

**TARRANT COUNTY TAX ABATEMENT
PROPOSED TERMS FOR
SIEMENS INDUSTRY, INC. (PROJECT MOONSHOT)
August 2023**

These Proposed Terms Are Non-Binding And Not Reflective of A Binding Commitment By Siemens To Locate At The Project Site. Any Commitment and Terms Shall Be As Reflected In A Final Agreement Between the Company and the County.

I. Base Abatement.

Siemens Industry, Inc. (Company) will receive a base ad valorem tax abatement of 45% of new value for a 10-year period, on real and personal property investment at 7200 Harris Legacy Drive, Fort Worth, Texas 76140 (Project Site), subject to minimum performance requirements as follows:

The referenced abatement shall commence and apply to those ad valorem taxes assessed in the year immediately following the Company securing a Certificate of Occupancy for property placed in service by December 31st of the year in which the Certificate of Occupancy was granted (e.g. if Certificate of Occupancy is granted in October 2024, then those ad valorem taxes resulting from the January 1, 2025 appraised market value (Tax Code Section 23.01)

- a. The proposed “Development” consists of approximately 549,870 total square feet, which includes the Company’s manufacturing operation and office, which are to be located and constructed in an existing building located at 7200 Harris Legacy Drive, Fort Worth, Texas 76140 with a total investment amount of at least \$125 million, which includes real property improvements and business personal property (BPP) as outlined below.
- b. Company must expend or cause to be expended a minimum of \$70 million in capitalized construction costs on real property improvements at the Project Site, which includes costs for actual Project Site development, site work, infrastructure improvements, facility modernization, utility installation, landscape, security and construction costs, signage costs, including contractor fees, labor costs, supplies and material, engineering, architectural, and other design fees (Real Property Improvements) and other design, consulting, construction management and professional costs, and contractor, development and permitting fees expended directly in connection with the construction of the Real Property Improvements.
- c. Company must complete construction of the Real Property Improvements by December 31, 2024, which will be the date as of which all occupiable space comprising the Development has received a temporary or final certificate of occupancy from the City (Completion Date).

- d. Company must locate or cause to be located taxable Business Personal Property on the Project Site with a capitalized cost of \$55 million and having a minimum taxable appraised value upon the first assessment of \$45 million on or before January 1, 2025.
 - i. BPP improvements include any tangible personal property other than inventory and supplies that is subject to ad valorem taxation and is located on the Project Site.
- e. Company must provide a minimum of 715 full-time jobs on the Project Site on or before December 31, 2026.
- f. The average annualized salary for 715 full-time jobs must be a minimum of \$63,000.00. "Salary" includes direct pay and bonuses, but not benefits or expense reimbursements. A full-time job is defined as a job provided to one (1) individual by Company on the Project Site for at least forty (40) hours per week, or such hours per week as is negotiated with the union as the equivalent of full time.
- g. Provide that 25% of all full-time employees working at Project Site reside in Tarrant County;
- h. Meet minimum construction expenditure requirements for all hard construction costs of no less than 25% with Tarrant County contractors/companies (i.e. an entity with a Tarrant County address where the entity conducts all or a substantial part of its business operations in Tarrant County), and no less than 15% with DBE contractors;
- i. Meet minimum annual supply/service discretionary expenditure requirements of no less than 25% with Tarrant County contractor/companies, and no less than 15% whichever is greater, with DBE companies.

Company must meet the above requirements in terms of investment, completed structure and property improvements, contracting spending requirements (items (a) through (d)) in order to be eligible for the Base Abatement. Failure to meet the requirements for investment and completed real property and personal property improvements will be cause for termination of the abatement.

Failure to meet the requirements listed as (e) through (i) for DBE and Tarrant County Construction and Supply/Service spending, minimum full-time employment and Tarrant County resident employment, will be cause for a reduction in the percentage abatement for any year in which the requirements are not met, as set forth below.

II. Reductions to Base Abatement.

Company will receive a reduction in the base percentage ad valorem tax abatement, as noted below, in any year in which the Company does not meet the taxable value, full-time employment, Tarrant County resident employment, and contracting spending requirements prescribed in Section I, for each item noted.

- For employment of less than the required minimum full-time jobs at the Project Site, company will receive reduction of 1% abatement for each five (5) job deficiencies from the minimum requirements, for that year.
- For employment of less than 25% of Tarrant County residents for all full-time jobs on Project Site, company will receive a reduction of 10% for that year.
- For spending with DBE construction contractors for less than the required total construction contracting costs, company will receive a separate reduction of 1% abatement for each 1% deficiency, up to a maximum of 5%, for the life of the abatement.
- For spending with Tarrant County construction contractors for less than the required total construction contracting costs, company will receive a separate reduction of 1% abatement for each 1% deficiency, up to a maximum of 5%, for the life of the abatement.
- For spending with DBE contractors of less than the required total annual non-sole source, locally controlled, supply and services expenditures, company will receive a separate reduction of 1% abatement for each 1% deficiency, up to a maximum of 5%, for that year.
- For spending with Tarrant County contractors for less than the required total annual non-sole source, locally controlled, supply and services expenditures, company will receive a separate reduction of 1% abatement for each 1% deficiency, up to a maximum of 5%, for that year.

Accepted by:

Signature

Printed Name

Signature

Printed Name