

To the Mayor and Members of the City Council**January 23, 2018**

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**SUBJECT: TAX ABATEMENT AGREEMENT WITH RAIDER EXPRESS**

Raider Express (Company) is an existing Fort Worth logistics and transportation company that will significantly expand their operations with this proposed expansion. The Company plans to build a new, approximately 61,000 square foot office, training and maintenance facility at property in the vicinity of the intersection of Highway 287 and Willow Springs Road.

Company will make at least \$13,000,000 in real property (exclusive of land costs) by December 31, 2019. Company must also locate new taxable business personal property on the Project Site having a minimum taxable appraised value specified below by the appraisal dates specified below:

- A total taxable appraised value of at least \$56.1 million (2017 base value + \$40.1 million) by 1/1/2021
- A total taxable appraised value of at least \$96.0 million (2017 base value + \$80 million) by 1/1/2023
- A total taxable appraised value of at least \$136.1 million (2017 base value + \$120.1 million) by 1/1/2025

The Company will spend or cause to be expended the greater of 25% or \$3,050,000 of all hard construction costs for the Development with Fort Worth contractors. The Company will spend or cause to be expended the greater of 15% or \$1,830,000 of all hard construction costs for the Development with contractors that are Fort Worth Certified Minority/Women Owned Business Enterprise companies (with the understanding that dollars spent with Fort Worth Certified M/WBE companies will also count as dollars spent with Fort Worth companies). Fort Worth Certified M/WBE Company means a minority- or woman-owned business that (i) has received certification as either a minority business enterprise (MBE), a woman business enterprise (WBE) or a disadvantaged business enterprise (DBE) by the North Central Texas Regional Certification Agency (NCTRCA); and (ii) has a principal business office located within the corporate limits of the City.

The Company must provide the following minimum number of full-time jobs on the Project Site in each of the following years (as measured by Company's employment data as of December 31 of each such year):

- at least 442 full-time jobs in 2020 and 2021
- at least 532 full-time jobs in 2022 and 2023
- at least 622 full-time jobs in 2024

The Company will fill a minimum of 30% of all Full Time Jobs (regardless of the total number of full-time jobs provided on the Project Site) with Fort Worth residents and 15% of all Full Time Jobs (regardless of the total number of full-time jobs provided on the Project Site) with Fort Worth Central City Residents (with the understanding that employment of Fort Worth Central City Residents will also count as employment of Fort Worth City Residents).

The Company will spend the greater of 35 percent or \$1,225,000 in annual discretionary service and supply expenses with Fort Worth companies, and the greater of 15 percent or \$525,000 in annual discretionary service and supply expenses with companies that are Fort Worth Certified Minority/Women Owned Business Enterprise companies.

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In return, the City will grant a 50 percent tax abatement on the incremental increase in value of real and personal property improvements for a period of five years. The Company must meet specific construction spending, annual employment and annual supply and service spending commitments in order to achieve the maximum amount of potential incentive for each abatement year.

Except for cases of default, failure to meet a particular commitment will result in a reduction to the grant amount that the Developer is entitled to receive in a given year based on the value assigned to the commitment in accordance with the following chart:

Property Owner or Company Commitment	Potential
Real and Personal Property Investment (Base Commitment)	10%
25% Construction Spending with FW Contractors	5%
15% Construction Spending with FW Certified M/WBE Contractors	5%
Overall Employment	5%
30% Full Time Employees are Fort Worth Residents	7.5%
15% Full Time Employees are Fort Worth Central City Residents	7.5%
35% annual with FW Companies for Services and Supplies	5%
15% annual with FW M/WBE Companies for Services and Supplies	5%
TOTAL	50%

A Public Hearing will be conducted on January 30, 2018 in order to create Reinvestment Zone Ninety-six. An M&C for City Council consideration will be placed on the February 6, 2018 agenda.

This project is located in COUNCIL DISTRICT 7.

If you have any questions, please contact Robert Sturns, Director of Economic Development, at 817-392-2663.

David Cooke
City Manager