

# **Mayor and Council Communication**

**DATE:** 02/10/26

**M&C FILE NUMBER:** M&C 26-0117

**LOG NAME:** 17STELLAR\_TA

**SUBJECT**

(CD 10) Conduct Public Hearing and Adopt an Ordinance Designating Tax Abatement Reinvestment Zone No. 115; Authorize Execution of a Ten-Year Tax Abatement Agreement with Stellar Energy Americas, Inc., or an affiliate, for Development of a Manufacturing Facility to be Located on Property within Tax Abatement Reinvestment Zone No. 115 at 15060 Blue Mound Road, Fort Worth, Texas, in Denton County

(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. 115, City of Fort Worth, Texas, Denton County, for property located at 15060 Blue Mound Road, consisting of approximately 66 acres of land, for the development of a manufacturing facility by Stellar Energy Americas, Inc., or an affiliate;
2. Find that the intended manufacturing facility development 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. 115 and to the City after the expiration of any tax abatement agreements;
3. Adopt the attached ordinance designating Tax Abatement Reinvestment Zone No. 115, 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 Stellar Energy Americas, Inc., or an affiliate, for the development of a manufacturing facility to be located on property at 15060 Blue Mound Road, Fort Worth, Texas, Denton County, in Tax Abatement Reinvestment Zone No. 115

**DISCUSSION:**

The purpose of this Mayor and Council Communication is to (1) designate a new Tax Abatement Reinvestment Zone (TARZ No. 115); and (2) authorize a ten-year tax abatement agreement with Stellar Energy Americas, Inc., or an affiliate (collectively, the Company) for the development of a manufacturing facility within TARZ No. 115.

Company is a U.S. energy company based out of Jacksonville, Florida. Company is proposing to develop a new facility to manufacture modular cooling equipment for the domestic hyperscale data center market on approximately 66 acres with a building of at least 1,148,942 square feet located at 15060 Blue Mound Road, Fort Worth, Texas (Project Site).

The City proposes to enter into a tax abatement agreement with the Company to facilitate development of the Project Site. 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 \$34,000,000.00 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 \$45,500,000.00 by January 1, 2027;
3. Company will forfeit the tax abatement if the total investment for real property improvements and BPP is not timely pursuant to the terms of the tax abatement agreement;
4. Company must provide a minimum of 1,420 additional full-time jobs at Project Site on or before December 31, 2027, and maintain that level for the duration of the tax abatement agreement, with average salary of at least \$78,000.00 (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 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 and BPP taxes to be abated in a given year will be equal to up to sixty percent (60%) on completed real property improvements and BPP at the Project Site;

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 \$4,797,189.00 in new incremental property tax to the City associated with the Project being reduced by \$2,878,314.00, resulting in the collection of \$1,918,876.00 in net new incremental property tax revenue over the ten-year period following project completion.

**Reinvestment Zone:**

TARZ No. 115 will consist of 66 acres located at 15060 Blue Mound Road Fort Worth, Texas and is more particularly described in Exhibit A to the attached Ordinance.

Designating this area as a reinvestment zone 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. 115 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. 115 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. 115 and to the City after the expiration of any tax abatement agreement.

The term of TARZ No. 115 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.

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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:** Jessica McEachern 5804

**Originating Business Unit Head:** Jessica Rogers 2663

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