

# Mayor and Council Communication

DATE: 05/12/26

M&C FILE NUMBER: M&C 26-0379

LOG NAME: 17MARAND\_TA

## **SUBJECT**

(CD 8) Conduct Public Hearing and Adopt an Ordinance Designating Tax Abatement Reinvestment Zone No. 118; and Authorize Execution of a Ten-Year Tax Abatement Agreement with Marand US Holdings LLC, or an Affiliate, for Development and Expansion of an Aerospace Manufacturing Facility and Sustainment Operation to be Located on Property within Tax Abatement Reinvestment Zone No. 118 at 2248 SE Loop 820, Fort Worth, Texas, Tarrant County

(PUBLIC HEARING - a. Staff Available for Questions: Cherie Gordon; b. Public Presentations; c. Council Action: Close Public Hearing and Act on M&C)

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Conduct a public hearing concerning the designation of Tax Abatement Reinvestment Zone No. 118, City of Fort Worth, Texas, Tarrant County, for property located at 2248 SE Loop 820, consisting of approximately 12 acres of land, for the development and expansion of an aerospace manufacturing facility and sustainment operation by Marand US Holdings LLC, or an affiliate;
2. Find that the development and expansion of an aerospace manufacturing facility and sustainment operation and related improvements, as set forth in more detail below, are feasible and practical and would be a benefit to the land to be included in Tax Abatement Reinvestment Zone No. 118 and to the City after the expiration of any tax abatement agreements;
3. Adopt the attached ordinance designating Tax Abatement Reinvestment Zone No. 118, City of Fort Worth, Texas, pursuant to and in accordance with Chapter 312 of the Texas Tax Code;
4. Find that the proposed tax abatement agreement terms meet the criteria and guidelines set forth in the City of Fort Worth's General Tax Abatement Policy (Resolution No. 6222-12-2025); and
5. Authorize the execution of a ten-year tax abatement agreement with Marand US Holdings LLC, or an affiliate, for the development and expansion of an aerospace manufacturing facility and sustainment operation to be located on property at 2248 SE Loop 820, Fort Worth, Texas, Tarrant County, in Tax Abatement Reinvestment Zone No. 118.

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## **DISCUSSION:**

The purpose of this Mayor and Council Communication is to (1) designate a new Tax Abatement Reinvestment Zone (TARZ No. 118); and (2) authorize a ten-year tax abatement agreement with Marand US Holdings LLC, or an affiliate (collectively, the Company) for the development and expansion of an aerospace manufacturing facility and sustainment operation within TARZ No. 118.

Company is an Australian aerospace and defense company currently operating in southeast Fort Worth. Company currently repairs defense support equipment for Lockheed Martin and is transferring to a leased location at 2248 SE Loop 820, Fort Worth, Texas (Project Site), with a proposal to expand its operations through additional investment to support new manufacturing activities.

The City proposes to enter into a tax abatement agreement with the Company to facilitate improvements of the Project Site and expanded operations by the Company. The tax abatement will be tied to the amount of investment made by the Company and satisfaction of other project and spending requirements as follows:

### **Investment and Company Commitments:**

1. Company must expend a minimum of \$11,000,000.00 in total construction costs for real property improvements at the Project Site on or before December 31, 2026;
2. Company must install taxable business personal property (BPP) that is new to the City at the Project Site having a minimum assessed taxable value of \$20,000,000.00 by January 1, 2027;
3. Company will forfeit the tax abatement if the total investment for real property improvements and BPP is not delivered pursuant to the terms of the tax abatement agreement;
4. Company must provide a minimum of 40 full-time jobs at Project Site on or before December 31, 2027 with an average salary of at least \$80,000.00, increasing to a minimum of 150 full-time jobs on or before December 31, 2030 with an average salary of at least \$80,000.00, and maintaining that number of jobs and the average salary for the duration of the tax abatement agreement (Employment Commitments). The annual tax abatement will be forfeited for any year in which the Employment Commitments are not met; and
5. Company voluntarily commits to expend by the project completion deadline at least 30% of all real property improvement costs, both hard and soft costs, with Small Businesses (Small Business Commitment). "Small Business" means a business entity located in Tarrant, Wise, Johnson, Parker, or Denton County that holds certification as a small business from an organization approved by the City Manager (City Ordinance No. 27832-08-2025). If Company does not meet the Small Business Commitment, subject to availability and the terms of the tax abatement agreement, the tax abatement shall be reduced by 10%.

**City Commitments:**

1. The City will enter into a tax abatement agreement with the Company for a term of ten years;
2. The amount of incremental City ad valorem taxes on real property and BPP at the Project Site to be abated in a given year will be equal to up to fifty percent (50%).

The tax abatement is subject to Company meeting the performance requirements stated above and as specifically detailed within a tax abatement agreement.

The project will result in an estimated \$1,868,000.00 in new incremental property tax to the City associated with the Project being reduced by \$934,000.00, resulting in the collection of \$934,000.00 in net new incremental property tax revenue over the ten-year period following project completion.

**Reinvestment Zone:**

TARZ No. 118 will consist of approximately 12 acres located at 2248 SE Loop 820, Fort Worth, Texas, Tarrant County, and is more particularly described in Exhibit A to the attached Ordinance.

Designating this area as TARZ No. 118 pursuant to Chapter 312 of the Texas Tax Code allows the City the option to enter into a tax abatement agreement with the Company to help facilitate development on the Project Site.

Pursuant to Chapter 312 of the Texas Tax Code, a public hearing must be conducted regarding the creation or expansion of a reinvestment zone. Notice of this hearing was delivered to the presiding officer of the governing body of each affected taxing unit and published in a newspaper of general circulation at least seven days prior to this hearing.

Pursuant to Chapter 312 of the Texas Tax Code, the area within the proposed TARZ No. 118 meets the statutory criteria for designation as a Tax Abatement Reinvestment Zone because the area is likely, as a result of the designation, to contribute to the retention or expansion of primary employment or to attract major investment in TARZ No. 118 that would be a benefit to the property and that would contribute to the economic development of the City. Further, the proposed improvements and investments at the Project Site are feasible and practical and would be a benefit to the land to be included in TARZ No. 118 and to the City after the expiration of any tax abatement agreement.

The term of TARZ No. 118 will be five years from the date of adoption of the attached Ordinance and may be renewed for periods not to exceed five years each unless otherwise allowed by law.

The project is located in COUNCIL DISTRICT 8.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that approval of this Tax Abatement Agreement will have no material effect on the Fiscal Year 2026 Budget. While no current year impact is anticipated from this action, any effect on revenues will be incorporated in long-term financial forecast upon the Tax Abatement being officially granted.

**Submitted for City Manager's Office by:** Dana Burghdoff 8018

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