

**TARRANT COUNTY TAX ABATEMENT
PROPOSED TERMS FOR
DrinkPAK LLC
August 2023**

I. Base Abatement.

DrinkPAK LLC (Company) will receive a base ad valorem tax abatement of **60%** of new value for a 10-year period, on real and personal property investment at 7601 Oak Grove Road, Fort Worth, Texas 76140 (Project Site), subject to minimum performance requirements as follows:

- The proposed “Development” consists of approximately 1,372,912 total square feet, which includes the development of two adjacent buildings to facilitate the Company’s manufacturing operation and office, in an existing building located at 7601 Oak Grove Road, Fort Worth, Texas 76140 with a total investment amount of at least \$232 million, which includes real property improvements and business personal property (BPP) as outlined below.
- Company must expend or cause to be expended a minimum of \$32 million in construction costs on real property improvements at the Project Site, which includes costs for actual Project Site development, site work, infrastructure improvements, facility modernization, utility installation and construction costs including labor costs, supplies and material, engineering, architectural, and other design fees (Real Property Improvements).
- Company must complete construction of the Real Property Improvements by December 31, 2027, which will be the date as of which all occupiable space comprising the Development has received a temporary or final certificate of occupancy from the City (Completion Date).
- Company must locate or cause to be located taxable Business Personal Property on the Project Site having a minimum taxable appraised value upon the first assessment of \$200 million on or before January 1, 2028.
- BPP improvements include any tangible personal property other than inventory and supplies that is subject to ad valorem taxation and is located on the Project Site.
- Company must provide a minimum of 450 full-time jobs on the Project Site on or before December 31, 2027.
- The average annualized salary for 450 full-time jobs must be a minimum of \$70,000.00. “Salary” includes direct pay and bonuses, but not benefits or expense reimbursements. A full-time job is defined as a job provided to one (1) individual by Company on the Project Site for at least forty (40) hours per week.
- Provide that 25% of all full-time employees working at Project Site reside in Tarrant County;
- Meet minimum construction expenditure requirements for all hard construction costs of no less than 25% with Tarrant County contractors, and no less than 15% with DBE contractors;
- Meet minimum annual supply/service discretionary expenditure requirements of no less than 25% with Tarrant County companies, and no less than 15% whichever is greater, with DBE companies.

Company must meet the above requirements in terms of investment, completed structure and property improvements, contracting spending requirements and minimum employment in order to be eligible for the Base Abatement. Failure to meet the requirements for investment and completed real property and personal property improvements will be cause for termination of the abatement. Failure to meet the requirements for DBE and Tarrant County Construction and Supply/Service spending, minimum full-time employment and Tarrant County resident employment, will be cause for a reduction in the percentage abatement for any year in which the requirements are not met, as set forth below.

II. Reductions to Base Abatement.

Company will receive a reduction in the base percentage ad valorem tax abatement, as noted below, in any year in which the Company does not meet the taxable value, full-time employment, Tarrant County resident employment, and contracting spending requirements prescribed in Section I, for each item noted.

- For employment of less than the required minimum full-time jobs at the Project Site, company will receive reduction of 1% abatement for each Ten (10) job deficiencies from the minimum requirements, up to a maximum of 10%, for that year.
- For employment of less than 25% of Tarrant County residents for all full-time jobs on Project Site, company will receive a reduction of 10% for that year.
- For spending with DBE construction contractors for less than the required total construction contracting costs, company will receive a separate reduction of 1% abatement for each 1% deficiency, up to a maximum of 5%, for the life of the abatement.
- For spending with Tarrant County construction contractors for less than the required total construction contracting costs, company will receive a separate reduction of 1% abatement for each 1% deficiency, up to a maximum of 5%, for the life of the abatement.
- For spending with DBE contractors of less than the required total annual non-sole source, locally controlled, supply and services expenditures, company will receive a separate reduction of 1% abatement for each 1% deficiency, up to a maximum of 5%, for that year.
- For spending with Tarrant County contractors for less than the required total annual non-sole source, locally controlled, supply and services expenditures, company will receive a separate reduction of 1% abatement for each 1% deficiency, up to a maximum of 5%, for that year.

Accepted by:

Signature

Printed Name