

Mayor and Council Communication

DATE: 09/12/23

M&C FILE NUMBER: M&C 23-0710

LOG NAME: 17EDTARIZ108

SUBJECT

(CD 8) Conduct Public Hearing and Adopt the Attached Ordinance Designating Tax Abatement Reinvestment Zone No. 108, City of Fort Worth, Texas, for Property Located at 7500-7601 Oak Grove Road for Development of a Manufacturing Facility for DrinkPAK, LLC, or an Affiliate

(PUBLIC HEARING - a. Report of City Staff: Cherie Gordon; b. Public Presentations; c. Council Action: Close Public Hearing and Act on M&C)

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct a public hearing concerning the designation of Tax Abatement Reinvestment Zone No. 108, City of Fort Worth, Texas, for property located at 7500-7601 Oak Grove Road for the development of a manufacturing facility for DrinkPAK, LLC, or an Affiliate;
 2. Find that the intended improvements, which are set forth in more detail below, are feasible and practical and would be a benefit to the land to be included in Tax Abatement Reinvestment Zone No. 108 and to the City after the expiration of any tax abatement agreements; and
 3. Adopt the attached ordinance designating Tax Abatement Reinvestment Zone No. 108, City of Fort Worth, Texas, pursuant to and in accordance with Chapter 312 of the Texas Tax Code.
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DISCUSSION:

The proposed Tax Abatement Reinvestment Zone No. 108, City of Fort Worth, Texas (TARZ 108) is for the property located at 7500-7601 Oak Grove Road in Fort Worth, Texas (Property). A more detailed description of the Property is included as Exhibit A to the attached Ordinance.

DrinkPAK, LLC, (DrinkPAK) which is a United States-based contract manufacturer of premier alcoholic and non-alcoholic beverages, currently based out of Santa Clarita, California 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 cans annually. Following a multi-state site selection process, DrinkPAK has decided to expand its operations to add two manufacturing facilities and a total of 1,000 employees in the DFW region (Project). The facilities will include production of energy drinks, hard seltzer, canned cocktails, and alternative dairy beverages, including canned cold brew and oat milk.

The Project will be constructed in two phases on two separate properties in the City of Fort Worth.

- Phase 1 will be constructed on property owned by PR III/Crow Building C, LP (Trammel Crow) located at 25001 Eagle Parkway and will consist of approximately 1.25 million square feet of building space for DrinkPAK's manufacturing operations (Phase 1 Project Site). As part of Phase 1, DrinkPAK will be responsible for expending or causing to be expended at least \$220 million in real and business personal property, along with hiring and maintaining at least 550 full-time employees earning a minimum salary of \$70,000 on the Phase 1 Project Site.
- Phase 2 will be constructed on property owned by Carter Park East Land, LLC (Carter Park) located at 7500-7601 Oak Grove and will consist of approximately 1 million square feet of building space for the for DrinkPAK's manufacturing operations (Phase 2 Project Site). As part of Phase 2, DrinkPAK will be responsible for expending or causing to be expended at least \$232 million in real and business personal property, along with hiring and maintaining at least 450 full-time jobs earning a minimum salary of \$70,000 on the Phase 2 Project Site.

The City Council will be considering both the Phase 1 Project Site and Phase 2 Project Site for designation as separate but related tax abatement reinvestment zones through separate Mayor and Council Communications (M&Cs). This M&C concerns the designation of the Phase 2 Project Site as TARZ 108, which allows the City the option to enter into a tax abatement agreement with DrinkPAK to help facilitate development within the Phase 2 Project Site.

As required by Chapter 312 of the Texas Tax Code, a public hearing must be conducted regarding the creation or expansion of a Reinvestment Zone. Notice of this hearing was delivered to the governing body of each affected taxing unit and published in a newspaper of general circulation at least seven days prior to this hearing.

Pursuant to Chapter 312 of the Texas Tax Code, the area encompassing the proposed TARZ 108 meets the statutory criteria for designation as a Tax Abatement Reinvestment Zone because the area is likely, as a result of the designation, to contribute to the retention or expansion of primary employment or to attract major investment in TARZ 108 that would be a benefit to the Property and that would contribute to the economic development of the City. Further, the proposed improvements and investments are feasible and practical and would be a benefit to the land to be included in the TARZ 108 and to the City after the expiration of any tax abatement agreement.

The term of TARZ 108 will be five years from the date of adoption of the attached Ordinance and may be renewed for periods not to exceed ten years each unless otherwise allowed by law.

The proposed zone is located in COUNCIL DISTRICT 8.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of these recommendations will have no material effect on City funds.

Submitted for City Manager's Office by: William Johnson 5806

Originating Business Unit Head: Robert Sturns 2663

Additional Information Contact: Cherie Gordon 6053