

# Mayor and Council Communication

DATE: 03/31/26

M&C FILE NUMBER: M&C 26-0247

LOG NAME: 193419EBERRYST

**SUBJECT**

(CD 11) Authorize Execution of a Five-Year Tax Abatement Agreement with Filiberto Gaona for the Construction of an Approximately 2,568 Square Foot Commercial Building for Office Use and Seating For a Mobile Food Park, Having a Cost of at Least \$200,000.00 on Property Located at 3419 E. Berry Street, in the Polytechnic Heights South Neighborhood and within Neighborhood Empowerment Zone Area Six and Neighborhood Empowerment Reinvestment Zone No. 6R

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize the execution of a Five-Year Tax Abatement Agreement with Filiberto Gaona for the construction of an approximately 2,568 square foot commercial building for office use and seating for a mobile food park, having a cost of at least \$200,000.00 on property located at 3419 E. Berry Street in the Polytechnic Heights South neighborhood and within Neighborhood Empowerment Zone and Reinvestment Zone Area Six; and
2. Find that the terms of, and the property subject to, the Tax Abatement Agreement meet the criteria and guidelines set forth in Neighborhood Empowerment Zone Program Basic Incentives and Tax Abatement Policy.

**DISCUSSION:**

Filiberto Gaona (Property Owner) is the owner of the property described as Block 1, Lot 1, Gaona Place Addition, an Addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Cabinet B, Slide 3592, Plat Records, Tarrant County, Texas at 3419 E. Berry Street, Fort Worth, Texas. The property is located in the Polytechnic Heights South neighborhood and within Neighborhood Empowerment Zone Area Six (NEZ).

The Property Owner plans to invest an estimated amount of \$200,000.00 for the construction of an approximately 2,568 square foot commercial building for office use and seating for a mobile food park (Project). The Neighborhood Services Department reviewed the application and certified that the Property Owner and Project meet the eligibility criteria to receive a NEZ Municipal Property Tax Abatement. The NEZ Basic Incentives include a five-year Municipal Property Tax Abatement on the increased value of improvements to the qualified owner of any new construction or rehabilitation within the NEZ. All multi-family, commercial, industrial, community facilities and mixed-use tax abatements are capped at 150 percent of the Capital Investment. The capped value for this tax abatement will be \$300,000.00.

Upon execution of the Tax Abatement Agreement (Agreement), the total assessed value of the improvements used for calculating municipal property tax will be frozen for a period of five years starting January 2027 at the estimated pre-improvement value, as defined by the Tarrant Appraisal District (TAD) in February 2026, as follows:

Pre-Improvement TAD Value of Improvements	\$0.00
Pre-Improvement Estimated Value of Land	\$13,674.00
<b>Total Pre-Improvement Estimated Value</b>	<b>\$13,674.00</b>

The municipal property tax to be abated on the improved value of the Project after construction based on the capped value, is estimated in the amount of \$2,010.00 per year for a total amount of \$10,050.00 over the five-year period, not counting increases from reappraisals. However, this estimate may differ from the actual tax abatement value, which will be calculated based on the TAD appraised value of the property.

In the event of a sale of the property, the Agreement may be assigned to an affiliate of the property owner without the consent of the City Council. If the property is sold to a new owner, other than an affiliate, the Agreement may be assigned only with City Council approval and provided that the new owner meets all of the eligibility criteria as stated in the NEZ Basic Incentives and Tax Abatement Policy.

This property is located in COUNCIL DISTRICT 11.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the Tax Abatement Agreement, a loss of an estimated \$10,050.00 in property tax revenue

may occur over the five-year period. This reduction in revenue will be incorporated into the long term financial forecast upon the Tax Abatement being officially granted.

**Submitted for City Manager's Office by:** Dana Burghdoff 8018

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