

**To the Mayor and Members of the City Council****November 17, 2020**

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SUBJECT: AMENDMENT NO. 1 TO TAX ABATEMENT AGREEMENT WITH NT WINDOW TO INCREASE THE BUSINESS AND PERSONAL PROPERTY COMMITMENT AND SPLIT COMMITMENT DEADLINE INTO PHASES

On January 30, 2018 (M&C C-28565), the City Council authorized the execution of a Tax Abatement Agreement (City Secretary Contract No. 51838) with NT Window for the renovation and use of an existing building at 2900 West Seminary Drive as a window manufacturing facility. Per the Agreement, the Company had to invest at least \$5,600,000 in total construction costs by December 31, 2019. Of this, at least \$4,080,000 had to be hard construction costs with at least 15% dedicated to Fort Worth Certified Minority/Women Owned business enterprises. The company also committed to \$3,800,000 in new personal property improvements on the site by January 1, 2020 and the creation of 32 Full-Time Jobs.

When the project completion report was finalized for the Personal Property tax accounts, the values established by TAD came in lower than the required \$3,800,000, at a reported value of \$2,473,308. After discussion with the company, it was determined that this lower value was due to delays in construction and materials, which in turn, impacted the finish-out of the building. This also affected their timeline for the purchase and installation of floor lines, which were calculated in the \$3,800,000 commitment and had originally been planned to be installed by the January 1, 2020 deadline.

This incentive was critical for their decision to move to Fort Worth and renovate a dated manufacturing facility that had been vacant for the previous 6 years. While the company missed their Personal Property Commitment by \$1,326,692, they exceeded their Construction Cost by \$1,553,983 and their M/WBE requirement by \$1,406,849. In order to facilitate the incentive on the project, NT Windows has agreed to an increase in their Personal Property Commitment from \$3,800,000 to \$4,100,000 with the installation of additional Personal Property assets in return for a phased deadline schedule.

Staff will place an M&C for City Council consideration on the December 1, 2020 agenda, recommending that the Personal Property Commitment be increased from \$3,800,000 to \$4,100,000 and break the Completion Deadlines into the following phases:

- Phase 1: \$2,400,000 by January 1, 2020;
- Phase 2: \$500,000 additional by January 1, 2021 (for a total of \$2,900,000);
- Phase 3: \$1,200,000 additional by January 1, 2022 (total of \$4,100,000).

All other requirements under the agreement will remain the same. If you have any questions concerning this information, please contact Robert Sturns, Economic Development Director at 817-392-2663 or robert.sturns@fortworthtexas.gov.

David Cooke
City Manager