

Mayor and Council Communication

DATE: 10/12/21

M&C FILE NUMBER: M&C 21-0779

LOG NAME: 19JEFFERSONOAKHURST

SUBJECT

(CD 9) Authorize Amendment to Neighborhood Empowerment Zone Tax Abatement Agreement (City Secretary Contract No. 51261) with Jefferson Oakhurst Scenic, LLC, to Amend the Terms of the Abatement to Allow the Abatement Beginning Date to Coincide with the First Year of the Compliance Auditing Term

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute an Amendment to Tax Abatement Agreement (City Secretary Contract No. 51261) with Jefferson Oakhurst Scenic, LLC, to amend the Terms of the Abatement to allow the Abatement Beginning Date to coincide with the Compliance Auditing Term.

DISCUSSION:

On June 26, 2018, the Fort Worth City Council authorized approval of a five-year tax abatement with Legacy Scenic, LP through the Neighborhood Empowerment Zone Program, by Mayor and Council Communication (M&C C-28763). The City of Fort Worth entered into the Tax Abatement Agreement (Agreement) (City Secretary Contract Nos. 51261 & 51261-CA1) with subsequent assignment to Jefferson Oakhurst Scenic, LLC (Owner). The Terms of the Agreement include a Compliance Auditing Term which starts January 1 of the year following the year in which a final certificate of occupancy is issued for the Required Improvements. The Abatement Beginning Date starts January 1 of the year following the year that the Compliance Auditing Term begins.

The Compliance Auditing Term generally gives the Owner time to lease set aside units which would be required in the Agreement. However, the Owner opted to pay an annual sum equal to \$200.00 for each rental residential unit located on the Premises to the Fort Worth Housing Finance Corporation (FWHFC) and has requested the Compliance Auditing Term and Abatement Beginning Date to coincide. This would change the start of the abatement and the annual payment to the FWHFC to 2022. All other terms of the contract will remain the same.

This project is located in Council District 9.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the Tax Abatement Amendment, a loss of an estimated \$1,742,276.15 in property taxes will be abated 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: Fernando Costa 6122

Originating Business Unit Head: Victor Turner 8187

Additional Information Contact: Sarah Odle 7316