

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 01/12/21

M&C FILE NUMBER: M&C 21-0004

LOG NAME: 19RACESTREETASSIGN2

SUBJECT

(CD 9) Authorize Execution of Consent to Assignment of City Secretary Contract No. 48635, a Tax Abatement Agreement with Criterion Race Street I, LLC to MBP Union, LLC

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a Consent to Assignment of a Tax Abatement Agreement, (City Secretary Contract No. 48635) between the City and Criterion Race Street I, LLC, to MBP Union, LLC, in conjunction with the sale of the mixed-use project located at 2900 Race Street in Neighborhood Empowerment Zone Area Four, former Six Points Neighborhood Empowerment Zone.

DISCUSSION:

On August 2, 2016, the City Council approved a ten-year Tax Abatement Agreement (Agreement) with 2925 Race, LLC, assigned to affiliate, Criterion Race Street I, LLC (Company) related to the construction of a mixed use project with 152 residential units located at 2900 Race Street in Neighborhood Empowerment Zone Area Four (Mayor and Council Communication (M&C) C-27846, M&C C-28252 and M&C 19-0148) City Secretary Contract No. 48635 as amended by City Secretary Contract Nos. 48635-CA1 and 48635-A1.

The Company now wishes to sell the development to MBP Union, LLC (Purchaser). Under the Agreement, the Company is prohibited from assigning the Agreement to another party without the City Council's consent. In order to facilitate the transaction, a Consent to Assignment of the Tax Abatement Agreement between the City, the Company and the Purchaser will be required.

The Company has constructed all the required improvements, as set forth in the Agreement, and the Purchaser will be required to meet all ongoing obligations of the Company under the Agreement. The City will continue to receive the public benefits resulting from development of this project.

The mixed-use project is located in COUNCIL DISTRICT 9.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the Consent to Assignment of the current Tax Abatement Agreement, a loss of an estimated \$1,687,726.89 in property tax revenue may occur over the next nine years left in the abatement period from 2021 to 2029. This reduction in revenue will be incorporated into the City's long term financial forecast upon the Consent to Assignment of the Tax Abatement Agreement being officially granted.

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