

Mayor and Council Communication

DATE: 01/13/26

M&C FILE NUMBER: M&C 26-0024

LOG NAME: 19MERIDIAN REQUEST FOR 50% TAX EXEMPTION

SUBJECT

(CD 2) Deny the Request by 4450 Marine Creek Parkway (TX) Owner, LP to the City of Fort Worth for a 50% Property Tax Exemption Pursuant to Section 11.1825 of the Texas Tax Code for a Housing Development Known as The Meridian, Located at 4450 Marine Creek Parkway, Fort Worth, TX 76106 and Determine the City Cannot Afford the Loss of Ad Valorem Tax Revenue that would Result from Approving the Exemption

RECOMMENDATION:

It is recommended that the City Council:

1. Deny the request by 4450 Marine Creek Parkway (TX) Owner, LP to the City of Fort Worth for a 50% property tax exemption pursuant to Section 11.1825 of the Texas Tax Code for a housing development known as The Meridian, located at 4450 Marine Creek Parkway, Fort Worth, TX 76106; and
2. Determine the City cannot afford the loss of ad valorem tax revenue that would result from approving the exemption.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take action in accordance with Texas Tax Code 11.825(x) regarding a written request for a 50% property tax exemption pursuant to Section 11.1825 of the Texas Tax Code for a housing development known as The Meridian, located at 4450 Marine Creek Parkway, Fort Worth, TX 76106 (Development). Tarrant County has a population of at least 2.1 million which means certain organizations constructing or rehabilitating low-income housing may request an exemption from taxation pursuant to Section 11.1825(w) of the Texas Tax Code. To receive an exemption from taxation under Texas Property Tax Code Section 11.1825, the requesting organization must submit a written request for the approval from the governing body of each impacted taxing unit. The City, as an impacted taxing unit, is required to take action pursuant to 11.1825(x) after receiving a written request for such exemption.

4450 Marine Creek Parkway (TX) Owner, LP (Property Owner) submitted an application for a property tax exemption (Application), using Texas Comptroller Form 50-310, to Tarrant Appraisal District. Per the Application, Owner's mailing address is in Fort Worth, TX. Property Owner is associated with Development Corporation of Tarrant County, a community housing development corporation located in Fort Worth, Texas. The Application reflects Property Owner acquired the property in July 2024 and is scheduled to complete rehabilitation of the property in December 2025. They are requesting the tax exemption now due to the costs associated with the rehabilitation. According to Tarrant Appraisal District's online records, the property has never been tax exempt since its construction in 2002. The property is currently 96% occupied. The Development consists of 280 units and is leased to individuals or families earning at or below 60% of the Area Median Income for the Fort Worth-Arlington region as established by the U.S. Department of Housing and Urban Development. The property has a taxable value of approximately \$15,600,393.00 and the City tax bill would be \$129,980.00 annually. Approval of this application would result in an annual loss of \$64,990.00 in ad valorem tax revenue.

Due to the currently projected property tax revenue shortfall in Fiscal Year 2026, as well as an anticipated Fiscal Year 2027 General Fund deficit that will require departmental budget reductions, staff requests that City Council determine the City cannot afford the loss of ad valorem tax revenue that would result from approving the requested exemption and deny the request on such basis.

This development 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 approval of these recommendations will have no material effect on City funds.

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