

The FCC paves the way for 5G, the next generation of wireless services.

BUSINESS

● **DOW** 18,506.41, up 134.29 (+0.7%)
● **S&P 500** 2,163.75, up 11.32 (+0.5%)
● **CRUDE OIL** \$45.68, up 93¢ (+2.1%)
● **NATURAL GAS** \$2.727, down 1¢ (-0.4%)

BP estimates cost of 2010 Gulf spill at \$61.6 billion

British oil giant says it's putting a final price tag on the company's financial damage from the disaster

By Cain Burdeau
ASSOCIATED PRESS

NEW ORLEANS — Oil giant BP has put a final price tag on what its catastrophic Gulf of Mexico oil spill cost the company, and it's a hefty sum: \$61.6 billion.

The British company issued the estimate Thursday, the first time it has put

a total cost on the catastrophe.

BP said it expects to spend a total of \$44 billion after tax deductions are factored in.

The new estimate included \$5.2 billion in new pretax costs.

In 2010, one of the company's deep-sea wells blew out off the coast of Louisiana, leading to the

sinking of the Deepwater Horizon drilling rig.

Eleven rig workers were killed in the explosions, and millions of gallons of crude oil spewed into Gulf waters for 87 days.

BP said the cost estimate included all "remaining material liabilities."

The company has settled the majority of the claims filed against it by companies, local, state and federal governments and individuals, such as
BP continues on B4



This glob of oily material from BP's 2010 Gulf of Mexico spill was found in 2011 in Louisiana's Plaquemines Parish.

Gerald Herbert / Associated Press

OBAMACARE

Hispanic health coverage lagging

2 million in Texas still uninsured, local report says

By Jenny Deam

At least 2 million Hispanics in Texas remain uninsured even though nearly half of those residents are eligible for coverage, a local health care report has found.

The findings by Houston's Episcopal Health Foundation and Rice University's Baker Institute for Public Policy were released Thursday as part of an ongoing series measuring the effectiveness in Texas of the Affordable Care Act, also known as Obamacare.

The uninsured rate among Hispanics in the state has dropped to 32 percent from 46 percent in the fall of 2013, a dramatic decline that the study's authors attribute to the federal health care law. But the report found that despite such gains, nearly one third of all Hispanics in the state remain without coverage.

The new report follows a study by the Commonwealth Fund, a national research foundation that concluded that most states, including Texas, have made progress in improving access to health insurance and care, but the results are not as robust as many had hoped.

In some places, according to the Commonwealth study, medical outcomes and access have declined.

The Commonwealth Fund report found that in major Texas cities, including Houston, the uninsured rate remains about one in four. In the heavily Hispanic Rio Grande Valley
Health continues on B4

TEXANOMICS

Retention pay lawsuit by Buc-ee's breaks mold



Tom Reel / San Antonio Express-News file

Customers stop in to fill up at the Buc-ee's along Interstate 35 in New Braunfels.

Usually such provisions are used to keep executives on board, not to prompt normal employees to stay with an employer

When it came to light last week that the convenience store chain Buc-ee's had sued a former employee for \$67,000 in "retention pay," you might reasonably have wondered: What's retention pay?

Short answer: It's not typically the kind of arrangement that Buc-ee's had with former assistant manager Kelley Rieves.



LYDIA DePILLIS

And the attempt by Buc-ee's to enforce the deal might say something about how employers are trying to keep workers around at a time when hopping from job to job has become the norm.

First, some background. Court filings show that in 2009, Rieves negotiated a contract to join Buc-ee's for a salary of \$55,000 a year. It was split into two buckets: \$14 an hour, plus \$1,528.67 per month that she would have to pay back in full if she left the company before five years had passed — regardless of the reason for termination.

Rieves would also have to forfeit those earnings if she failed to give six months notice of her departure, before or after the five-year mark. Rieves did leave for another job in 2012 and later received a letter demanding nearly half her total earnings for the three years she worked at Buc-ee's.

What's commonly known as "retention" or "incentive

pay" tends to be used as bonuses to encourage executives or key talent to stick around during a rough period, like a merger or a big layoff, according to Ruthie White, managing director of the Houston office of the law firm Jackson Lewis.

But having a big chunk of a normal employee's salary count as retention pay? That's novel.

"I've never seen it as a part of your regular compensation as Buc-ee's has used it," White said.

This arrangement, of course, works well for Buc-ee's.

"Buc-ee's employee incentive compensation programs have proven to be very successful, as evidenced by Buc-ee's high employee retention
Employers continues on B4

DEALERSHIPS

Area auto sales hit a bumpy stretch

Figure down year over year, but some look on bright side

By Mike D. Smith

The Houston area in June logged another sharp year-over-year drop in auto sales despite a surge of flood victims replacing vehicles.

Automobile sales in the nine-county metro area during June fell 22 percent compared with the same month a year earlier, according to TexAuto Facts. It was the fourth consecutive double-digit percentage decline in year-over-year sales.

For the year, sales through June were 19 percent lower than during the same period in 2015. That trend could continue through year-end as sales continue to fall compared with two straight record-setting years.

But Steve McDowell, owner of Sugar Land-based InfoNation, which produces TexAuto Facts, sees a glimmer of hope: Last month's sales figures were 21 percent higher than those in May.

"June sales apparently recovered some sales lost to slow showroom traffic during the flooding in April and May, and benefited from some sales to replace damaged vehicles," McDowell said.

According to TexAuto Facts, 26,761 new vehicles were sold in the nine-county metro area, a 21.4 percent increase over May. Houston-area dealers had sold 153,763 vehicles through the first six months of 2016.

Trucks and SUVs continue to dominate new
Vehicles continues on B4

REAL ESTATE

Italian luxury brand to highlight Houston condominiums



Giorgetti

This rendering shows a condo project planned for Steel Street in Upper Kirby. The Giorgetti Houston project will have the touch of a 118-year-old Italian furniture maker, Giorgetti, including paneling, lighting, carpets and woodwork.

By Erin Mulvaney

A condominium project announced this week will carry a 118-year-old Italian furniture maker's name and emulate the look of art galleries, boutiques and restaurants abroad that carry the luxury brand.

Giorgetti, a renowned furniture maker that has worked on hotels, yachts and royal palaces around the world with its unique shapes and maple, oak and marble accents, is lending its brand to the Giorgetti Houston project by Stolz Parnters, the Mira-

dor Group and the Sudoff Companies.

"Art and architecture are coming together," Jacob Sudoff said.

The seven-story site will be in Upper Kirby's Steel Street, known for its canopy of oak trees, where an older apartment complex was razed. A longtime Houston family previously owned the land.

The project will have 32 residences ranging from 2,400 square feet to 4,500 square feet. Ceilings will range from 10 to 12 feet, with balconies from 500 to 2,000 square feet. Gior-

getti touches will be apparent throughout the design from the kitchen and outdoor cabinets to paneling, lighting, carpets, closets, woodwork and furnishings.

Pre-sales for the condominiums are scheduled to begin in September. Construction is to begin when 50 percent of the homes are pre-sold, with an expected start date in the third quarter of next year. Prices will average just under \$2 million.

This mid-rise condominium project is being
Giorgetti continues on B4

Giorgetti condos will have ‘the spirit of modern elegance’

Giorgetti from page B1

announced at a time when the outlook is increasingly uncertain for multi-million-dollar condos and the rest of the high-end market in Houston.

Several mid-rise condo projects that were announced during the real estate boom have been scuttled or shelved.

But construction is ongoing for a number of high-rise condo projects around the city.

Giorgetti designs have been featured in a \$24 million penthouse at New York’s Plaza Hotel, plus the Shangri-La Hotel in Toronto, the Fontainebleau Chateau Suites in Miami and the Four Seasons Residences in Austin.

“For us, beauty is the first source of inspiration, including and above all, for the contribution it can make to improving the quality of where we live,” said Giovanni del Vecchio, managing director of Giorgetti.

“With our partners, we share the same passion, vision and love for the brand and for the lifestyle that we are able to create and express. The result is very special — a remarkable living space, imbued with the spirit of modern elegance.”

Jerry Hooker, principal of Mirador Group, and Jacob Sudoff said their idea to bring the luxury brand to Houston dovetailed with Giorgetti’s expansion into a lifestyle brand. They eventually flew to Italy to pitch the idea for a luxury-branded condo building in Houston.

“It was a perfect marriage,” Hooker said. “What we had envisioned and where their company was going. ... We are bringing in Italian culture and quality into the building.”

Hooker said the project will be the first of its kind in the United States.

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Giorgetti

This rendering shows an interior of a condominium in the Giorgetti Houston. The project will have 32 residences ranging from 2,400 square feet to 4,500 square feet. “We are bringing in Italian culture and quality into the building,” says Jerry Hooker, one of the developers.