



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____

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DATE: 09/19/2023

SUBJECT: TAX ABATEMENT - DRINKPAK, LLC, CITY OF FORT WORTH

***** BRIEFING AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court review and consider the following tax abatement request from DrinkPAK, LLC for the development of a 1,372,912 square-foot advanced manufacturing operation and offices in two adjacent existing buildings located at 7601 Oak Grove Road (Carter Park East), Fort Worth, Texas 76140.

BACKGROUND

DrinkPAK, LLC is a contract manufacturer of premium alcoholic and non-alcoholic beverages, including production for energy drinks, hard seltzer, canned cocktails and alternative dairy beverages. DrinkPAK, LLC is the most technologically advanced canned beverage manufacturing facility in North America, capable of producing 2.1 billion annual beverages. The company is currently based out of Santa Clarita, California and has approximately four hundred (400) employees. Following a multi-community site selection process, an existing facility located at 7601 Oak Grove Road (Carter Park East) in Fort Worth was identified for the 1,372,912 square-foot advanced manufacturing operation and offices in Fort Worth. DrinkPAK, LLC plans to establish two (2) locations in the DFW area. The first location will be in Denton County near Alliance with a proposed capital investment of \$220 million and 550 full-time jobs. The second location will be in Carter Park East. The total capital investment in the DFW region will be \$452 million and will bring 1,000 new jobs to the area. In order to facilitate the establishment of DrinkPAK, LLC in Fort Worth, the City of Fort Worth, along with the County proposes to provide a ten (10) year tax abatement. DrinkPAK, will invest over \$32 million in the new facility and locate an estimated \$200 million in business personal property to the facility. DrinkPAK, LLC is expected to bring 450 new full-time jobs by the end of 2026, with an average salary of approximately \$70,000.00 annually. Healthcare and other benefits are provided at a reasonable cost to full-time employees.

The City of Fort Worth has approved a ten (10) year tax abatement providing up to seventy percent (70%) abatement of real and personal property taxes. Should Commissioners Court choose to participate in tax abatement for DrinkPAK, LLC, staff proposes County participation in tax abatement at a maximum of sixty percent (60%) of new real and personal property value for a period of ten (10) years.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Maegan P. South
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FISCAL IMPACT

Total new real and personal property value added from this project is estimated at over \$232 million (\$32 million for real property and \$200 million for business personal property). Based on current tax rates, should DrinkPAK, LLC earn the maximum tax abatement of sixty percent (60%) for all ten (10) years, the project could receive a total ten (10) year tax abatement of approximately \$2,707,440.00 from the County. Hospital District taxes will not be abated.

Over that same period, the County will receive tax revenues from the unabated portion of the new improvements, as well as the current base value of the property. New tax revenues solely from the unabated portion of new improvements are expected to be approximately \$180,496.00 annually for the County or approximately \$1,804,960.00 over the ten (10) year abatement.