City of Fort Worth, Texas

Mayor and Council Communication

DATE: 05/20/25 **M&C FILE NUMBER**: M&C 25-0463

LOG NAME: 17NOMINATION FOR 2601 SPIRIT DR. FOR MEDIA PRODUCTION LOCATION

SUBJECT

(CD 10) Adopt an Ordinance Nominating the Real Property Located at 2601 Spirit Drive for Designation by the Office of the Governor as a Qualified Media Production Location within Media Production Development Zone Number One

RECOMMENDATION:

It is recommended that the City Council adopt the attached ordinance nominating the real property located at 2601 Spirit Drive for designation by the Office of the Governor as a Qualified Media Production Location within Media Production Development Zone Number One.

DISCUSSION:

Chapter 485A, Texas Government Code, enacts the Media Production Development Zone Act (the Act) which is administered by the Texas Film Commission. The Media Production Development Zone (MPDZ) is designed to encourage the development of permanent moving image production sites to help strengthen the Texas economy. This incentive program not only supports growth of the media industry but also brings about tangible investment in assets that strengthen the local tax base. It also provides an opportunity to continue implementation of the City of Fort Worth Economic Development Strategic Plan's goal to become a hub for creative businesses.

On December 10, 2024, City Council adopted Ordinance No. 27374-12-2024, recognizing and designating the area within the municipal, or corporate, boundaries, of the City of Fort Worth as a media production development zone, known as "Media Production Development Zone Number One."

MPDZs allow for a two-year sales and use tax exemption for the construction, maintenance, expansion, improvement, or renovation of a media production facility at a Qualified Media Production Location in a designated MPDZ.

Under the Act, the governing body of a municipality, by ordinance, may nominate a location as a Qualified Media Production Location if the location is situated in a MPDZ.

To be designated as a Qualified Media Production Location, a location must be land or other real property that is in a MPDZ and will:

- (1) be used exclusively to build or construct one or more media production facilities;
- (2) if the real property is a building or other facility, be renovated solely for the purpose of being converted into one or more media production facilities; or
- (3) if the real property consists solely of one or more media production facilities, be improved or renovated for that purpose or will be expanded into one or more additional media production facilities.

The building improvements located at 2601 Spirit Drive, will qualify for designation as a Qualified Media Production Location on the basis of the following proposed renovation and uses:

- One or more media-related project(s) is proposed at this location. Construction and/or renovation began in the first quarter of 2025 and will take approximately six months to complete.
- Alliance Center East No. 2, Ltd. (Requestor) is located at 2601 Spirit Drive and is transforming its expansive 200,000+ square foot facility
 into a premier soundstage and production hub. This development will accommodate both large-scale film productions and long-term
 television tenants, offering state-of-the-art infrastructure and services for the media industry. The site will cater to a wide range of production
 needs, from feature films to television series.

Site Details: The facility features over 224,000 square feet, including two (2) 80,000-plus square feet of sound stages. These stages can be subdivided into smaller stages, providing flexible configurations for productions of various sizes. In addition to the sound stages, the facility will offer mill workspaces for set construction, office spaces for production teams, storage facilities, and dedicated wardrobe areas to support every aspect of a production.

Scope of Planned Operations: The facility will be a comprehensive production center, designed to handle a variety of media projects. Alliance Center East No. 2, Ltd. will focus on attracting both short-term film productions and long-term television series, providing dedicated soundstage space with full soundproofing, lighting grids, and special effects capabilities. The facility will create a complete ecosystem for pre-production, filming, and post-production. Long-term television tenants will benefit from stable, equipped stages for extended productions, while large-scale film productions will have access to vast resources for creating high-quality content.

Types of Jobs: The development will generate a wide range of job opportunities, including:

· Immediate Construction Jobs: During the retrofitting and construction phase, local construction crews will be hired to modify the existing

- warehouse into a fully equipped soundstage facility. These jobs will involve soundproofing, electrical work, Heating, Ventilation, and Air Conditioning installation, stage building, and interior design.
- Administrative Roles: Facility manager, leasing agent, and some office staff will oversee daily operations, client management, and production schedules for tenants and short-term projects.
- Support Staff: Security personnel, maintenance teams, and logistics staff will ensure the smooth day-to-day operations of the facility, managing safety, infrastructure, and logistics.
- Full Production Crews: Once operational, Alliance Center East No. 2, Ltd. will host full production crews working on location, including directors, camera operators, set builders, costume designers, production assistants, etc.

By focusing on both short-term film projects and long-term television productions, Alliance Center East No. 2, Ltd. will create a thriving production environment while boosting the local economy through job creation and sustained business operations.

Up to three locations at any one time may be nominated by the City Council and designated by the State as Qualified Media Production Locations within an MPDZ and receive the same sales tax exemptions. The City Council adopted Ordinance No. 27375-12-2024 on December 10, 2024, nominating the property at 2701 Spirit Drive as a Qualified Media Production Location. Upon adoption of the attached ordinance, 2601 Spirit Drive will be the second property nominated.

This M&C does not request approval of a contract with a business entity.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this recommendation will have no material effect on City funds.

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Expedited