

Mayor and Council Communication

DATE: 12/15/20

M&C FILE NUMBER: M&C 20-0937

LOG NAME: 17AMEND2_BLACK&DECKERTA

SUBJECT

(CD 7) Amend M&C C-29029, as Previously Amended, Authorizing Execution of a Tax Abatement Agreement with Stanley Black & Decker USA, Inc. and Wachovia Service Corporation, to Extend the Completion Deadline for Real Property Improvements from December 31, 2020 to June 30, 2021, Along with the Seperate Extension of All Other Related Deadlines Accordingly

RECOMMENDATION:

It is recommended that the City Council approve an amendment to M&C C-29029, as previously amended, authorizing the execution of a Tax Abatement Agreement with Stanley Black & Decker USA, Inc. and Wachovia Service Corporation, to extend the Completion Deadline for Real Property Improvements from December 31, 2020 to June 30, 2021, along with the seperate extension of all other related deadlines as set forth in the discussion.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to extend the deadline for the real property improvements, and all other associated deadlines, for the Tax Abatement Agreement (Agreement) with Stanley Black & Decker USA, Inc. (Company) and Wachovia Service Corporation (Wachovia).

On February 5, 2019, the City Council approved M&C C-29029 authorizing the execution of the Agreement, which included the construction of approximately 375,000 square foot manufacturing facility on property in the vicinity of the intersection of North Beach Street and Eagle Parkway, east of Interstate Highway (IH) 35W (Property).

Under the Agreement, the Company is required to invest at least \$30 million in real property improvements (exclusive of land costs) by December 31, 2020. Company is also required to locate taxable business personal property (BPP) that is new to the City of Fort Worth on the Property having a minimum taxable appraised value of \$40 million by January 1, 2021 and an additional \$10 million of BPP by January 1, 2022. In return, as authorized by Chapter 312, Texas Tax Code (Tax Abatement Statute), the City will grant a 40 percent tax abatement on the incremental increase in value of real property and BPP improvements for a period of five years.

Company must also provide a minimum of 199 full-time jobs on the Property as of December 31, 2020 and a minimum total 500 full-time jobs on the Property as of December 31, 2021. Average annual salary for all full-time jobs will be a minimum of \$43,992.

On May 14, 2019, the City Council approved M&C C-29120, amending M&C C-29029 to include Wachovia Service Corporation (Wachovia), which is affiliated with Wachovia National Bank, as a party to the Agreement with no other revisions, although M&C C-29120 inadvertently listed all obligations due by December 31, 2020.

Due to delays caused by the COVID-19 pandemic, the Company has requested an extension to the following deadlines, all of which originate and flow from the deadline for the real property improvements. Staff recommends that the City Council approve the following deadline extensions:

Requirements and Deadlines

Commitment	Original Deadline	Amended Deadline
\$30 Real Property Improvements	December 31, 2020	June 30, 2021
\$40 M Business Personal Property	January 1, 2021	January 1, 2022
\$10 M Business Personal Property	January 1, 2022	January 1, 2023

Requirements and Deadlines

Commitment	Original Deadline	Amended Deadline
\$30 Real Property Improvements	December 31, 2020	June 30, 2021
199 Full-Time Positions	December 31, 2020	June 30, 2021
500 Full-Time Positions	December 31, 2021	December 31, 2022

The tax abatement amount has been calculated at current rate of 0.7450/100.

The project is located in COUNCIL DISTRICT 7.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon final approval of the extension to the current Tax Abatement Agreement, a loss of an estimated \$1,070,416.00 in property tax revenue may occur over the next five year period. This reduction in revenue will be incorporated into the City's long term financial forecast.

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