

Mayor and Council Communication

DATE: 08/09/22

M&C FILE NUMBER: M&C 22-0567

LOG NAME: 1946RANCHASSIGN

SUBJECT

(CD 8) Authorize Execution of Consent to Assignment of City Secretary Contract Nos. 57134, 57140 and 57156, Tax Abatement Agreements with Jackson-Shaw/46Ranch, LLC to TREA JS South Fort Worth Industrial Portfolio, LLC for Property Located at 6501 Oak Grove Road

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a Consent to Assignment of Tax Abatement Agreements, (City Secretary Contract Nos. 57134, 57140 and 57156) between the City of Fort Worth and Jackson-Shaw/46Ranch, LLC to TREA JS South Fort Worth Industrial Portfolio, LLC, in conjunction with the sale of the industrial project located at 6037, 6101 and 1701 Campus Drive in Neighborhood Empowerment Zone Area Six.

DISCUSSION:

On September 20, 2020, the City Council approved a five-year Tax Abatement Agreement (Agreement) with Jackson-Shaw/46Ranch, LLC (Company) related to the construction of three industrial buildings for the distribution of retail goods and light manufacturing located at 6037, 6101 and 1701 Campus Drive in Neighborhood Empowerment Zone Area Six (Mayor and Council Communication 20-0619) City Secretary Contract Nos. 57134, 57140 and 57156. The original address on the contracts was 6501 Oak Grove Road. The property was re-platted and new addresses were assigned for each building by the Fire Department.

The Company now wishes to sell the development to TREA JS South Fort Worth Industrial Portfolio, 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 industrial project is located in COUNCIL DISTRICT 8.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the Consent to Assignment of the current Tax Abatement Agreements, a loss of an estimated \$951,146.10 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 Agreements being officially granted.

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