

To the Mayor and Members of the City Council**April 7, 2015**

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**SUBJECT: NGC Renewables**

The City of Fort Worth entered into a Tax Abatement Agreement with NGC Renewables for the construction of a 120,000 square foot North American headquarters and manufacturing facility at 5500 Alliance Gateway Freeway. The Agreement provides for a ten-year tax abatement with NGC that could potentially abate up to 80 percent of the City's ad valorem taxes on the incremental value of real and business personal property investment on the site.

The project consists of two phases with an overall investment of \$96,000,000 in real and business personal property. Phase I consists of \$8,500,000 in real property improvements and \$7,500,000 in new non-inventory business personal property with an estimated completion deadline of June 30, 2014. Due to delays in the delivery of operational equipment from suppliers, NGC requested and City Council approved, an extension of the Phase I completion deadline to June 30, 2015.

Due to the above mentioned delays in the delivery of operational equipment, along with pricing reductions since the original projected expenditures, NGC Renewables is requesting a reduction of the business personal property requirement from \$7,500,000 to \$6,300,000 for the Phase I investment. The Phase II portion of the development consisting of an additional \$80,000,000 in new non-inventory business personal property by December 31, 2018 remains as originally committed.

Staff recommends approving an amendment to the Agreement to reduce the minimum personal property investment for Phase I. An M&C will be placed on the City Council meeting agenda scheduled for May 5, 2015, to authorize approval of the amendment to the Tax Abatement Agreement.

Please contact Jay Chapa at 817-392-5804 if you have any questions or concerns.

David Cooke
City Manager