

To the Mayor and Members of the City Council

September 13, 2011

Page 1 of 1

**SUBJECT: REVIEW OF NEIGHBORHOOD EMPOWERMENT ZONE TAX ABATEMENT FOR PROPERTY LOCATED AT 2817, 2825 AND 2827 W. 5TH STREET**

The purpose of this Informal Report is to provide City Council with information regarding a proposed Neighborhood Empowerment Zone (NEZ) commercial tax abatement.

Chapter 378 of the Texas Local Government Code provides that a municipality can offer an abatement of municipal property taxes for properties located in a NEZ.

2817, 2825 and 2827 W. 5th Street

Cowtown 5th Street Partners LLC (Property Owners) are the owners of the properties at 2817, 2825 and 2827 W. 5th Street described as Lots 5, 6, 7 and 8, Block 16, Van Zandt Addition, an Addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat recorded in Volume 106, Page 118, of the Plat Records of Tarrant County, Texas. The properties are located within the Trinity Park NEZ and Council District 9.

The Property Owners plan to invest an estimated \$369,000.00 to rehabilitate the interior and exterior of the building (Project) which is approximately 5,300 square feet to lease to a tenant for use as an upscale lounge and bar. The Housing and Economic Development Department reviewed the application and certified that the Project met the eligibility criteria to receive a NEZ municipal property tax abatement.

The Property Owners applied for a five-year municipal property tax abatement under the NEZ Tax Abatement Policy and Basic Incentives (Resolution No. 3986, 05-2011). The municipal property tax on the improved value of the structure after construction is estimated at \$3,154.95 per year, for a total of \$15,774.75 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.

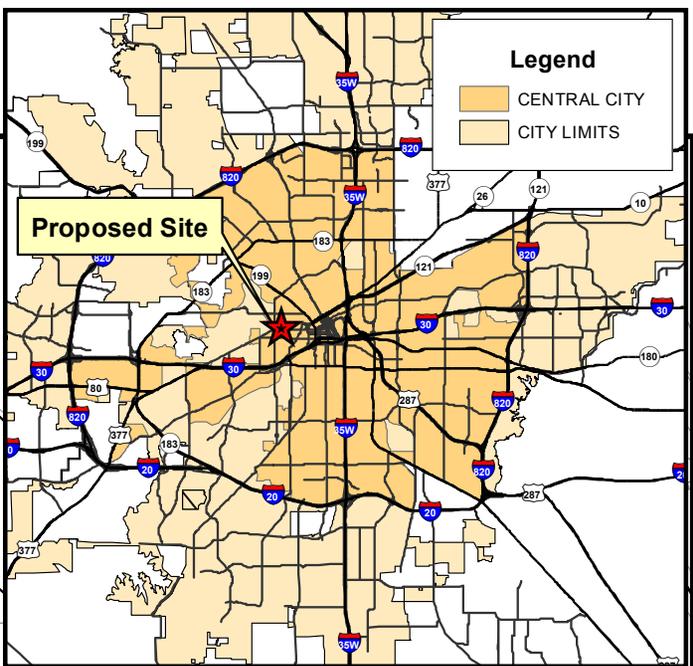
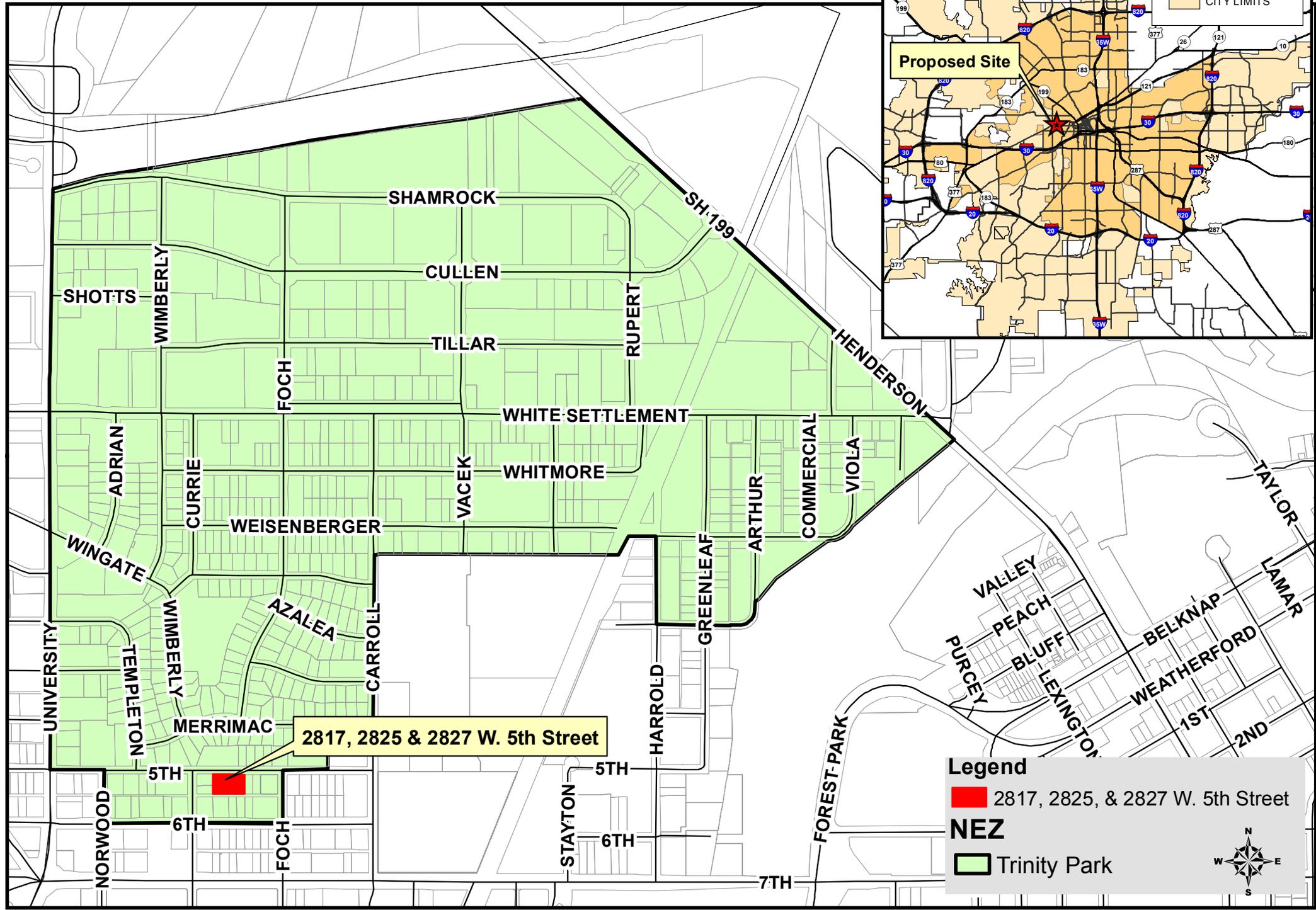
In the event of a sale of this property the tax abatement agreement may be assigned to an Affiliate without consent of the City Council or to a new owner with City Council approval, only if the new owner meets all of the eligibility criteria as stated in the NEZ Tax Abatement Policy and Basic Incentives.

Staff recommends proceeding with placing the tax abatement on the September 20, 2011, City Council agenda for consideration by City Council. If you should have any questions regarding this information please contact Cynthia Garcia, Assistant Director, Housing and Economic Development Department at 817-392-8187.

Tom Higgins
Interim City Manager

Attachments: Map, Pictures & Elevations

2817, 2825, & 2827 West 5th Street Council District 9 Trinity Park NEZ



Legend

- 2817, 2825, & 2827 W. 5th Street
- NEZ**
- Trinity Park







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