

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 09/16/25 M&C FILE NUMBER: M&C 25-0854

LOG NAME: 17SIEMENS_AMENDTA

SUBJECT

(CD 8) Authorize Amendment No. 1 to the Tax Abatement Agreement with Siemens Industry, Inc., or Affiliate, and Carter Park East Phase 1, LLC to Adjust Completion Dates for the Development of a Minimum 540,000 Square Foot Manufacturing Facility Having a Cost of at Least \$125 Million, Located at 7200 Harris Legacy Drive in Tax Abatement Reinvestment Zone No. 106, City of Fort Worth, Texas

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize Amendment No. 1 to the ten-year tax abatement agreement with Siemens Industry Inc., or affiliate, and Carter Park East Phase 1, LLC (City Secretary Contract No. 60417) to adjust completion dates for the development of a minimum 540,000 square foot manufacturing facility having a cost of at least \$125 million, located at 7200 Harris Legacy Drive in Tax Abatement Reinvestment Zone No. 106, City of Fort Worth, Texas; and
2. Find that the terms of, and the property subject to, the Tax Abatement Agreement meet the criteria and guidelines set forth in the City of Fort Worth's General Tax Abatement Policy (Resolution No. 5709-02-2023).

DISCUSSION:

On November 3, 2023, the City entered into a ten-year tax abatement agreement with Siemens Industry, Inc., or affiliate, and Carter Park East Phase 1, LLC, as approved by M&C 23-0708. The investment terms of the agreement called for Siemens to expend a minimum of \$70,000,000.00 in total construction costs (including soft costs such as construction management fees) at the Project Site by December 31, 2024, and to spend \$55,000,000.00 in acquisition/installation of taxable business personal property (BPP) that is new to the City at the Project Site with a minimum initial taxable appraised value of \$45,000,000.00 by January 1, 2025.

Siemens now desires and staff recommends to amend the deadlines for the investment expenditures as follows:

1. Siemens must expend a minimum of \$70,000,000.00 in total construction costs (including soft costs such as construction management fees) at the Project Site (total amount stays the same) by the following dates:
 - a. \$60,000,000.00 expended or caused to be expended by the completion deadline of December 31, 2024.
 - b. **\$10,000,000.00 expended or caused to be expended by December 31, 2025.**
2. Siemens must spend \$55,000,000.00 in acquisition/installation of taxable business personal property (BPP) that is new to the City at the Project Site with a minimum initial taxable appraised value of \$45,000,000.00 by the following dates:
 - a. \$45,000,000.00 by January 1, 2025 and
 - b. **\$10,000,000.00 by January 1, 2026**

All other terms of the Tax Abatement Agreement remain the same.

The project is located in COUNCIL DISTRICT 8.

A Form 1295 is not required because: This contract will be with a publicly-traded business entity or a wholly-owned subsidiary of a publicly-traded business entity: Siemens

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon final approval of the Tax Abatement Agreement, this agreement will have no material effect on the Fiscal Year 2025 Budget and an estimated \$7,956,660.00 in new incremental property tax revenue will be reduced by \$5,569,662.00, resulting in the collection of \$2,386,998.00 in net new incremental property tax revenue of over the next ten-year period. This impact to revenue will be incorporated into the long-term financial forecast upon the Tax Abatement being officially granted.

Submitted for City Manager's Office by: Jessica McEachern 5804

Originating Business Unit Head: Kevin Gunn 2015

Additional Information Contact: Cherie Gordon 6053

