Catfish Town plan eyed

Settlement offers $300,000, yearly property tax income

By JIM McDONNELL
Advocate staff writer

A proposed settlement over Catfish Town that officials said would net local government a one-time payment of $300,000 and about $230,700 a year in additional property tax income for all local taxing bodies was introduced to the Metro Council on Wednesday.

The earliest the council would be able to vote on the matter under normal procedure would be Oct. 28. In the meantime it will be reviewed by the council’s Finance and Executive Committee next Wednesday.

Under the terms of the proposed settlement, Parish Attorney Lynn Williams said, city-parish officials would be authorized to work with Allied Bank of Houston to clear up any problems that may stand in the way of the bank’s acquiring clear title to the property.

The bank would assume responsibility for maintaining and paying the utility costs on the city-parish owned rights of way going through the property, Williams said.

Local government would still own the rights of way but would be relieved of the maintenance liability and the utility payment burden, Williams said.

The city-parish, in return, would get $300,000 from the bank as partial compensation for the almost $2.4 million in federal grant money that was used to help finance the development.

Williams said that in a normal foreclosure proceeding the city-parish, as holder of a second mortgage, would have to stand in line behind other creditors holding the first mortgage on the property and would stand a chance of not getting any money.

The $300,000 is considerably more than had been expected when negotiations began in December, he said, when $50,000 was offered.

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Refusal to transfer the tax abatement to the new owner will mean about $230,700 in additional property tax income for local taxing bodies, Book said.

He said the bank’s representatives had been informed of his position, and had responded that they would be willing to allow local government to consider the other terms of the proposed settlement separately.

“They haven’t dropped it,” Williams said of that request. “They could still come back and ask the council for it, but they know we won’t recommend it.”

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The $5.2 million in improvements on Maritime I and II and the $15 million on improvements to the festival marketplace were not subject to property taxes during the five year periods in question, Book said.

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