

Mayor and Council Communication

DATE: 02/18/20

M&C FILE NUMBER: M&C 20-0085

LOG NAME: 19NEZ5524HOUGHTON

SUBJECT

Authorize Execution of a Five-Year Tax Abatement Agreement with Reuben Lamont Brown for the Construction of a Single-Family Dwelling of Approximately 1,634 Total Square Feet and Having a Cost of at Least \$135,000.00 on Property Located at 5524 Houghton Avenue, in the Como Neighborhood and Within Neighborhood Empowerment Zone and Reinvestment Zone Area Three (COUNCIL DISTRICT 3) (Continued from a Previous Week)

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a Five-Year Tax Abatement Agreement with Reuben Lamont Brown for the construction of a single-family dwelling of approximately 1,634 total square feet and having a cost of at least \$135,000.00 on property located at 5524 Houghton Avenue, in the Como Neighborhood and within Neighborhood Empowerment Zone and Reinvestment Zone Area Three, in accordance with the Neighborhood Empowerment Zone Program Basic Incentives and Tax Abatement Policy.

DISCUSSION:

Reuben Lamont Brown (Property Owner) is the owner of the property described as Lot 27 and 28, Block 41, Chamberlain Arlington Heights 2nd Addition, situated in the City of Fort Worth, Tarrant County, Texas and located within the Fort Worth Independent School District, as shown by a Deed of Record in Document #D216227441 of the Deed Records, Tarrant County, Texas, at 5524 Houghton Avenue, Fort Worth, Texas. The property is located within Neighborhood Empowerment Zone Area Three (NEZ).

The Property Owner plans to invest an estimated amount of \$135,000.00 to construct a single-family residence of approximately 1,634 total square feet (Project). The Project will be sold to a homeowner to be used as a primary residence.

The Neighborhood Services Department reviewed the application and certified that the Property Owner and Project met the eligibility criteria to receive a NEZ Municipal Property Tax Abatement. The NEZ Basic Incentives includes 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.

Upon execution of the 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 2021 at the estimated pre-improvement value as defined by the Tarrant Appraisal District (TAD) in September 2019 for the property as follows:

Pre-Improvement TAD Value of Improvements	\$0.00
Pre-Improvement Estimated Value of Land	\$25,000.00
Total Pre-Improvement Estimated Value	\$25,000.00

The municipal property tax on the improved value of the Project after construction is estimated in the amount of \$1,009.13 per year for a total amount of \$5,045.65 over the five-year period. However, this estimate may differ from the actual tax abatement value, which will be calculated based on the Tarrant Appraisal District appraised value of the property.

In the event of a sale of this property, the Tax Abatement Agreement may be assigned to a new owner's first mortgage or a new owner as a primary residence. All other assignments must be approved by the City Council.

This property is located in COUNCIL DISTRICT 3.

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 final approval of the Tax Abatement Agreement, a loss of an estimated \$5,045.65 in property revenue may occur over the five year Tax Abatement 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: Fernando Costa 6122

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