

# Mayor and Council Communication

**DATE:** 01/11/22

**M&C FILE NUMBER:** M&C 22-0018

**LOG NAME:** 19PRESIDIOASSIGN2

**SUBJECT**

(CD 9) Authorize Execution of Consent to Assignment of City Secretary Contract No. 50882, a Tax Abatement Agreement with PMA FW Presidio, LLC to Starboard Presidio DST for Property Located at 2312 McLemore Avenue

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**RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a Consent to Assignment of a Tax Abatement Agreement, (City Secretary Contract No. 50882) between the City of Fort Worth and PMA FW Presidio, LLC, to Starboard Presidio DST in conjunction with the sale of the multi-family project located at 2312 McLemore Avenue in Neighborhood Empowerment Zone Area Four, former Six Points Neighborhood Empowerment Zone.

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**DISCUSSION:**

On April 10, 2018, the City Council approved a five-year Tax Abatement Agreement (Agreement) with Scenic Race, LLC, and assignment after closing, to PMA FW Presidio, LLC, (Company) related to the construction of a multi-family project with 138 residential units located at 2312 McLemore Avenue in Neighborhood Empowerment Zone Area Four (Mayor and Council Communication (M&C) C-28659 and M&C 21-0783) City Secretary Contract No. 50882 as amended by City Secretary Contract Nos. 50882-CA1 and 50882-A1.

The Company now wishes to sell the development to Starboard Presidio DST (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 multi-family project is located in COUNCIL DISTRICT 9.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the Consent to Assignment of the current Tax Abatement Agreement, a loss of an estimated \$675,438.25 in property tax revenue may occur over the next five years. This reduction in revenue will be incorporated into the City's long term financial forecast upon the Consent to Assignment of the Tax Abatement Agreement 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