

Mayor and Council Communication

DATE: 05/05/20

M&C FILE NUMBER: M&C 20-0284

LOG NAME: 17TIRZ90 RENEWAL

SUBJECT

Conduct Public Hearing and Adopt Ordinance Renewing Tax Abatement Reinvestment Zone No. 90, City of Fort Worth, Texas, for Property Located at the Northeast Corner of Alliance Gateway and Park Vista Boulevard owned by Winner, LLC for an Additional Five-Year Term (COUNCIL DISTRICT 7)

(**PUBLIC HEARING** - a. Report of City Staff: Robert Sturns; b. Citizen Presentations; c. Council Action: Close Public Hearing and Act on M&C)

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct a public hearing concerning the renewal of Tax Abatement Reinvestment Zone No. 90, City of Fort Worth, Texas, for property located at the northeast corner of Alliance Gateway and Park Vista Boulevard for an additional five-year term; and
2. Adopt the attached ordinance for the renewal of Tax Abatement Reinvestment Zone No. 90, City of Fort Worth, Texas, pursuant to and in accordance with Chapter 312 of the Texas Tax Code.

DISCUSSION:

On May 19, 2015, the City Council adopted Ordinance No. 21757-05-2015, designating Tax Abatement Reinvestment Zone No. 90, City of Fort Worth, Texas (the Zone), and approved execution of a Tax Abatement Agreement with Winner LLC, (City Secretary Contract No. 46727). Under the Tax Abatement Agreement, the City agreed to abate 10 percent of the incremental ad valorem taxes on real and business personal property owned by Winner LLC, (Company) provided that Company expended at least \$250,000,000.00 on construction of and equipment for a Facebook data center located on property in the reinvestment zone.

The Tax Abatement Agreement also provides a mechanism for the Company to acquire additional land adjacent to land in the Zone in order to expand the project footprint. On October 16, 2016, the City Council adopted Ordinance No. 22473-10-2016, designating Tax Abatement Reinvestment Zone No. 90-A, City of Fort Worth, Texas, and approved amendment of the Tax Abatement Agreement with the Company (City Secretary Contract No. 46727) to include additional improvements on property it acquired for additional development at 14101 and 14217 Independence Parkway.

On March 26, 2019, the City Council adopted Ordinance No. 23620-03-2019, designating Tax Abatement Reinvestment Zone No. 99, City of Fort Worth, Texas, and authorized execution of another Tax Abatement Agreement with the Company (City Secretary Contract No. 52160) for the redevelopment of an existing data center located at 14100 Park Vista Boulevard.

Company now wishes to extend the term of Zone for an additional five-year term for future development opportunities. City staff supports such action by the City Council.

Under Chapter 312 of the Texas Tax Code (the Code), the maximum term of a reinvestment zone is five years, but the Code allows the City Council to renew the term of a zone for one or more additional terms of five years. A public hearing must be conducted regarding the creation or expansion of a reinvestment zone. The exact boundaries of the proposed zone are described in Exhibit A of the attached ordinance. Notice of this hearing was delivered to the governing body of each affected taxing unit and published in a newspaper of general circulation at least seven days prior to this hearing.

The area encompassing the Zone continues to meet the statutory criteria for designation as a reinvestment zone under Chapter 312 of the Texas Tax Code, in that the area is likely, as a result of the continued designation, to contribute to the expansion of the Company's major investment in the Zone that would be a benefit to the property and that would contribute to the economic development of the City. Further, current and potential future improvements in the Zone are feasible, practical and will continue to benefit to the land to be included in the Zone and to the City after the existing Tax Abatement Agreement to be amended, has expired.

Upon adoption of the attached ordinance, the term of the Zone will automatically be continued for five years beyond the current expiration date of May 18, 2020, and the Zone may be renewed for additional periods not to exceed five years each.

The Zone is located in COUNCIL DISTRICT 7.

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 and execution of the agreement will have no material effect on the Fiscal Year 2020 budget. Future effects on revenues and expenditures will be included in the long-term financial forecast.

Submitted for City Manager's Office by: Jay Chapa 5804

Originating Business Unit Head: Robert Sturns 2663

Additional Information Contact: Robert Sturns 2663