

Proposed Tax Abatement Agreement with DrinkPak

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Economic Development Department

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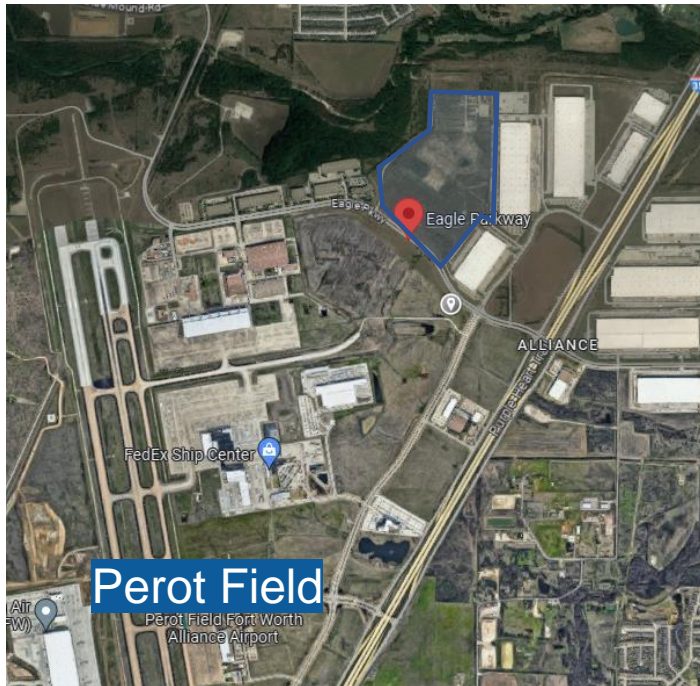
Company Overview

- DrinkPAK – a contract manufacturer of premier alcoholic and non-alcoholic beverages
- Currently based out of Santa Clarita, CA with approximately 400 employees
- As the most technologically advanced canned beverage facility in North America, DrinkPAK's 24/7 operation is capable of producing 2.1 billion annual cans
- Proposed expansion for two additional facilities at 1,000 employees in DFW region
- Facilities include production for energy drinks, hard seltzer, canned cocktails and also alternative dairy beverages, including canned cold brew and oat milk

Phase I Location

35 Eagle

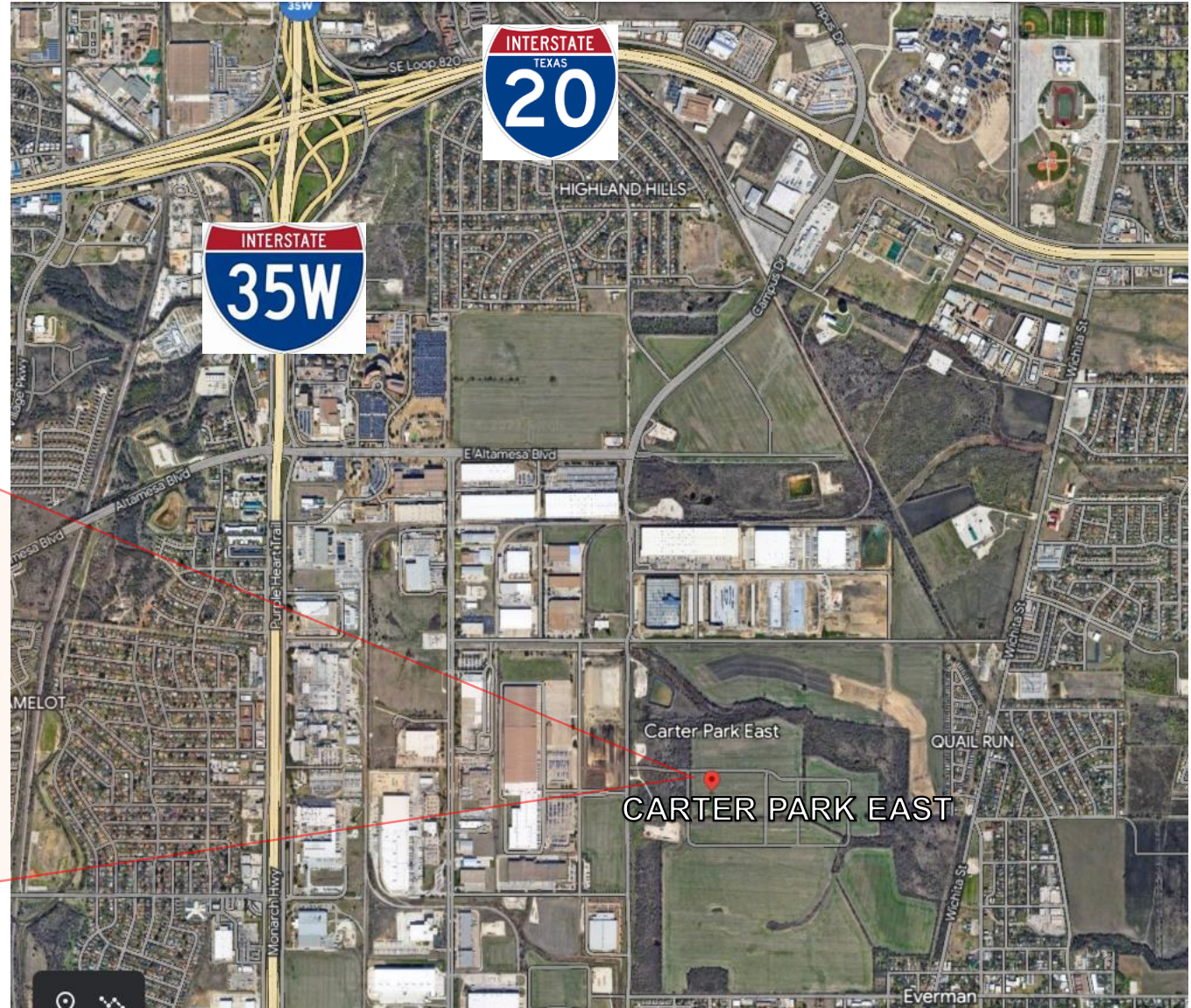
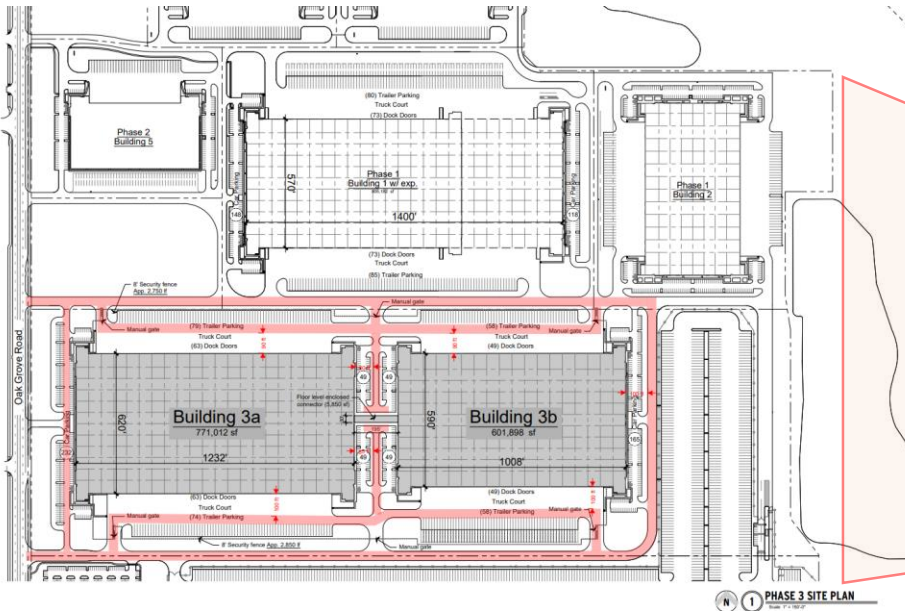
25001 Eagle Parkway
Denton County



County Incentives are also being considered



Phase II Location Carter Park East 7500-7601 Oak Grove Rd Tarrant County



Project Overview

- DrinkPAK plans to establish two locations in the DFW area
Trammel Crow development 35 Eagle (near Alliance) and Carter Park East
- **Proposed Overall Capital Investment of \$452.0 Million**
 - Phase I: \$37.0 Million in RP improvements by Dec 31, 2026 and \$183.0 million in BPP by Jan 1, 2027
 - Phase II: \$32.0 Million in RP improvements by Dec 31, 2027 and \$200.0 Million in BPP by Jan 1, 2028
- **1,000 Full-Time jobs**
 - Phase I: 550 Jobs by December 31, 2026
 - Phase II: 450 Jobs by December 31, 2027
 - 30% Fort Worth Hiring (Good Faith Effort)
- **Average Annual Salary for all jobs > \$70,000**
- **15% of construction costs to BEF companies**



Proposed Incentive Terms

10-year Tax Abatement up to 70% of incremental Real & Business Personal Property

- Forfeiture of annual abatement for failure to meet min. \$70,000 average salary requirement
- Failure to meet employment requirement results in proportional reduction of annual abatement with forfeiture if combined Phase I and Phase II employments fall below 800 FTE

TABLE III-I Maximum Potential Abatement with Corresponding Commitments

Property Owner or Company Commitment	Phase I Abatement (standalone)	Phase II Abatement (standalone)	Phase I & Phase II Abatement (if both projects delivered)
Base Commitment: Real and Business Personal Property Investment = \$220 M Phase I, \$232 M Phase II	30%	30%	50%
BEF Commitments (15% of Total Construction Costs)	10%	10%	10%
Annual Employment Commitment (1,000 FTEs)	10%	10%	10%
TOTAL	50%	50%	70%



Development Summary

Private Investment

- Min. \$452.0 Million Capital Investment
- Min. \$69.0 Million in Real Property Improvements
- Min. \$383.0 Million in BPP Investment

Employment

- Create 1,000 new FTEs
- Average Annual Wages: \$70,000

10-year Incentive Proposal

- Up to 70% of the incremental increase in value of real and business personal property at estimated value of \$21.0 Million

Private/Public Ratio

Est. Benefit	\$20.8 Million
NPV Benefit	\$15.3 Million
City Participation	4.6%
Est. Ratio	21.8:1

CFW Tax Revenue (10 yr. projection)

Net New Taxes (gross)	\$8.9 Million
Net New Taxes (NPV)	\$6.5 Million

Payback

6.82 years

Recommendation

- Enter into a 10-year tax abatement agreement on up to 70% of the incremental value of real and business personal property taxes
- Public Hearing to create Reinvestment Zone: September 12th
- M&C for City Council consideration: September 12th

Thank you

