City of Fort Worth, Texas

Mayor and Council Communication

DATE: 06/24/25 **M&C FILE NUMBER:** M&C 25-0583

LOG NAME: 17WISTRON TA

SUBJECT

(CD 10) Conduct Public Hearing and Adopt Ordinance Designating Tax Abatement Reinvestment Zone No. 113 and Tax Abatement Reinvestment Zone No. 114. Authorize Execution of a Ten-Year Tax Abatement Agreement with Wistron InfoComm (USA) Corporation, its Parent Company, or an Affiliate, for Development of Two Electronics Manufacturing Facilities to be Located on Properties at 15200 Heritage Parkway, Fort Worth, Texas and at 14601 Mobility Way, Fort Worth, Texas, Both in Denton County, in Tax Abatement Reinvestment Zones 113 and 114, Respectively

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

RECOMMENDATION:

It is recommended that the City Council:

- 1. Conduct a public hearing concerning the designation of Tax Abatement Reinvestment Zone No. 113 and Tax Abatement Reinvestment Zone No. 114, City of Fort Worth, Texas, Denton County, for properties located at 15200 Heritage Parkway and 14601 Mobility Way, respectively, for the development and operation of electronics manufacturing facilities for Wistron InfoComm (USA) Corporation, Parent Company, or an Affiliate;
- Authorize the execution of a ten-year tax abatement agreement with Wistron InfoComm (USA) Corporation, parent company, or affiliate for the development and operation of two electronics manufacturing facilities to be located on properties at 15200 Heritage Parkway, Fort Worth, Texas and at 14601 Mobility Way, Fort Worth, Texas both in Denton County, in Tax Abatement Reinvestment Zones 113 and 114, respectively; and
- 3. 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).
- 4. Find that the intended improvements, which are 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. 113 and Tax Abatement Reinvestment Zone No. 114 and to the City after the expiration of any tax abatement agreements; and
- 5. Adopt the attached ordinance designating Tax Abatement Reinvestment Zone No. 113 and Tax Abatement Reinvestment Zone No. 114, City of Fort Worth, Texas, pursuant to and in accordance with Chapter 312 of the Texas Tax Code.

DISCUSSION:

The purpose of this Mayor and Council Communication is to approve a tax abatement for the development of two electronics manufacturing facilities.

Wistron InfoComm (USA) Corporation (Company), is a wholly owned subsidiary of Wistron Corp, a Taiwanese company specializing in manufacturing and designing electronics, with U.S. headquarters in San Jose, California. Company is proposing to develop two new facilities in Fort Worth. Site 1 at 15200 Heritage Parkway, Fort Worth, Texas is approximately 19.56 acres with a building of at least 324,400 square feet (Project Site 1). Site 2 at 14601 Mobility Way, Fort Worth, Texas is approximately 42.94 acres with an approximately 766,994 square foot building (Project Site 2).

In order to facilitate investment in the Company's facilities at Project Site 1 and Project Site 2, the City proposes to enter into a Tax Abatement Agreement with Wistron InfoComm (USA) Corporation, its parent company, or an affiliate. 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 at Project Site 1:

- 1. Company must expend a minimum of \$80,000,000.00 in total construction costs for real property improvements at the Project Site on or before June 30, 2026;
- Company must install taxable business personal property (BPP) that is new to the City at the Project Site having a minimum taxable appraised value of \$411,000,000.00 by January 1, 2027;
- 3. Company will forfeit abatement if the total investment for real property improvements and BPP is not timely met. The agreement will permit up to a 12-month extension of the completion deadline by administrative approval; and
- 4. Company must provide a minimum of 634 additional full-time jobs at Project Site 1 on or before December 31, 2026, and maintain that level for the duration of the agreement, with average salary of at least \$63,000.00. The annual abatement will be forfeited for any year in which the minimum number of 634 full-time jobs or in which a \$63,000.00 average salary minimum is not met.

Investment and Company Commitments at Project Site 2:

1. Company must expend a minimum of \$32,000,000.00 in total construction costs for real property improvements at the Project Site on or

- before June 30, 2026;
- Company must install taxable business personal property (BPP) that is new to the City at the Project Site having a minimum taxable appraised value of \$164,000,000.00 by January 1, 2027;
- 3. Company will forfeit abatement if total investment for real property improvements and BPP is not timely met. The agreement will permit up to a 12-month extension of the completion deadline by administrative approval; and
- 4. Company must provide a minimum of 254 additional full-time jobs at Project Site 2 on or before December 31, 2026, and maintain that level for the duration of the agreement, with average salary of at least \$63,000.00. The annual abatement will be forfeited for any year in which the minimum number of 254 full-time jobs or in which a \$63,000.00 average salary minimum is not met.

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 real property and BPP taxes to be abated in a given year will be equal to up to seventy percent (70%) at Project Site 1, if only Project Site 1 moves forward with a location in Fort Worth, Texas;
- 3. The amount of incremental City real property and BPP taxes to be abated in a given year will be equal to up to fifty percent (50%) at Project Site 2, if only Project Site 2 moves forward with a location in Fort Worth, Texas; and
- 4. If Company satisfies all requirements for investments at Project Site 1 and Project Site 2 on or before the All-Projects Completion Deadline, including up to the 12-month extension of completion deadline with administrative approval, then the amount of incremental City real property and BPP taxes to be abated in a given year will be equal to up to eighty percent (80%) at Project Site 1, and up to sixty percent (60%) at Project Site 2.

The abatement is subject to company performance requirements as outlined above and as will be more specifically detailed within the Tax Abatement Agreement.

The project will result in an estimated \$41,399,739.00 in new incremental property tax to the City associated with the Project being reduced by \$30,757,535.00, resulting in the collection of \$10,642,204.00 in net new incremental property tax revenue over the ten-year period following project completion.

Reinvestment Zones:

The proposed Tax Abatement Reinvestment Zone No. 113 and Tax Abatement Reinvestment Zone No. 114, City of Fort Worth, Texas (TARZ 113 and TARZ 114) for properties located at 15200 Heritage Parkway and 14601 Mobility Way in Fort Worth, Texas (Properties). A more detailed description of the Properties is included as Exhibit A to the attached Ordinance.

Designating these areas as a reinvestment zone allows the City the option to enter into a tax abatement agreement with the Company to help facilitate development within the areas.

As required by 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 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 areas encompassing the proposed TARZ 113 and TARZ 114 meet 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 113 and TARZ 114 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 are feasible and practical and would be a benefit to the land to be included in the TARZ 113 and TARZ 114 and to the City after the expiration of any tax abatement agreement.

The term of TARZ 113 and TARZ 114 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 10.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this Tax Abatement Agreement will have no material effect on the Fiscal Year 2025 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: Jesica McEachern 5804

Originating Business Unit Head: Kevin Gunn 2015

Additional Information Contact: Cherie Gordon 6053