



Rice Management Company's Ion District finalizes first-of-its-kind agreement with City of Houston

Community Benefits Agreement "Can be a model for smart cities of the future to accelerate economic transformation while expanding opportunity for all"

HOUSTON – November 10, 2021 – [Rice Management Company](#) (RMC) marked a milestone as it transforms an abandoned Sears department store and 16 Midtown acres into the [Ion District](#), with today's city council approval of the development's community benefits agreement (CBA).

The legally binding CBA documents \$15.3 million in direct investments and community partnerships, as well as accountability for a wide range of community benefit investments. These investments include \$1 million + \$1 million in grants and in-kind donations for tech sector job training and job placement; \$1.25 million for women and minority tech accelerator and innovation programs; \$5 million into a venture fund administered by a fund manager selected by RMC and City of Houston to invest in minority and women tech ventures; \$4.5M in project equity, pre-development capital, and/or low-cost financing for affordable housing; and more investments to build capacity and expand opportunity. In addition, RMC has engaged a minority- and women-owned business enterprise-owned (MWBE) firm as an advisor to recommend innovative and strategic pathways to achieve MWBE objectives in the development, design, construction, management, and investment in The Ion District.

In addition to its CBA commitments, RMC also is offering \$15 million in construction bid opportunities for minority- and women-owned business enterprises (MWBEs) available immediately in the next phase of construction. Those interested in MWBE contracting opportunities can visit <https://www.houinnovate.com/contact/>

"When the Ion District reaches maturity, it will generate hundreds of millions of dollars of new revenue the City can invest in public projects, including more than \$50 million for affordable housing," said Mayor Sylvester Turner. "With this redevelopment, the people of Houston are receiving new infrastructure, public plazas and greenspaces, and a technology and innovation hub to move our economy forward. And all of this can be done without the City incurring any new debt or investing one dime of public funds."

An independent CBA Community Advisory Council, appointed by the city, will meet quarterly to review progress and make recommendations for improvement on a host of initiatives in the agreement, such as a venture fund for minority and women entrepreneurs, contracting and hiring opportunities for MWBEs, and workforce training and upskilling. RMC agrees to publish an annual Community Investment Report to provide ongoing accountability and transparency.

"This CBA is a first-of-its-kind for the community," said Carol Y. Guess, Interim President, Greater Houston Black Chamber of Commerce, and one of 13 members of the CBA Working Group who provided the framework for the agreement in its CBA Working Group Report. "The commitment to diversity and minority business development is significant. Not only is RMC committing to hire more firms but they are setting up mechanisms to help MWBE firms grow in the future."

Another CBA Working Group member, Mike Pittman II, a Third Ward resident and Vice President of Real Estate at Urban Partnerships CDC, said communities of color historically have not benefitted from redevelopment. "Participating as investors with an ownership interest in development is an opportunity to begin creating generational wealth," Pittman said. RMC has committed to provide real estate investment

opportunities for minority residents and MWBE-focused entities, and to set aside equity from third-party developers for underrepresented investors in the Ion District.

The CBA commits funds to preserve and expand affordable housing, while also addressing chronic homelessness by partnering with social service agencies that have a solid track record of success.

“Community stakeholders came together to recommend strong commitments that invest in Houston’s people and businesses and will provide benefits to neighboring communities and citywide,” said Sam Dike, Manager of Strategic Initiatives for RMC, who facilitated the CBA Working Group meetings.

The City has pledged initiatives to accompany Rice’s commitments in the CBA, including resources to obtain and increase bonding capacity for small businesses, removing a critical barrier to larger contracts. In addition, the City will raise awareness of contracting opportunities, homestead protections and exemptions, and grants to individuals, businesses and organizations through the Complete Communities Improvement Fund.

“Working with our partners at RMC, the City of Houston will receive a tangible, long-lasting project that benefits the entire city and serves as a model for how smart cities should expand access to economic opportunity,” Mayor Turner said.

The Ion District is anchored by the recently opened 266,000-square-foot innovation hub, [the Ion](#), the epicenter of the 16-acre transformational, mixed-use development. Also in the Ion District, [Greentown Houston](#) is accelerating the clean energy transition by supporting climatetech startups in the Energy Capital of the World. Greentown Houston is the first location for 10-year-old Greentown Labs outside of Boston, with space for 50 companies leading the way in renewable energy and decarbonization.

“Through the commitments documented in the CBA, RMC’s investment has a catalytic, positive effect not just for the Ion District, but for the entire city,” explained RMC Managing Director of Direct Real Estate Ryan LeVasseur. The District’s development will generate thousands of construction jobs, as well as thousands of permanent onsite jobs in the Ion District.

The Ion District will create opportunities for Houston residents who pursue higher education and those who do not. “With our programming and investment partners, we are creating a place where ideas and capital meet to produce opportunities to earn a living wage, build generational wealth, bolster a thriving local economy, and lead Houston in the global innovation ecosystem,” LeVasseur added.

The CBA resulted from a two-year period of thoughtful community engagement to identify areas of greatest impact and need. RMC initially conducted a community engagement listening tour in 2019 and facilitated a three-part community workshop series, in partnership with the City of Houston. RMC then formed a CBA Working Group with 13 stakeholders comprised of respected community, business, and civic leaders along with residents, to provide a framework for the final CBA and a publicly issued [working group report](#).

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About Rice Management Company

Rice Management Company, (RMC), is responsible for stewardship of Rice University's endowment, and was established to provide a perpetual source of revenue for current operations and certain capital needs. Rice University serves its mission by cultivating a diverse community of learning and discovery that produces leaders across the spectrum of human endeavor. RMC's teams bring decades of investment management expertise across diversified industries and financial specialties. <https://www.rice.edu/>

About the Ion District

The Ion District is an intentionally accessible, walkable and integrated urban community. It spans 12 city blocks (16 acres) in Houston's Midtown, where people, ideas, and businesses thrive. Initiated by Rice University, the Ion District energizes a more sustainable, resilient, and inclusive future. At actively programmed events and spontaneous everyday moments, the Ion District invites residents, start-ups, corporate, academic, and civic leaders to unite, explore, and create opportunity together. For more information, visit <https://iondistrict.com/>

About the Ion

The Ion anchors a 16-acre innovation district and is destined to become the epicenter for Houston's innovation ecosystem as an inclusive, dynamic, vibrant, and dense hub focusing on quality collaborations between entrepreneurs, incubators, accelerators, corporations, academics, and the Houston community. The recently opened 266,000-square-foot building accommodates multiple uses, including class-A office space, shared workspace, prototyping and maker resources, event space, classrooms, food and beverage offerings, as well as indoor/outdoor communal areas with shared amenities. For more information, visit <https://www.ionhouston.com/>