

# Ben E. Keith Expansion

Economic Development Department  
February 5, 2019

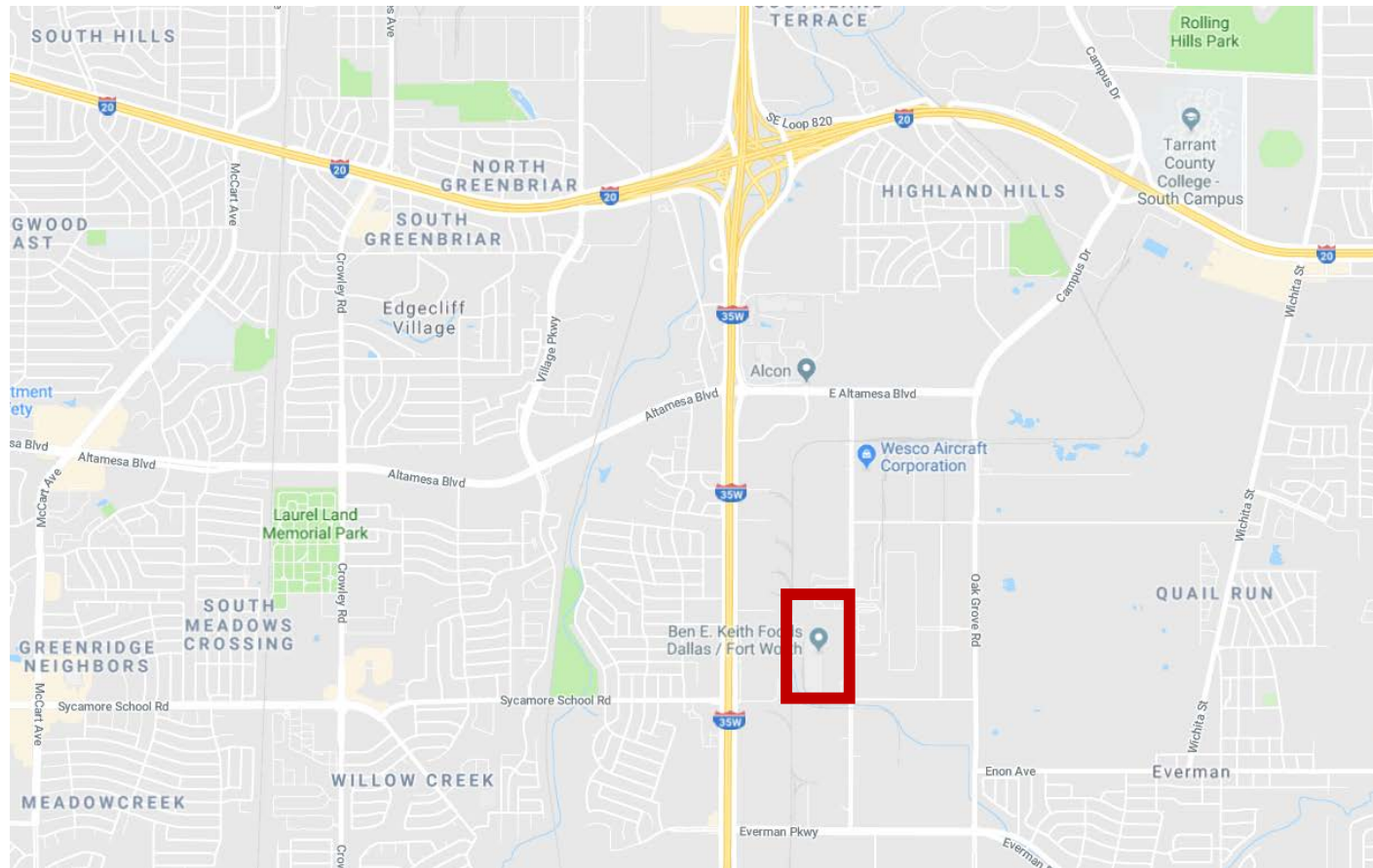
# Company Overview

- Ben E. Keith is a Food Distribution company that has operated in Fort Worth for more than a century
- Ben E. Keith plans to expand operations at its location in Carter Industrial Park
- Expansion involves significant new investment in facilities and personnel

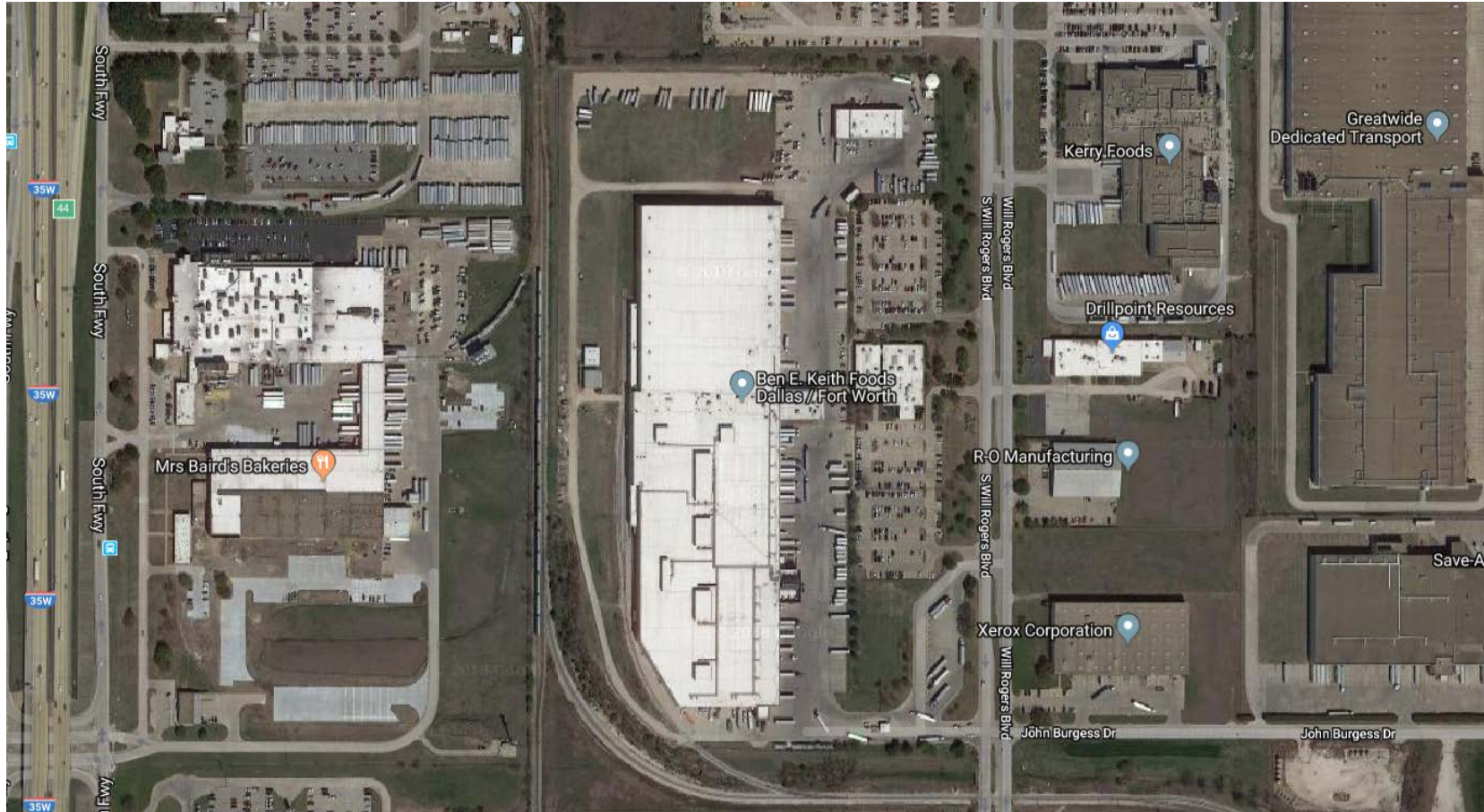
# Project Overview

- 185,000 sq. ft. expansion of Ben E. Keith office and warehouse facilities at 7650 Will Rogers Boulevard (Carter Industrial Park)
- Proposed capital investment of \$22 M in Total Construction Costs
- Net 283 increase in Full Time Employees at project site
- Company seeking nomination as an Enterprise Project under Texas Enterprise Zone Program

# Location



# Site





# Development Commitments

- Capital Investment
  - Min. of \$22 million total construction costs by January 1, 2022
  - \$3 million hard costs spent with Fort Worth companies
  - 185,000 sq. ft. new office and warehouse
- Job Creation
  - Maintain a min. 855 Full-Time Employees (FTE'S) (existing) at the property
  - Min. 179 net new FTE's by December 31, 2023
  - Min. 283 net new FTE's by December 31, 2025
  - All new FTE's must have an average annual salary of at least \$73,000
  - Min. of 46 net new FTE's by 2023 are Fort Worth Residents, 12 Central City residents
  - Min. of 85 net new FTE's by 2025 are Fort Worth Residents, 21 Central City residents
  - Min. of 10% of all FTE's (82) are Central City Residents

# Supply & Service and M/WBE

- Local Supply & Service
  - Min. \$900,000 annual supply and service costs to go to Fort Worth companies
- M/WBE
  - 15% commitment on hard and soft construction costs with qualified M/WBE businesses
  - Failure to meet the M/WBE goal or document a good faith effort will result in a reduction of 10% of the eligible incentive.

# Proposed Incentive Terms

**Proposed:**

7-year 50% Tax Abatement on Real and Business Personal Property

Total Incentive	Per Job	Rate of Return	Payback Period
\$812,656	\$2,872	31.0%	2.8 Yrs

Source: Impact DataSource

Property Owner or Company Commitment	Potential Grant (Year 1 and 2)	Potential Grant (Year 3 and beyond)
Total Construction Cost Investment	20%	5%
Minimum of \$3 million of Construction Spending with FW Contractors	5%	2.5%
Construction Spending with FW Certified M/WBE Contractors	10%	10%
Creation of new jobs in accordance with Section II.a.	10%	10%
Creation of new jobs in accordance with Section II.b.	0%	15%
Full Time Employees hired are Fort Worth Residents in accordance with Section II.c.	0%	2.5%
Full Time Employees hired are Fort Worth Central City Residents in accordance with Section II.d.	0%	2.5%
Annually spend the amount in Section II.e. with FW Companies for Services and Supplies	5%	2.5%
<b>TOTAL</b>	<b>50%</b>	<b>50%</b>



# Development Summary

- Private Investment

- Minimum \$22 Million in Total Construction Costs by 2022

- Employment

- Maintain 855 existing FTEs for duration of agreement
- 179 net new FTEs by 2023
- 283 net new FTEs by 2025
- Average wages: \$73,000 annually

- 7 year incentive proposal

- 50% Incremental Real and Business Personal Property tax abatement

- Private/Public Ratio

- Est. Benefit \$877,392
- NPV Benefit \$697,512
- City Participation 1.8 %
- Est. Ratio 41:1

- CFW Tax Revenue (5 yr. projection)

- Net New Real Property Tax \$598,460
- Net New BPP Tax \$278,933

- Payback

- 6.28 years

# Strategic Impact

**Initiative 1.3. Business Retention & Expansion (BRE).** Improve the competitiveness of existing businesses and help them remain and grow in the community.

*Source: Fort Worth Economic Development Strategic Plan*

## Recommendation/Next Steps

- Enter into a 7 year tax abatement agreement on up to 50% of the incremental value of real and business personal property taxes
- Nominate Project as an Enterprise Project through Texas Enterprise Zone Program on February 12
- Public Hearing to create Reinvestment Zone on February 12
- M&C for City Council consideration on February 12 Agenda

# Questions/Comments

