



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____

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DATE: 11/07/2023

**SUBJECT: APPROVAL OF A TAX ABATEMENT AGREEMENT BETWEEN
TARRANT COUNTY, CARTER PARK EAST PHASE 1, LLC AND
SIEMENS INDUSTRY, INC., CITY OF FORT WORTH**

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve the Resolution and Tax Abatement Agreement providing for Tarrant County participation with the City of Fort Worth in the abatement of ad valorem taxes on the eligible real and personal property improvements made by Siemens Industry, Inc. for the development of a 550,000 square foot advanced fabrication and assembly facility and office space located at 7200 Harris Legacy Drive (Carter Park East), Fort Worth, Texas 76140, for a period of ten (10) years at a maximum abatement percentage of forty percent (40%) as set forth in the Agreement, and authorize the County Judge, or his designee, to execute the Agreement.

BACKGROUND

Siemens is a subsidiary of Siemens AG and provides products, systems and services for industrial automation, drives, motors, and energy management systems. The company is a German multinational corporation with operations in more than 190 countries, with thirteen (13) sites in North America, including one in Grand Prairie, Texas. The current global demand for low-voltage switchgear has skyrocketed, in part due to increased construction, expansion of manufacturing operations, and the growing use of sustainable energy.

Following a multi-community site selection process, an existing facility located at 7200 Harris Legacy Drive (Carter Park East) in Fort Worth was identified for the 550,000-square-foot advanced fabrication and assembly facility location. The property will be leased by Siemens from Carter Park East Phase 1, LLC.

In order to facilitate the establishment of Siemens in Fort Worth, the City of Fort Worth, along with the County proposes to provide a ten (10) year tax abatement. Siemens will invest over \$70 million in the new facility and locate an estimated \$55 million in business personal property to the facility. Siemens is expected to bring 167 new full-time jobs by the end of 2024, ramping up to 715 jobs by December 2026, with an average salary of approximately \$63,000.00 annually. Healthcare and other benefits are provided at a reasonable cost to full-time employees.

The City of Fort Worth has approved a ten (10) year tax abatement providing up to seventy percent (70%) abatement of real and personal property taxes. If Commissioners Court chooses to participate in tax abatement for Siemens, the staff proposes County participation in tax abatement at a maximum of forty percent (40%) of new real and personal property value for a period of ten (10) years.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Maegan P. South
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The Criminal District Attorney's Office has approved this agreement as to form.

FISCAL IMPACT

The total new real and personal property value added from this project is estimated at over \$125 million (\$70 million for real property and \$55 million for business personal property). Based on current tax rates, should Siemens earn the maximum tax abatement of forty percent (40%) for all ten (10) years, the project could receive a total ten (10) year tax abatement of approximately \$972,500.00 from the County. Hospital District taxes will not be abated.

Over that same period, the County will receive an equal amount or more in tax revenues from the unabated portion of the new improvements, as well as the current base value of the property. New tax revenues solely from the unabated portion of new improvements are expected to be approximately \$145,875.00 annually for the County or approximately \$1,458,750.00 over the ten (10) year abatement.