



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER

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28

DATE: 03/22/2022

SUBJECT: **TAX ABATEMENT - ARLINGTON COMMONS DEVELOPMENT –
PHASES 1D, II, AND 1B, ARLINGTON**

***** BRIEFING AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED:

The Commissioners Court will be provided information on a request for tax abatement from Arlington Commons, LLC for Phases 1D, II, and 1B, the last three phases of the redevelopment and replacement of deteriorating apartment complexes along East Lamar Boulevard in Arlington with new, mixed-use apartments and amenities.

BACKGROUND:

Arlington Commons, LLC is in the process of redeveloping approximately twenty-three (23) acres along East Lamar Blvd., between Rolling Hills Country Club and Lincoln Drive. The project includes the demolition and redevelopment of multiple sub-standard former apartment complexes, along with improvements to E. Lamar Blvd. and redevelopment of the area with a multi-phase, mixed-use project that will, in total, provide for the construction of an estimated 1,421 new high-end apartment units. Phase 1A, which was approved for tax abatement by the County in 2015, was completed in 2018, bringing online 353 new apartment units. The ten (10) year tax abatement for Phase 1A began in January 2019. Phase 1C, which was approved for tax abatement by the County in 2018, was recently completed, bringing online 358 high-end units, a parking structure, and other amenities. The ten (10) year tax abatement for Phase 1C began this year.

The developer is now prepared to move forward with the last three (3) phases of redevelopment, Phase 1D, II, and 1B, and is requesting County assistance at the same level as the Phase 1A and 1C projects, with County participation in three separate tax abatement agreements each at a maximum of seventy percent (70%) for ten (10) years, and Hospital District participation at a maximum of fifty percent (50%) for ten (10) years for each phase. Phase 1D will provide for the redevelopment of the site into two story - for rent town homes containing 36 apartment units, private parking garage for each unit and a common area courtyard. Phase 1D is expected to commence in 2nd quarter 2022. Phase II will also provide for a four-story wrap structure with 374 units and structured parking. Phase II will commence in 3rd quarter 2022. Phase 1B will complete the Arlington Commons Project and is expected to commence in 1st quarter 2025. This last phase will complete the redevelopment and add 300 high-end units, structured parking, an onsite leasing facility and other amenities.

SUBMITTED BY: Administrator's Office

PREPARED BY: Maegan P. South
APPROVED BY:



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In addition to incentives and grants provided through a 380 Economic Development Agreement, the City of Arlington has approved a ten (10) year, ninety percent (90%) tax abatement for each of these last three phases of development.

The developer will provide a presentation on the status of the development of Phase 1A and 1C and plans for the last three phases of Arlington Commons.

FISCAL IMPACT:

The current TAD value of the property to be redeveloped in Phase 1D is \$160,538.00, providing annual combined taxes of approximately \$728.00 for the County and Hospital District. The projected capital investment for Phase 1D of Arlington Commons is \$35 million. Based on current tax rates, the estimated value of a seventy percent (70%) abatement from the County and a fifty percent (50%) abatement from the Hospital District could be approximately \$163,380.00 over the ten (10) year period (\$96,180.00 - County; \$67,200.00 - Hospital District), depending on the actual market value that the Tarrant Appraisal District places on the complex once constructed. During the same period, new County and Hospital District taxes collected on the new improvements could be over \$10,842.00 annually, or \$108,420.00 over the ten (10) year abatement (\$41,220.00 - County; \$67,200.00 - Hospital District).

The current TAD value of the property to be redeveloped in Phase II is \$601,668.00 providing annual combined taxes of approximately \$2,728.00 for the County and Hospital District. The projected capital investment for Phase II of Arlington Commons is \$55 million. Based on current tax rates, the estimated value of a seventy percent (70%) abatement from the County and a fifty percent (50%) abatement from the Hospital District could be approximately \$1,497,650.00 over the ten (10) year period (\$616,000.00 - County; \$377,850.00 - Hospital District), depending on the actual market value that the Tarrant Appraisal District places on the complex once constructed. During the same period, new County and Hospital District taxes collected on the new improvements could be over \$99,385.00 annually, or \$993,850.00 over the ten (10) year abatement (\$377,850.00 - County; \$616,000.00 - Hospital District).

The current TAD value of the property to be redeveloped in Phase 1B is \$513,532.00, providing annual combined taxes of approximately \$2,327.00 for the County and Hospital District. The projected capital investment for Phase 1B of Arlington Commons is \$45 million. Based on current tax rates, the estimated value of a seventy percent (70%) abatement from the County and a fifty percent (50%) abatement from the Hospital District could be approximately \$1,225,350.00 over the ten (10) year period (\$72,135.00 - County; \$504,000.00 - Hospital District), depending on the actual market value that the Tarrant Appraisal District places on the complex once constructed. During the same period, new County and Hospital District taxes collected on the new improvements could be over \$81,315.00 annually, or \$813,150.00 over the ten (10) year abatement (\$309,150.00 - County; \$504,000.00 - Hospital District).