

# Proposed Tax Abatement with RSI North America

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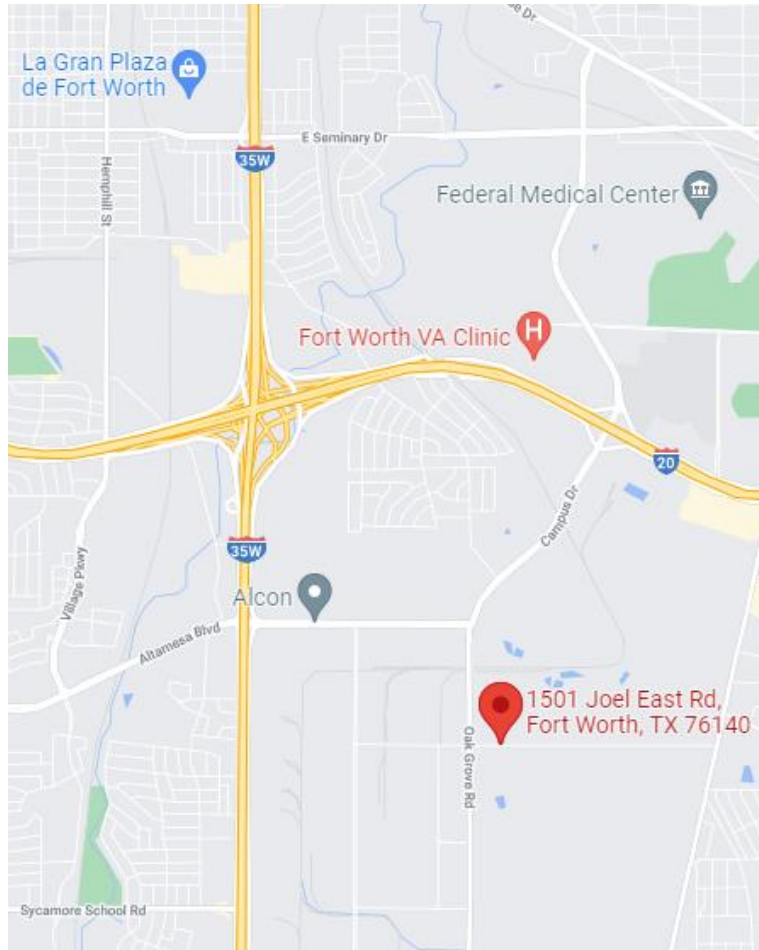
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# Company Overview

- RSI North America (SmartCap)
- Manufactures modular truck bed canopies
- Based in Durban, South Africa
- Founded in 2007
- Rapidly expanding its presence and market share in the U.S.

## Location:

1501 Joel East Road, Building F, Fort Worth, TX 76140



# Project Overview

- A 391,000 SF building will be leased with a site located at 1501 Joel East Road
- Proposed capital investment:
  - \$2.5M in tenant improvements at a 391,000 SF manufacturing plant
  - \$52.5M taxable value in Business Personal Property
- 250 Full-Time jobs
- Average Annual Salary for all jobs > \$65,800
- 15% of construction costs to MWBE companies

# Development Commitments

- **Capital Investment**

- Min. \$2.5M in total tenant improvement costs by December 31, 2026
- Min. \$52.5 million in taxable BPP by January 1, 2027

- **Job Creation**

- Create 250 Full-Time jobs by December 31, 2026
- All FTEs must have a minimum annual salary of \$65,800
- RSI North America will be required to spend 15 percent of hard and soft construction costs with contractors that are Certified Minority-Owned Business Enterprise -
  - Failure to meet this requirement will result in a reduction of the grant by 10 percent

# Proposed Incentive Terms

5-year Tax Abatement up to 40% of the Real & Business Personal Property capped at \$737,508

**TABLE III-I Maximum Potential Abatement with Corresponding Commitments**

Property Owner or Company Commitment	Potential Abatement
Base Commitment: Real and Business Personal Property Investment = \$55M	20%
Business Equity Commitments (15% of Total Construction Costs)	10%
Annual Commitments:	
Average Annual Salary for 250 Full-Time Jobs > \$65,800	5%
Overall Employment >= 250	5%
<b>TOTAL</b>	<b>40%</b>

# Development Summary

## Private Investment

- Minimum of \$2.5 Million in Total Tenant Improvement Costs by December 31, 2026
- Total Business Personal Property of \$52.5 Million

## Employment

- Create 250 new FTEs by December 31, 2026
- Average Annual Wages: \$65,800

## 5 year incentive proposal

- 40% of the incremental increase in value of real and business personal property.

## • Private/Public Ratio

Est. Benefit	\$737,508
NPV Benefit	\$621,270
City Participation	1.3%
Est. Ratio	75:1

## • CFW Tax Revenue (5 yr. projection)

Net New Taxes (gross)	\$1,106,261
Net New Taxes (NPV)	\$931,905

## Payback

1.99 years

## 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 November 30<sup>th</sup>
- M&C for City Council consideration November 30<sup>th</sup>



# Thank you

