

PRESS ADVISORY: FOR IMMEDIATE RELEASE
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Responsible Urban Development for Houston (“RUDH”) challenges the legality of the Ainbinder Heights 380 Agreement

WHAT: RUDH has filed a petition in Harris County District Court challenging the legality of a six million dollar tax reimbursement deal between the City of Houston and Ainbinder Heights, LLC, the developer of the Houston Heights area Walmart Supercenter strip mall development. RUDH alleges that the deal violates section 380 of the Texas Local Government Code because the developer was committed to building the project with or without public funds. Section 380 of the Texas Local Government Code broadly allows municipalities to provide various forms of public assistance to private developers so long as the public funds are used to promote economic development. The City of Houston’s 380 agreement with Ainbinder Heights, LLC provides over six million dollars in sales and property tax reimbursements for various infrastructure upgrades needed for the Walmart Supercenter strip mall development. RUDH alleges that the principals of Ainbinder Heights, LLC, the Mayor and members of Houston City Council all stated that Ainbinder Heights, LLC will build the development with or without the assistance of public funds. RUDH alleges that a 380 agreement cannot promote economic development when the developer can build with or without the assistance.

RUDH also alleges that the City of Houston’s program for awarding 380 assistance agreements violates the Texas Constitution because the program gives the City absolute discretion to ignore standards for awarding assistance in favor of agreements the City believes are “otherwise meritorious”. In the case of the Ainbinder Heights, LLC 380 agreement, RUDH alleges that the City completely ignored its own standards and application procedures and simply gave Ainbinder Heights, LLC over six million dollars to support the development of a Walmart Supercenter strip mall development.

RUDH believes that legal action is necessary because the City of Houston is using section 380 agreements to spend money out of future city budgets without doing anything to promote economic development. If a developer does not need public funds, then scarce tax revenues should not be sacrificed to pad a developer’s profit margin.

WHO: *RUDH is a Texas non-profit organization devoted to promoting responsible urban development in Houston’s urban core. Formed in June 2010, RUDH quickly generated in excess of 6,000 local grass-roots supporters in their efforts to stop the construction of a 155,000 sq.ft. suburban-style big-box Walmart Supercenter in the primarily residential West End, Washington Heights and historic Heights neighborhoods at I10 and Yale Street.*

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