

Mayor and Council Communication

DATE: 01/11/22

M&C FILE NUMBER: M&C 22-0010

LOG NAME: 19JEFFERSONASSIGN2

SUBJECT

(CD 9) Authorize Execution of Consent to Assignment of City Secretary Contract No. 51261, a Tax Abatement Agreement with Jefferson Oakhurst Scenic, LLC to All Storage Walsh Ranch, LLC for Property Located at 336 Oakhurst Scenic Drive

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. 51261) between the City of Fort Worth and Jefferson Oakhurst Scenic, LLC to All Storage Walsh Ranch, LLC, in conjunction with the sale of the multi-family project located at 336 Oakhurst Scenic Drive in Neighborhood Empowerment Zone Area Four, former Six Points Neighborhood Empowerment Zone.

DISCUSSION:

On June 26, 2018, the City Council approved a five-year Tax Abatement Agreement (Agreement) with Legacy Scenic LP and assignment after closing, to Jefferson Oakhurst Scenic, LLC (Company) related to the construction of a multi-family project with 398 residential units located at 336 Oakhurst Scenic Drive in Neighborhood Empowerment Zone Area Four (Mayor and Council Communication (M&C) C-28763, and M&C 21-0779) City Secretary Contract No. 51261 as amended by City Secretary Contract Nos. 51261-CA1 and 51261-A1.

The Company now wishes to sell the development to All Storage Walsh Ranch, 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 multi-family 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 \$2,030,754.91 in property tax revenue may occur over the next five year period. 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.

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

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