

# Mayor and Council Communication

DATE: 10/15/19

M&C FILE NUMBER: M&C 19-0251

LOG NAME: 19213PARADISE

**SUBJECT**

Authorize Execution of a Five-Year Tax Abatement Agreement with Edgar Sanchez for the Rehabilitation of a Single-Family Dwelling of Approximately 1,462-Square Feet and Having a Cost of at Least \$30,500 on Property Located at 213 Paradise Street in the United Riverside Neighborhood and Neighborhood Empowerment Zone and Reinvestment Zone Area 4 (COUNCIL DISTRICT 8) (Continued from a Previous Meeting)

**RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a Five-Year Tax Abatement Agreement with Edgar Sanchez for the rehabilitation of a single-family dwelling of approximately 1,462-square feet and having a cost of at least \$30,500 on property located at 213 Paradise Street in the United Riverside Neighborhood and Neighborhood Empowerment Zone and Reinvestment Zone Area 4, in accordance with the Neighborhood Empowerment Zone Program Basic Incentives and Tax Abatement Policy.

**DISCUSSION:**

Edgar Sanchez (Property Owner) is the owner of the property described as Lot 4, Block 27, Riverside Addition, an addition to the City of Fort Worth, according to the plat recorded in Volume 13354, Page 547, Deed Records, Tarrant County, Texas, at 213 Paradise Street, Fort Worth, Texas. The property is located within Neighborhood Empowerment Zone Area 4 (NEZ).

The Property Owner plans to invest an estimated amount of \$30,500.00 to rehabilitate a single-family residence of approximately 1,462-square feet (Project). The Project will be used as the homeowner's 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 May 2019 for the property as follows:

Pre-Improvement TAD Value of Improvements	\$77,906.00
Pre-Improvement Estimated Value of Land	\$14,000.00
<b>Total Pre-Improvement Estimated Value</b>	<b>\$91,906.00</b>

The municipal property tax on the improved value of the Project after construction is estimated in the amount of \$228.00 per year for a total amount of \$1,140.00 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 8.

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 above recommendations an estimated \$1,140.00 in property taxes will be abated over the five year period from 2021-2025. This amount will be included in the City's five year financial forecast.

**Submitted for City Manager's Office by:** Fernando Costa 6122

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