



Tarrant County

Application for Tax Abatement/Reinvestment Zone

I. APPLICANT INFORMATION

Applicant/Property Owner: Siemens Industry, Inc. (the "Company")

Company/Project Name: Project Moonshot

Mailing Address: joseph.retoff@siemens.com

Telephone: (512) 924-4132 Fax: "[Response]"

Applicant's Representative for contact regarding abatement request:

Name and Title: Grant Williams, Outside Counsel

Mailing Address: 840 W Long Lake Suite 150, Troy, MI 48098

Telephone: (517) 605-2626 Fax: 248-879-2001 E-mail: williamsg@millercanfield.com

II. PROPERTY AND PROJECT DESCRIPTION

Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone:

7200 Harris Legacy Dr, Fort Worth, TX 76140

Project Description: The project will establish an assembly/advanced manufacturing plant for production of low voltage switchgear and switch boards. The current global demand for low voltage switchgear has skyrocketed, in part due to increased construction, expansion of manufacturing operations and growing use of sustainable energy. These factors are predicted to drive significant continued demand over the next ten years. In particular, given the quality, efficiency and reliability of Siemens products, the demand for Siemens products is far outpacing current production capabilities. The goal of Project Moonshot is to the increasing demand by establishing an additional production facility with over 715 new full-time well paid jobs (average annualized wages of \$63,000) and an initial capital investment exceeding \$125,000,000. The Company anticipates the capital investment to be comprised of \$70,000,000 in real property improvements and another \$55,000,000 in machinery, equipment and other trade fixtures to equip the facility. A project of this size would bring significant benefit to Tarrant County, including pouring over \$41,000,000 in wages each year directly into the local economy, as well as providing additional millions in state and local taxes. Please also see the attached revised Request For Proposal which was provided as an introduction to the Project.

Please see updates

Description of activities, products, or services produced and/or provided at project location: Low Voltage Switchgear and switch boards.

Current Assessed Value: Real Property: \$ Under Construction not yet appraised Personal Property: \$ 0

Estimated start date of construction/site improvements: 10/1/2023

Projected date of occupancy/commencement of operations at project site: 10/1/2024

Please indicate dates for phases if applicable: Not Applicable

Location of existing company facilities: The Company has 13 sites in North America including: Pomona, CA; La Mirada, CA; Cd. Juarez, MX; Spartanburg, SC; and Grand Prairie, TX.

Requested level of Tax Abatement: 50% of eligible property for 10 years.

Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request. The Company carefully selects new manufacturing sites after considering various factors, including economic incentives. Currently, the Company is exploring two locations, the potential site in Tarrant County and another potential location where real property taxes will be exempted (creating the potential for savings of up about \$1.5M annually). Such potential savings will be a significant factor in any decision by the Company.

The Company considers many unique factors when choosing a new manufacturing site, including access to transportation, the availability of a skilled workforce, and the cost of doing business. They also look at economic incentives, such as incentives that abate or rebate a portion of the property, inventory and sales tax generated by the project, as such are needed to offset the steep cost of establishing a new manufacturing facility. One facet of Siemens' success is that its site selection and investments take into account the net cost after accounting for all unique costs and benefits of all sites under consideration.

A favorable decision for the selection of Tarrant County becomes problematic without the provision of economic development incentives given the potential substantial saving in real property taxes available at the competing site.

III. PROJECTED VALUE OF IMPROVEMENTS

Estimated Value of Real Property Improvements \$70,000,000 (capitalized cost of improvements)

Estimated Value of Personal Property Improvements \$55,000,000 (acquisition value)

Please see updates

Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project?

Yes ☐ No ☒

If yes, describe requested infrastructure improvements: Not Applicable, though some electrical infrastructure may be required from the electrical utility provider.

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.): An estimated

715 jobs, annual inventory worth \$13,900,000 for the inventory tax, estimated additional business personal property of \$55,000,000 and capital investment in real property improvements of approximately \$70,000,000.

IV. EMPLOYMENT IMPACT AT PROJECT LOCATION

A. NEW EMPLOYMENT

Projected number of new jobs created as a result of the proposed improvements:

Full-time 715 Part-Time Not Applicable

Provide types of jobs created and average salary levels:

Supervisor and Production Managers, Engineers, Clerical Support Staff, Fabrication Employees, Assembly Employees, and Warehouse/Logistic Employees with collective average wages of \$63,000 per year.

Start date and annual payroll of new permanent positions (if positions to be phased in, provide figures for each phase year): The total annual payroll for the roughly 715 positions will be \$45,198,290. Roughly 20-25% of positions, or 167 jobs, will be filled from 1/1/24-12/31/24 for an annual payroll of \$10,174,091; the remaining jobs will be added by no later than 12/31/2026.

Percentage of new jobs too be filled be Tarrant County residents: 30% or more

Number of employees transferring from other company locations: 0% from Tarrant County. A nominal amount will be transferred from Dallas County

B. CONSTRUCTION RELATED EMPLOYMENTS

Projected number of construction related jobs: TBD%

Estimated total construction payroll: \$36,000,000

Revised to \$31,500,000

Please see updates

Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors: The company anticipates and will work toward 25%

Commitment as to percentage & total dollars of construction contracts to be awarded to DBE: The company anticipates and will work toward 15%

C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT

Current Number of Employees: Full-time 0 Part-time 0

Average annual payroll: \$ 0

Detail on workforce diversity – percentage breakdown of current employees by gender and ethnicity: [This](#) will be a new operation in Tarrant County but please see the attached link for Siemens in the US: [Siemens USA - Diversity, Equity and Inclusion Data sheet](#)

D. COMPANY SPONSORED HEALTH CARE BENEFITS ARE AVAILABLE

Full-time Employees ☒ Part-time Employees ☐ Employee Dependents ☒ Not Available ☐

Average monthly employee cost for health care benefits: Individual: \$ [Approximately \\$80/month](#) Family: \$ [Approximately \\$240/month](#)

Other employee benefits provided or offered:

- 56 hours of PTO
- 6% 401k match
- \$300 annual Health Savings Account

V. LOCAL BUSINESS & DISADVANTAGED BUSINESS ENTERPRISES (DBE) IMPACT

Estimated amount of annual supply and services expenses: \$ [To be determined following site selection and commencement of operations.](#)

Detail any supply/services expenses that are sole source: [To be determined following site selection and commencement of operations.](#)

Percentage of total supplier/services expenses committed to Tarrant County businesses: [To be determined following site selection and commencement of operations.](#)

Percentage of total supplier and services expenses committed to DBE: [To be determined following site selection and commencement of operations.](#)

VI. ENVIRONMENTAL IMPACT OF PROJECT

Indicate if development, construction, equipment, distribution methods, and/or operational processes may impact the environment in the following areas, attach detail if necessary:

Air Quality ☐ Water Quality ☐ Solid Waste Disposal ☐ Storm/Water Runoff ☐

Floodplain/Wetlands ☐ Noise levels ☐ Other (specify) ☐ [No material impacts anticipated related to construction as shell building has already been constructed. No air permits are currently anticipated. Any other impacts would be in keeping with other industries located within areas with a zoning designation of J.](#)

Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used

(gasoline, diesel, LP gas, CNG, etc.): [Siemens strives to promote green and carbon neutral operations.](#)

[Number of vehicles will be to be determined.](#)

VII. ADDITIONAL INFORMATION (TO BE ATTACHED)

- ☒ Letter addressing Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy
- ☒ Descriptive list and value of real and personal property improvements ([see Letter](#))
- ☒ Plat/Map of Project Location
- ☒ Project Time Schedule ([see Letter](#))
- ☒ Owner's policy regarding use of disadvantaged Business Enterprises ([see Letter](#))
- ☒ Owner's policy addressing regional air quality/non-attainment status (use of alternative fuels, employee trip reduction, etc.) and plan for participation in regional Ozone Action Program ([see Letter](#))
- ☐ Tax Certificate showing property taxes paid for most recent year ([not yet applicable](#))

VIII. CERTIFICATION

Upon receipt of a completed application, Tarrant County may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.*

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the "Tarrant County Tax Abatement Policy" and agree to comply with the guidelines and criteria stated therein.

Powell Barry

Digitally signed by Powell Barry
Date: 2023.06.10 09:41:59
-04'00'

Signature

Barry Powell

Printed Name

Fountain Michael

Digitally signed by Fountain
Michael
Date: 2023.06.09 17:26:51 -04'00'

Signature

Michael Fountain

Printed Name

Sr. Vice President _____
Title

6/9/23 _____
Date

Sr. Director, Finance
Title

6/9/23 _____
Date

Return completed application and attachments to:

Maegan South

Economic Development Manager

Tarrant County Administrator's Office

100 E. Weatherford Street, Suite 404

Fort Worth, Texas 76196-0609

You may also forward an electronic copy of the completed report to:

mpsouth@tarrantcountytexas.gov

Please note that if you do submit this form electronically, you must also submit an original hard copy of the report to the above stated physical address for proper filing and review.

For assistance call: (817) 884-1522

* As per Section IV (f) of the Tarrant County Tax Abatement Policy Guidelines and Criteria, this application must be filed prior to commencement of construction or installation of improvements in order to be eligible for County tax abatement.