

# Tax Abatement Agreement with Americold

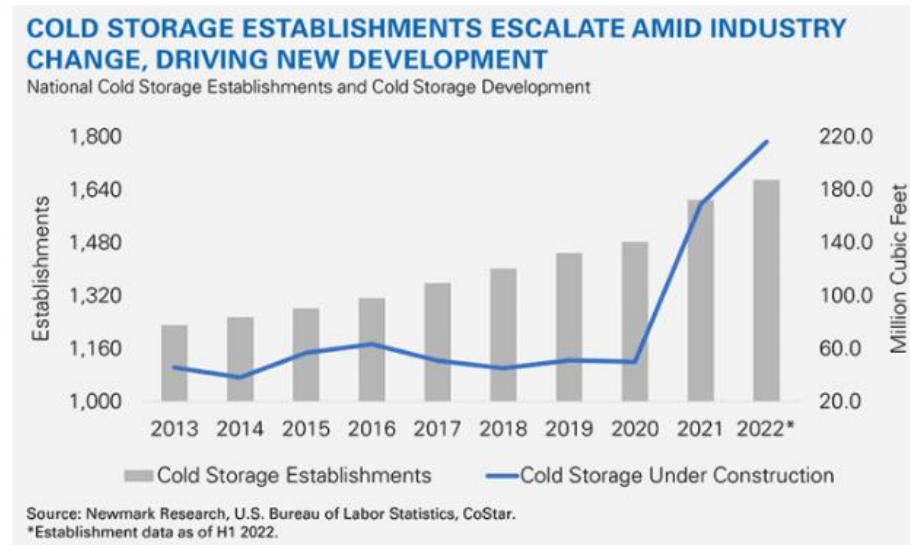
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# Industry Overview

- Cold storage warehousing involves storing perishable or other sensitive goods like food, medicine, or specialized products
- Post-COVID trends including remote work, increase in e-commerce, and onshoring for supply chains has increased demand for the cold storage market
- Fort Worth is one of the fastest growing cities and is underserved in cold storage facilities



# Fort Worth Cold Storage

- Cold storage inventory assists with supply chain strength and helps to attract industry to Fort Worth
- At close to 99% occupancy, cold storage capacity in Fort Worth is extremely tight
- Zero units were under construction in Q4 2023

INVENTORY SF	UNDER CONSTR SF	12 MO NET ABSORP SF	VACANCY RATE	MKT RENT/SF	MKT SALE PRICE/SF	MKT CAP RATE
6.2M <span style="color: green;">+6.1%</span>	0 <span style="color: red;">-100.0%</span>	476K <span style="color: green;">+18.2%</span>	1.3% <span style="color: green;">-2.1%</span>	\$8.98 <span style="color: green;">+6.1%</span>	\$124 <span style="color: red;">-4.8%</span>	5.2% <span style="color: green;">+0.4%</span>
Prior Period 5.8M	Prior Period 354K	Prior Period 403K	Prior Period 3.4%	Prior Period \$8.46	Prior Period \$130	Prior Period 4.8%

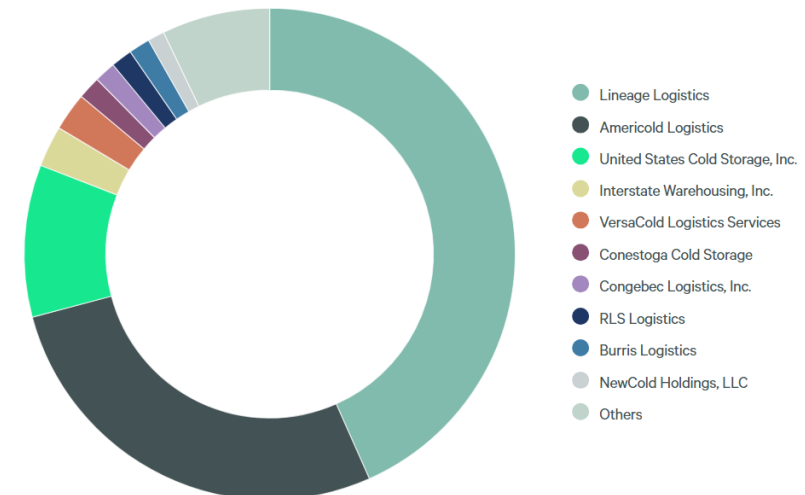
Data from CoStar



# Company Overview

- Americold is the largest temperature-controlled warehousing and distribution provider in the world and a dominant player in the North American market
- Based in Atlanta GA
- Over 16,000 employees
- \$2.7B in revenue in 2023
- 242 locations worldwide
- 4 locations in Fort Worth

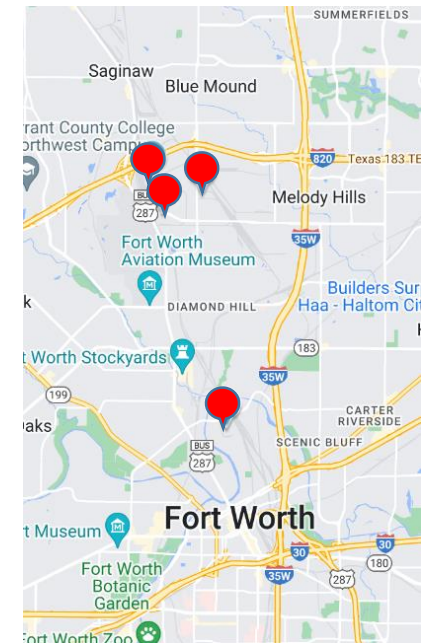
Figure 1: Largest Refrigerated Warehouse Companies in North America



Source: IARW North American Top 25 List, March 2022.

# Americold Locations in Fort Worth

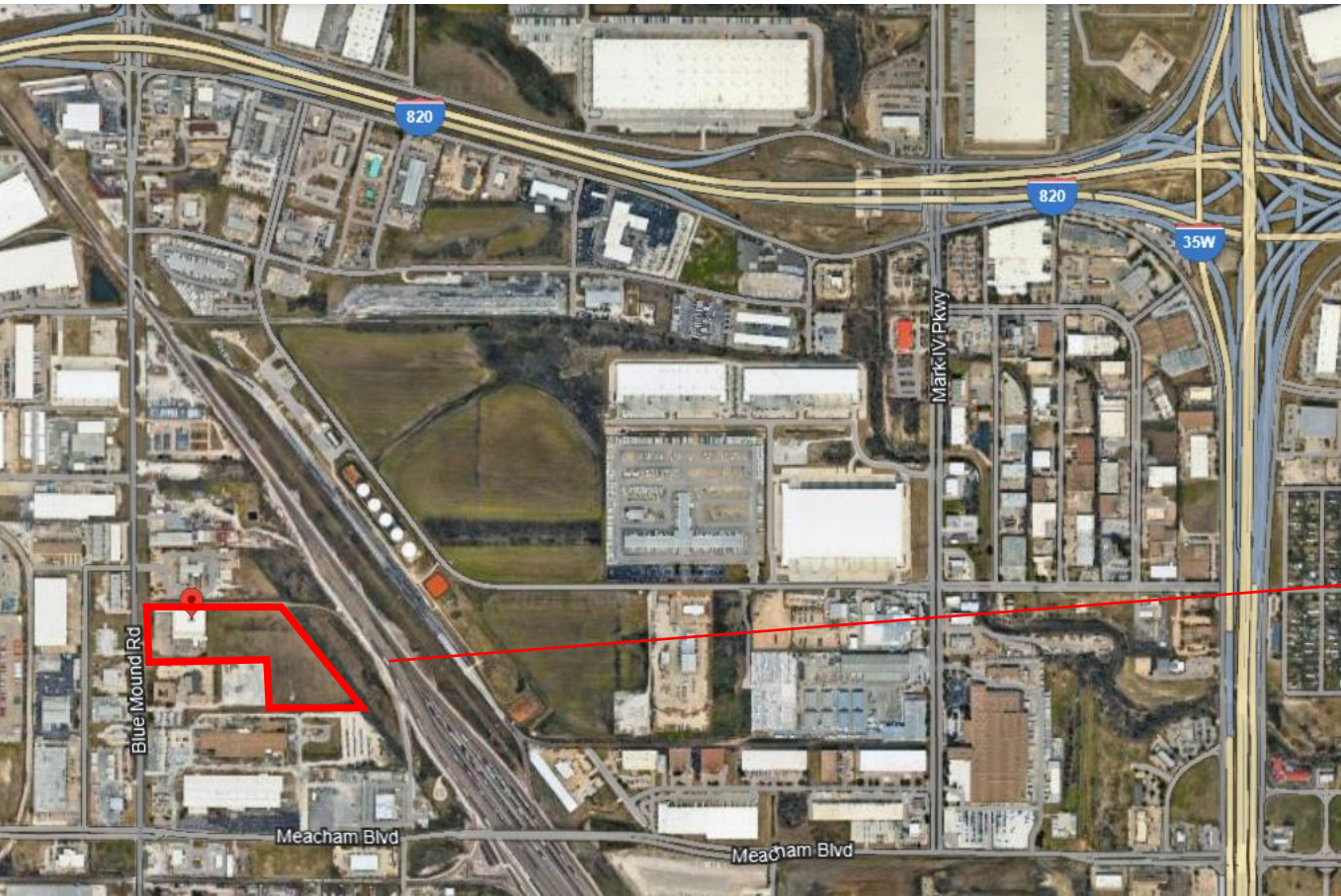
- Fort Worth has been the primary destination for Americold in the North Texas region
  - **Samuels at 1313 Samuels Ave.**
  - **Railhead at 200 Railhead Rd.**
  - **Meacham at 350 Meacham Blvd.**
  - **Blue Mound at 4900 Blue Mound Rd.**
- Other DFW locations include single sites in Dallas, Grand Prairie and Mansfield
- Fort Worth has built a strategic relationship with Americold, helping to secure cold storage inventory in Fort Worth versus other locations in the region





# Project Location

## 4900 Blue Mound Rd.



Current Building SF 88,653  
22 Acres (7 developed, 15 undeveloped)

### Current Valuation

Land estimated at \$980,100 for project site  
2023 taxes \$6,119



# Project Overview

*Americold is proposing to expand the current facility at 4900 Blue Mound Rd*

## Company commitments

- Min. capital investment of **\$123 million**
  - **\$68.0** million in real property improvements by Dec 31, 2027
  - **\$55.0** million in business personal property by Jan 1, 2028
- Min. **85** full time jobs by Dec 31, 2027
- Min. average annual salary for all jobs > **\$65,000**
- 15% of construction costs to BEF companies

# Overview of Proposed Incentive Terms

## 7-year Tax Abatement of up to **50%** of Incremental Real & BPP

- Abatement is subject to company performance requirements
  - Failure to meet **minimum investment** results in **default**
  - Failure to meet **min. \$65,000 average salary** requirement results in **forfeiture** of annual abatement
  - Failure to meet full **jobs commitment** results in **reduction** of abatement
  - Failure to deliver **15% of construction costs to BEF** companies results in **10% reduction** of abatement
- Additional rights, requirements, and penalties apply as negotiated



# Development Summary

## Private Investment

- Min. \$123.0 Million capital investment
- Min. \$68.0 Million in Real Property Improvements by 12/31/2027
- Min. BPP of \$55.0 Million

## Employment

- Create 85 new FTEs by 12/31/2027
- Average Annual Wages: \$65,000

## 7-year incentive proposal

- Up to 50% of the incremental increase in value of real and business personal property estimated at \$2.5 Million

## Private/Public Ratio

Taxable Value	\$103.9 Million
Est. Incentives	\$2.5 Million
NPV Incentives	\$2.0 Million
City Participation	2.1%
Private-Public Ratio	48.7:1

## CFW Tax Revenue (7 yr. projection)

Net New Taxes (gross)	\$2.5 Million
Net New Taxes (NPV)	\$2.0 Million

## Payback

3.31 years

# Recommendation

- Enter into a 7 year tax abatement agreement on up to 50% of the incremental value of real and business personal property taxes
- M&C for City Council consideration: Oct 15<sup>th</sup>

# Thank you

