

Proposed Tax Abatement Agreement with Stanley Black & Decker, Inc.

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Company Overview

- Stanley Black & Decker, Inc., is a global Fortune 500 company founded in 1843 that manufactures hand tools, power tools, mechanical access systems, and various industrial products
- Desires to consolidate manufacturing
- Farmers Branch plant employs 326 Full Time; upon moving to Fort Worth will create 199 additional jobs that average \$45,234

Project Overview

- Farmers Branch plant is unable to expand in Farmer's Branch – Company is considering sites in Fort Worth and Ohio
- Proposed capital investment:
 - \$30M constructing 375,000 sf manufacturing plant
 - \$50M taxable value in Business Personal Property*
- Fort Worth site is just east of I-35W at Eagle Parkway and North Beach Street

**Increase of \$10M since Executive Session Presentation*

Location Map



Development Commitments

- Proposed capital investment:
 - \$30M Real Property construction by 12/31/20
 - \$40M Business Personal Property taxable value by 01/01/21
 - Additional \$10M Business Personal Property by 01/01/22
- M/WBE Participation Goal set by Office of Business Diversity for hard or soft construction costs
- 500 full-time jobs
- Average Annual Salary for all jobs > \$43,992

Incentive Details

40% RP and BPP Taxes on Incremental Value, for 5 years

Property Owner or Company Commitment	Potential Abatement
Base Commitment: Real and Personal Property Investment = \$80M	20%
Annual Commitments:	
Average Annual Salary for all Full-Time Jobs > \$43,992	10%
Overall Employment >= 500	10%
TOTAL	40%

- Taxes abated will not exceed 150% of required investment multiplied by City's tax rate
- Failure to meet the M/WBE Construction Goals or document a Good Faith Effort will result in a reduction of 10% of the total eligible incentive.

Development Summary

- Private Investment

- \$30 Million RP Construction by 12/31/20
- \$40 Million BPP by 01/01/21
- +\$10 Million BPP by 01/01/22

- Employment

- 199 by 2023 by 12/31/20 (new product line)
- 500 total by 12/31/21
- Average wages: \$43,992 annually

- 5 year incentive proposal: Tax Abatement

- 40% Incremental Real and Business Personal Property tax abatement

- Private/Public Ratio

- Est. Benefit \$1,070,416
- NPV Benefit \$898,184
- City Participation 1.3 %
- Est. Ratio 75:1

- CFW Tax Revenue (5 yr. projection)

- Net New Real Property Tax \$588,265
- Net New BPP Tax \$1,017,360

- Payback

- 1.9 years

Strategic Impact

Initiative 1.2. Marketing & Target Industry Recruitment. Attract new investments and businesses into the community, focusing on target industries that align with Fort Worth's assets

Source: Fort Worth Economic Development Strategic Plan

Recommendation/Next Steps

- Recommendation: Enter into a 5 year tax abatement agreement on up to 40% of the incremental value of real and business personal property taxes
- Public Hearing to create Reinvestment Zone 02/05/19
- M&C for City Council consideration 02/05/19

Questions/Comments

