



# Tarrant County

## Application for Tax Abatement/Reinvestment Zone

### I. APPLICANT INFORMATION

**Applicant/Property Owner:** MP Magnetics LLC

**Company/Project Name:** MP Magnetics LLC

**Mailing Address:** 6720 Via Austi Parkway, Suite 450 Las Vegas, NV 89119

**Telephone:** 702-844-6111                      **Fax:**

**Applicant's Representative for contact regarding abatement request:** Ginovus, LLC

**Name and Title:** Chad Sweeney, Senior Principal

**Mailing Address:** 9 Municipal Drive, Suite 1, Fishers, IN 46038

**Telephone:** 317-819-4415              **Fax:**                      **E-mail:** chad@ginovus.com

### II. PROPERTY AND PROJECT DESCRIPTION

**Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone:**

The property is located at 13840 Independence Parkway, Fort Worth, TX 76177. Being Lot 3, Block 2, in ALLIANCE GATEWAY ADDITION, an Addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat thereof recorded in Cabinet A, Slide 12597, Plat Records, Tarrant County, Texas.

**Project Description:** See attached.

**Description of activities, products, or services produced and/or provided at project location:** See attached.

**Current Assessed Value:**    **Real Property:** \$793,350                      **Personal Property:** \$0

**Estimated start date of construction/site improvements:** 3/1/2022

**Projected date of occupancy/commencement of operations at project site:** 11/1/2022

**Please indicate dates for phases if applicable:**

**Location of existing company facilities:** Las Vegas, Nevada (Corporate HQ) and Mountain Pass, CA (Mining Operations)

**Requested level of Tax Abatement:**    50              % of eligible property for    7              years.

**Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request. See attached.**

### III. PROJECTED VALUE OF IMPROVEMENTS

**Estimated Value of Real Property Improvements** \$40 million

**Estimated Value of Personal Property Improvements** \$60 million

**Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project?**

**Yes**               **No**

**If yes, describe requested infrastructure improvements:**

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.): Real and personal property tax, inventory tax, and the creation of 90 new jobs. According to JobsEQ, economic modeling for 90 direct new jobs indicates a compounding effect of 39 indirect and induced jobs equating to an additional \$7.77 million in total compensation within the region.

**IV. EMPLOYMENT IMPACT AT PROJECT LOCATION**

**A. NEW EMPLOYMENT**

Projected number of new jobs created as a result of the proposed improvements:

Full-time 90                      Part-Time 0

Provide types of jobs created and average salary levels: \$80,000

Start date and annual payroll of new permanent positions (if positions to be phased in, provide figures for each phase year): Year 1: 30 jobs at \$2.4 million    Year 2: 30 cumulative jobs at \$4.8 million    Year 3: 90 cumulative jobs at \$7.2 million

Percentage of new jobs too be filled be Tarrant County residents:    25            %

Number of employees transferring from other company locations: 5

**B. CONSTRUCTION RELATED EMPLOYMENTS**

Projected number of construction related jobs:                      Estimated 9.5 construction jobs per \$1 million in real property investment, or 380 jobs.    %

Estimated total construction payroll: \$ 15,618,000

Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors:    25            %

Commitment as to percentage & total dollars of construction contracts to be awarded to DBE:    5            %

**C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT**

Current Number of Employees:            Full-time 0                      Part-time 0

Average annual payroll: \$ 0

Detail on workforce diversity – percentage breakdown of current employees by gender and ethnicity: N/A

**D. COMPANY SPONSORED HEALTH CARE BENEFITS ARE AVAILABLE**

Full-time Employees  Part-time Employees  Employee Dependents  Not Available

Average monthly employee cost for health care benefits: Individual: \$62.32                      Family: \$338.05

Other employee benefits provided or offered: Paid time off, 401(k) with matching contributions, dental and vision insurance coverage.

**V. LOCAL BUSINESS & DISADVANTAGED BUSINESS ENTERPRISES (DBE) IMPACT**

Estimated amount of annual supply and services expenses: \$ 10,400,000

Detail any supply/services expenses that are sole source:

Percentage of total supplier/services expenses committed to Tarrant County businesses:    25            %

Percentage of total supplier and services expenses committed to DBE:                      5            %

**VI. ENVIRONMENTAL IMPACT OF PROJECT**

Indicate if development, construction, equipment, distribution methods, and/or operational processes may impact the environment in the following areas, attach detail if necessary: See attached.

- Air Quality  Water Quality  Solid Waste Disposal  Storm/Water Runoff   
Floodplain/Wetlands  Noise levels  Other (specify)

Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used (gasoline, diesel, LP gas, CNG, etc.):

**VII. ADDITIONAL INFORMATION (TO BE ATTACHED)**

- Letter addressing Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy
- Descriptive list and value of real and personal property improvements
- Plat/Map of Project Location
- Project Time Schedule
- Owner's policy regarding use of disadvantaged Business Enterprises
- Owner's policy addressing regional air quality/non-attainment status (use of alternative fuels, employee trip reduction, etc.) and plan for participation in regional Ozone Action Program
- Tax Certificate showing property taxes paid for most recent year

**VIII. CERTIFICATION**

Upon receipt of a completed application, Tarrant County may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.\*

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the "Tarrant County Tax Abatement Policy" and agree to comply with the guidelines and criteria stated therein.



Signature

General Counsel

Title

Elliot D. Hoops

Printed Name

January 24, 2022

Date

Return completed application and attachments to:

Economic Development Coordinator  
Tarrant County Administrator's Office  
100 E. Weatherford Street, Suite 404  
Fort Worth, Texas 76196-0609

You may also forward an electronic copy of the completed report to:

[lmcmillan@tarrantcounty.com](mailto:lmcmillan@tarrantcounty.com)

Please note that if you do submit this form electronically, you must also submit an original hard copy of the report to the above stated physical address for proper filing and review.

For assistance call: (817) 884-2643

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\* As per Section IV (f) of the Tarrant County Tax Abatement Policy Guidelines and Criteria, this application must be filed prior to commencement of construction or installation of improvements in order to be eligible for County tax abatement.

What follows are application responses and attachments regarding the Tarrant County Application for Tax Abatement/Reinvestment Zone filed on behalf of MP Magnetics LLC, a subsidiary of MP Materials Corp.

**1) Project Description**

MP Magnetics LLC, a subsidiary of MP Materials Corp. (NYSE:MP) intends to expand its business operations in Tarrant County, Texas. The company will purchase land and construct a new building approximately 250,000 square feet in size, and will hire approximately 90 new employees. Of those 90 employees, approximately 20 will be classified as management or engineering positions, and the other 70 employees will be classified as advanced manufacturing positions.

**2) Description of activities, products, or services produced and/or provided at project location**

MP Magnetics LLC's primary business is to manufacture rare earth magnets and related materials. The company's parent, MP Materials Corp., operates the only open-pit, rare earth metal mining and processing facility in the United States, accounting for approximately 15% of the world's supply of rare earth metals in 2020. The expansion facility in Tarrant County would include a headquarters, product development center, and commercial manufacturing plant in support of the development of consumer products that utilize rare earth magnets.

**3) Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request.**

This project involved a thorough evaluation of several potential sites, including two sites in Texas and one site in Illinois. As such, the availability of economic development incentives was material to the company's location decision, and tax abatement was necessary to ensure the Fort Worth site remained the preferred choice among the company's three options. As a subsidiary of a publicly-traded company, MP Magnetics LLC is unable to provide forward-looking financial statements or pro formas associated with its request for incentives.

**4) Indicate if development, construction, equipment, distribution methods, and/or operational processes may impact the environment.**

Sustainability is core to our Mission. We believe Mountain Pass, the rare earth minerals mine operated by MP Materials, is the world's cleanest, most environmentally conscious rare earth facility. We endeavor to advance 11 of the United Nations' 17 Sustainable Development Goals,

across areas including clean energy, green mining, ownership culture and employee empowerment, and securing of strategic resources. MP Magnetics LLC will continue this culture of sustainability in the design and construction of any facility in Fort Worth. The design of any facility has not been finalized, therefore, the precise environmental impacts have yet to be calculated. MP Magnetics LLC will take reasonable steps to mitigate any environmental impacts. MP Magnetics LLC anticipates the following potential environmental impacts for its facility:

- **Air** – We expect that the processes and the emissions controls to be implemented will make our facility eligible for Permit by Rule for air quality permits.
- **Water** – We expect our manufacturing to produce some treated process water, most of which will be recycled back into the process. We do not expect any treated process water to have a material impact on local water resources.
- **Solid Waste** – We expect our manufacturing process to produce some waste material, most of which will be recycled back into the process. Any waste material that cannot be recycled back into the process will be disposed of pursuant to applicable rules and regulations and, when necessary, by appropriately licensed contractors or consultants.

**5) Letter addressing Economic Qualifications and additional criteria for abatement, Section III(h) and (i) of Tarrant County Tax Abatement Policy**

Section III(h)-(i) of the Tarrant County Tax Abatement Policy sets forth the requirements for a new business to be eligible for tax abatement. MP Magnetics has reviewed the policy and intends to comply with the provisions therein, summarized as follows:

- The company will produce a minimum added value of \$5 million in real and personal property and create a minimum of 25 full-time jobs.
- At least 25% of new hires will be Tarrant County residents.
- The company will utilize Tarrant County businesses for a minimum of 25% of its construction contracts and annual supply and service contracts.
- The company will provide environmental impact information noting anticipated impacts of the project on the environment.
- The company will offer health benefits to its full-time employees and will allow access to the plan by the employees' dependents.

**6) Descriptive list and value of real and personal property improvements**

**Real Property Improvements:** \$40 million capital investment in the construction of a new, 250,000 square foot building.

**Personal Property Improvements:** \$60 million capital investment in the procurement and installation of machinery and equipment. Such investment will include office and laboratory equipment in support of key office functions, research and development, and engineering. The project will also include machinery for sorting, processing, crushing, extruding, and refining rare earth materials.

**7) Plat/Map of Project Location**

Map attached hereto as Exhibit A.

**8) Project Time Schedule**

Estimated Start of Construction: March 2022

Estimated Date of Occupancy: November 2022

Hiring Schedule: Employees will be hired in tranches over a three-year period beginning November 2022 and ending October 2025. The company expects to hire approximately 30 new employees per year for a total of 90 net new jobs.

**9) Owner's policy regarding use of disadvantaged Business Enterprises**

MP Magnetics LLC is committed to increasing diversity, equity, and inclusion in the Fort Worth region, including the support of Minority and Women Business Enterprises operating in the community. The company will work with the City and the County to identify potential sources of goods and services from M/WBEs while considering all relevant factors, including community impact, cost, quality, and availability.

**10) Owner's policy addressing regional air quality/non-attainment status (use of alternative fuels, employee trip reduction, etc.) and plan for participation in regional Ozone Action Program.**

MP Magnetics is currently in the process of developing a non-attainment policy and a plan for participation in the Ozone Action Program in coordination with the design and construction of the facility.

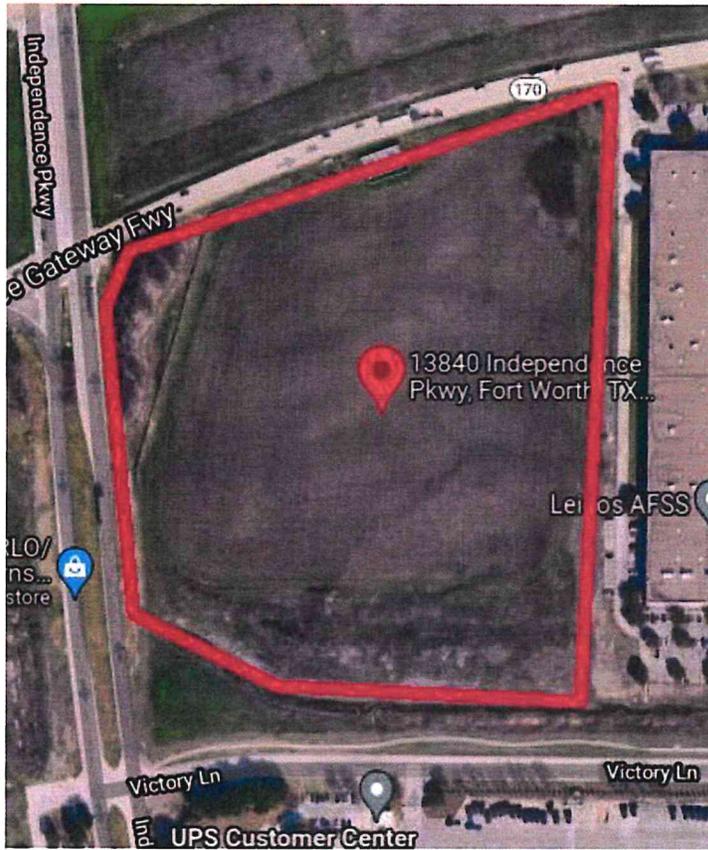
**11) Tax Certificate showing property taxes paid for most recent year**

Tax Certificate attached hereto as Exhibit B.

MP Magnetics LLC  
Tarrant County - Application for Tax Abatement

# Exhibit A

Plat/Map of Project Location



— Approximate boundaries of TARZ 103

