



Proposed Tax Abatement Agreement with Siemens

Company Overview:

The Siemens logo, consisting of the word "SIEMENS" in white, uppercase, sans-serif font, centered within a teal rectangular background.

- **Siemens AG** – is a German multinational corporation with operations in more than 190 countries. It is the largest industrial manufacturing company in Europe
- Annual revenue \$78 Billion; over 300,000 employees
- Siemens Industry Inc., a subsidiary of Siemens AG, provides products, systems and services for industrial automation, drives, motors, and energy management systems
- Siemens Industry Inc. operates a low-voltage circuit breaker manufacturing hub in Grand Prairie and is interested in building a second facility in Fort Worth
- The current global demand for low voltage switchgear has skyrocketed, in part due to increased construction, expansion of manufacturing operations, and the growing use of sustainable energy



Project Location: 7200 Harris Legacy Drive



Project Summary:

- Siemens Industry, Inc. will establish an advanced fabrication and assembly facility at 7200 Harris Legacy Drive (Carter Park East), for the production of low voltage switchgear and switch boards
- Proposed Capital Investment of **\$125 Million**
 - \$70 Million in real property improvements by Dec 31, 2024
 - \$55 Million in business personal property by Jan 1, 2025
- 167 full-time jobs by Dec 31, 2024, ramping up to 715 jobs by Dec 31, 2026
- Average annual salary for all jobs > \$63,000
- 15% of construction costs to DBE companies



Request for Incentives:

- Siemens Industry Inc. operates a low-voltage circuit breaker manufacturing hub in Grand Prairie and is interested in building a second facility in the region
- The company has evaluated multiple locations for real estate, direct and indirect tax, incentives, and labor factors
- Recent inflation is driving material, equipment, construction, and other costs to historic highs
- The City of Fort Worth will consider a tax abatement for up to 70% for a 10-year period on September 12, 2023.



Proposed Tax Abatement Terms:

- Up to 40%, 10-year County tax abatement on new real & business personal property added
- Requires a total minimum investment of \$125 Million
 - \$70 Million real property; \$55 Million business personal property
- Improvements must be completed/installed by January 1, 2025
- 167 full-time jobs by Dec 31, 2024, ramping up to 715 jobs by Dec 31, 2026



Proposed Tax Abatement Terms:

- Construction spending requirements:
 - 25% with TC companies; 15% with DBE companies
- Annual supply/services expenses spending requirements:
 - 25% with TC companies; 15% with DBE companies
- Abatement reductions for deficiencies in required taxable value, employment, and DBE/Tarrant County company spending
- Estimated total 10-year abatement value of \$972,500 for the County; same or more in new tax revenue; no Hospital District taxes abated



Questions?

