, Texas.

Economic Impact Analysis – Examines the effect of the investment and/or job creation on the local economy. The Economic Development Department will conduct an economic impact analysis on every project that is considered for financial incentives.

Entertainment District – City's Entertainment District as presented in Exhibit A.

Expansion – The addition of new facilities, structures, machinery or equipment for purposes of increasing production or operational capacity.

Quality Job – Jobs that provide education, training, or career development opportunities for continued career advancement in addition to providing health insurance benefits to employees for which the employer pays at least 50%. During grant period, company must provide annual certificate of coverage.

Minimum Appraised Value – Agreed upon minimum set value of improved property upon execution of the Chapter 380 Agreement between Applicant and the City.

Primary Job - A job that is available at a company for which the majority of the products or services of that company are ultimately exported regional, statewide, national, or international markets infusing new dollars into the local economy and are within one of the sectors listed under Chapter 501(12)(A)(ii) of the Texas Local Government Code.

PEDC – The City of Pasadena Economic Development Corporation.

Target Industries – A business providing services in the sectors specified in the "Strategic Plan 5-year Strategic Update" that include the following: Petrochemicals, Logistics & Distribution, Hospitality & Tourism, Healthcare, and Aerospace.

PROGRAMS AND INCENTIVE CATEGORIES:

PROGRAM I – FAÇADE FORWARD

Applicants who make façade improvements to properties within City of Pasadena city limits are eligible for a 50% reimbursement grant on qualified expenses. Eligibility is subject to approval by the Pasadena Economic Development Corporation (PEDC) and has a cap of up to $50,000.00 per project. Please contact the PEDC for guidelines and requirements.

PROGRAM II – NEW BUSINESS RECRUITMENT

CATEGORY I – CAPITAL INTENSIVE DEVELOPMENT (TAX REBATE)

Applicants who make a minimum capital investment of $6 million or more (investment excludes purchasing of land) are eligible for a 75% ad valorem property tax rebate for up to ten (10) years on both real and personal property taxes on new valuation.

CATEGORY II – RETAIL DEVELOPMENT (TAX REBATE)

Applicants who create new retail development of at least 100,000 square feet are eligible for up to 75% sales tax rebate contingent on the levels below. The sales tax rebate is applicable only to the City's portion of sales tax (1%). This category may be combined with Category I, if Category I requirements are met.

Option 1: Applicants are eligible for up to 5 years of sales tax rebate (applicable only to the City's portion of sales tax) if:

- Building is more than 100,000 square feet but less than 200,000

Option 2: Applicants are eligible for up to 10 years of sales tax rebate (applicable only to the City's portion of sales tax) if:

- Building is 200,000 square ft or more.

Option 3: Applicants are eligible for up to 5 years of sales tax rebate (applicable only to the City's portion of sales tax) if:

- Building is at least 10,000 sq ft or more and is a full-service, sit-down restaurant located within a three-mile radius of the Pasadena Convention Center.

Option 4: Applicants are eligible for up to 5 years of sales tax rebate (applicable only to the City's portion of sales tax) if:

- Business provides entertainment options for tourism and is located within the City's Entertainment District.

CATEGORY III – DESTINATION TOURISM (TAX REBATE)

Applicants who develop and operate a new, three-star or higher rated hotel, located within three-miles of the Pasadena Convention Center that has at least one-hundred sleeping rooms, are eligible for up to 75% hotel occupancy tax rebate of the City's portion of the hotel occupancy tax, for five years. City Council will only consider two projects. New projects will be considered by City Council if the aggregate of new sleeping rooms added do not exceed 20% of existing rooms in the market every year. This category may be combined with Category I if the Category I requirements are met.

Incentives provided by this category must meet all regulations set from Texas Tax Code Chapter 351.

ECONOMIC IMPACT ASSESSMENT

Every project will require an economic and fiscal impact analysis conducted by the Pasadena Economic Development Corporation staff. No upfront incentives will be permitted or awarded prior to the evaluation and City Council approval of each project. Positive results of the economic and fiscal impact along with meeting all other general criteria will be utilized to determine if a project is awarded financial incentives.

AMENDMENTS

Any and all amendments approved and entered into by the City of Pasadena must be approved by City Council. Recipients of 380 Agreements may request reasonable conditions the City may consider in order to amend an agreement. Conditions which may affect performance will be evaluated on a case-by-case basis and may include, but is not limited to, changed economic or market conditions, economic hardship, or unforeseen circumstances resulting in the recipient's need for additional time to comply with obligations under the agreement.

CONTRACT COMPLIANCE

All recipients of City funds via Chapter 380 Agreements are subject to an annual compliance assessment. Each year, the Pasadena Economic Development Corporation will review terms and conditions stated in the Agreement to determine if the company has successfully met all obligations under the Agreement prior to receiving rebates or loans. Compliance will take place at the time specified under each agreement once the company is awarded an agreement and the agreement has been executed by all parties involved.

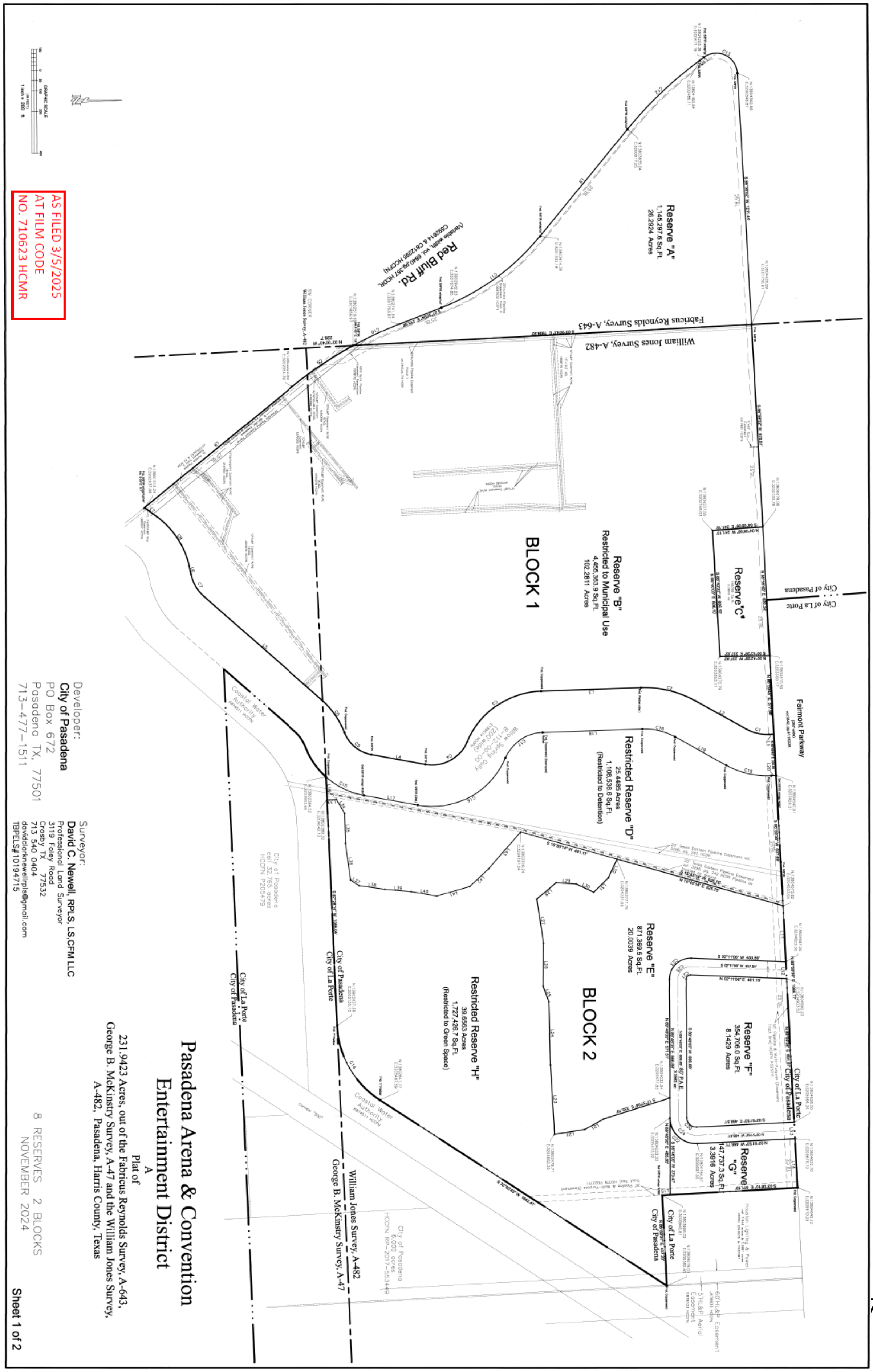
RECAPTURE

If a project is not completed as specified, or if the terms of the Agreement are not met, the City of Pasadena has the right to cancel, suspend or terminate the incentive agreement, recapture any rebated, or exempted taxes, and assess penalty payments and pursue any and all remedies at law against the property and applicants. All previously waived fees and abated/rebated amounts shall become due to the City.

CONSIDERATION BY CITY COUNCIL

City Council retains sole authority to approve or deny any Economic Development Incentive and is under no obligation to approve any applicant upon meeting requirements. City Council also retains all rights to deviate, within reason, from this policy if projects are deemed beneficial for economic growth.

Exhibit A


AS FILED 3/5/2025
AT FILM CODE
NO. 710623 HCMR
Reserve "A"
1,145,297.6 Sq.Ft.
26.2924 Acres
Red Bluff Rd.
Fabricus Reynolds Survey, A-643
William Jones Survey, A-482
BLOCK 1
Reserve "B"
Restricted to Municipal Use
4,455,363.9 Sq.Ft.
102.2811 Acres
Reserve "C"
City of Pasadena
City of La Porte
Fairmont Parkway
Restricted Reserve "D"
25.4488 Acres
1,108,538.6 Sq.Ft.
(Restricted to Detention)
Reserve "E"
871,369.5 Sq.Ft.
20.0039 Acres
BLOCK 2
Reserve "F"
354,706.0 Sq.Ft.
8.1429 Acres
Reserve "G"
147,737.3 Sq.Ft.
3.3916 Acres
Restricted Reserve "H"
39.6563 Acres
1,727,426.7 Sq.Ft.
(Restricted to Green Space)
William Jones Survey, A-482
George B. McKinstry Survey, A-47
Developer:
City of Pasadena
PO Box 672
Pasadena TX, 77501
713-477-1511
Surveyor:
David C. Newell, RPLS, LS,CFM LLC
Professional Land Surveyor
319 Foley Road
Crosby TX 77532
713 540 0404
davidclarknewellrpls@gmail.com
TBPELS#10194715
Pasadena Arena & Convention
Entertainment District
A
Plat of
231.9423 Acres, out of the Fabricus Reynolds Survey, A-643,
George B. McKinstry Survey, A-47 and the William Jones Survey,
A-482, Pasadena, Harris County, Texas
8 RESERVES 2 BLOCKS
NOVEMBER 2024
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