



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: December 12, 2017

Reference: Consider approval of a Resolution approving the Second Amendment to Tax Abatement Agreement between the City of Coppell and T&J Harris Land Development, LLC, and authorizing the Mayor to sign.

2030: Business Prosperity

Executive Summary:

The owner, T&J Harris Land Development, LLC, has requested the minimum Taxable Value for Improvements to be reduced to reflect the appraised value versus the cost of construction. The Second Amendment to Tax Abatement grants this request.

Introduction:

Founders' Crossing, LLC constructed three office buildings in Old Town Coppell in 2015. Founders' Crossing sold the building located at 525 W. Bethel to T&J Harris Land Development, LLC in 2016. Tartan Sales operates their corporate headquarters in this building. The first year of abatement was to begin in 2016, but this first amendment to the tax abatement agreement authorized the first year of abatement to be pushed to 2017. The abatement is scheduled to expire in 2021.

Analysis:

The building has not been appraised as high as the cost to construct it; therefore, the required minimum Taxable Value for Improvements was not met in 2017. The owner has requested for the agreement to be amended to reflect the appraisal rather than the construction cost. The Second Amendment to Tax Abatement Agreement reduces the minimum Taxable Value for Improvements to \$400,000.

Legal Review:

The documents were prepared by Pete Smith.

Fiscal Impact:

N/A

Recommendation:

Staff recommends approval.