City of Fort Worth, Texas

Mayor and Council Communication

DATE: 01/11/22   **M&C FILE NUMBER:** M&C 22-0011

LOG NAME: 19NEZ4809MILLERAVE

SUBJECT

(CD 5) Authorize Execution of a Five-Year Tax Abatement Agreement with WAFA Business, LLC - Miller Ave for the Rehabilitation of a Car Wash for Use as a Shopping Center with Office, Retail and Restaurant Space, with a Total of Approximately 4,300 Square Feet, Having a Cost of at Least $457,000.00 on Property Located at 4809 Miller Avenue in Neighborhood Empowerment Zone and Reinvestment Zone Area Six

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of a Five-Year Tax Abatement Agreement with WAFA Business, LLC - Miller Ave for the rehabilitation of a car wash for use as a shopping center with office, retail and restaurant space, with a total of approximately 4,300 square feet, having a cost of at least $457,000.00 on property located at 4809 Miller Avenue in 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 Tax Abatement Policy and Basic Incentives.

DISCUSSION:

WAFA Business, LLC - Miller Ave (Property Owner) is the owner of the property described as Block 7, Lots 2 and 3, J.T. Couch Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat recorded in Volume 388-G, Page 3, Plat Records, Tarrant County, Texas at 4809 Miller Avenue, Fort Worth, Texas. The property is located within the Echo Heights neighborhood and Neighborhood Empowerment Zone Area Six (NEZ).

The Property Owner plans to invest an estimated amount of $457,000.00 for the rehabilitation of a car wash into an approximately 4,300 square foot shopping center with office, retail and restaurant space (Project). 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 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.

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 2022 at the estimated pre-improvement value, as defined by the Tarrant Appraisal District (TAD) in 2021, as follows:

Pre-Improvement TAD Value of Improvements	$155,407.00
Pre-Improvement Estimated Value of Land	$21,545.00
Total Pre-Improvement Estimated Value	**$176,952.00**

The municipal property tax on the improved value of the Project after completion is estimated to be $3,347.53 per year for a total amount of $16,737.65 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.

The Tax Abatement 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 Tax Abatement Policy and Basic Incentives.

This property is located in COUNCIL DISTRICT 5.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the Tax Abatement Agreement, a loss of an estimated $16,737.65 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: Fernando Costa   6122

Originating Business Unit Head: Victor Turner   8187

Additional Information Contact: Sarah Odle   7316