



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER

PAGE 1 OF 20

DATE: 02/07/2023

SUBJECT: **TAX ABATEMENT - RSI NORTH AMERICA INC., CITY OF FORT WORTH**

***** BRIEFING AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court review and consider the following tax abatement request from RSI North America Inc. for the development of a 391,000 square foot Corporate Office and Manufacturing Facility located at 1501 Joel East Road, Building F, Fort Worth, Texas.

BACKGROUND:

RSI North America Inc. is a company that manufactures modular truck bed canopies. Founded in 2007, the company is based in Durban, South Africa. RFI is rapidly expanding its presence and market share in the United States. In addition to advanced manufacturing, functions within the new facility will include housing the North American headquarters operations as well as product design and prototyping. Following a multi-state site selection process, an existing facility located at 1501 Joel East Road, Building F in Fort Worth was identified for the 391,000 square foot manufacturing location. The property is owned by PR Carter Distribution Center Building F, LP and will be leased to RSI. In order to facilitate the establishment of RSI's U.S. Headquarters, the City of Fort Worth, along with the County proposes to provide a five (5) year tax abatement. RSI will invest over \$2.5 million in the new facility and locate an estimated \$52.5 million in business personal property, to the facility. RSI is expected to bring 250 new full-time jobs by 2026, with an average salary of approximately \$65,800.00 annually. Healthcare and other benefits are provided at a reasonable cost to full-time employees.

The City of Fort Worth has approved a five (5) year tax abatement providing up to forty percent (40%) abatement of real and personal property taxes. Should Commissioners Court choose to participate in tax abatement for RSI North America Inc., staff proposes County participation in tax abatement at a maximum of forty percent (40%) of new real and personal property value for a period of five (5) years.

FISCAL IMPACT:

Total new real and personal property value added from this project is estimated at over \$55 million (\$2.5 million for real property and \$52.5 million for business personal property). Based on current tax rates, should RSI North America Inc. earn the maximum tax abatement of forty percent (40%) for all five (5) years, the project could receive a total five (5) year tax abatement of approximately \$123,200.00 from the County. Hospital District taxes will not be abated.

Over that same period, the County will receive an equal amount or more in tax revenues from the unabated portion of the new improvements, as well as the current base value of the property. New tax revenues solely from the unabated portion of new improvements are expected to be approximately \$73,920.00 annually for the County.

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| SUBMITTED BY: | Administrator's Office | PREPARED BY: | Maegan P. South |
| | | APPROVED BY: | |