

Mayor and Council Communication

DATE: 02/18/20

M&C FILE NUMBER: M&C 20-0084

LOG NAME: 19NEZ1325GRAND

SUBJECT

Authorize Execution of a Five-Year Tax Abatement Agreement with Shon Ben-Kely for the Rehabilitation of a Single-Family Dwelling of Approximately 884 Square Feet and Having a Rehabilitation Cost of at Least \$30,000.00 on Property Located at 1325 Grand Avenue in the Northside Neighborhood and Neighborhood Empowerment Zone and Reinvestment Zone Area One (COUNCIL DISTRICT 2) (Continued from a Previous Week)

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a Five-Year Tax Abatement Agreement with Shon Ben-Kely for the rehabilitation of a single-family dwelling of approximately 884 square feet and having a rehabilitation cost of at least \$30,000.00 on property located at 1325 Grand Avenue in the Northside Neighborhood and Neighborhood Empowerment Zone and Reinvestment Zone Area One, in accordance with the Neighborhood Empowerment Zone Basic Incentives and Tax Abatement Policy.

DISCUSSION:

Shon Ben-Kely (Property Owner) is the owner of the property described as Lot 12, Block 133 1/2, North Fort Worth, an Addition to the City of Fort Worth, Tarrant County, Texas, according to the Map or Plat thereof recorded in Volume 106, Page 91, Map/Plat Records, Tarrant County, Texas, at 1325 Grand Avenue, Fort Worth, Texas. The property is located in the Northside neighborhood and within Neighborhood Empowerment Zone (NEZ) Area One.

The Property Owner plans to invest an estimated amount of \$30,000.00 to rehabilitate an approximately 884 square foot single-family residence (Project). The Project will be used as the homeowner's primary residence.

The Neighborhood Services Department reviewed the application and certified that the Property Owners 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 November 2019 for the property as follows:

Pre-Improvement TAD Value of Improvements	\$61,463.00
Pre-Improvement Estimated Value of Land	\$17,250.00
Total Pre-Improvement Estimated Value	\$78,713.00

The municipal property tax on the improved value of the Project after construction is estimated in the amount of \$224.25 per year for a total amount of \$1,121.25 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 2.

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 \$1,121.25 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

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