



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Economic Development

ACM/CFO: Christine Taylor

DATE: October 8, 2025

SUBJECT

Receive a report, hold a discussion, and make a recommendation to City Council regarding a request to nominate Tetra Pak Inc., to the Office of the Governor Economic Development and Tourism through the Economic Development Bank as an Enterprise Project.

BACKGROUND

Texas Enterprise Zone Program

The Texas Enterprise Zone Program is a State of Texas economic development tool to promote job creation and capital investment in economically distressed areas of the state. Successful applicants are eligible to apply for state sales and use tax refunds on qualified expenditures, based on their capital investment and number of jobs created/retained. The possible value a project could receive is determined by multiplying the maximum number of jobs allocated by the maximum potential refund in the level of capital investment category.

Level of Capital Investment	Maximum Number of Jobs Allocated	Maximum Potential Refund	Maximum Refund Per Job Allocated
<i>Half Enterprise Project</i> \$40,000 to \$5,000,000 or more	250	\$625,000	\$2,500
<i>Enterprise Project</i> \$5,000,000 to \$149,999,999	500	\$1,250,000	\$2,500
<i>Double Jumbo Project</i> \$150,000,000 to \$249,999,999	500*	\$2,500,000	\$5,000
<i>Triple Jumbo Project</i> \$250,000,000 or more	500*	\$3,750,000	\$7,500

**Double and Triple Jumbo Projects may not count retained jobs for benefit.
A Double Jumbo and Triple Jumbo Project must create at least 500 jobs.*

To apply for the TEZ program, a project must first seek a nomination from a local community. Communities have a limited number of project designations (Denton has 6) and the state has a maximum number of designations that can be awarded per biennium (105). This is the second project nominated this biennium by Denton. If both projects are approved, this would leave 4 nominations for the biennium.

A project can be located either inside or outside of a designated Enterprise Zone. For projects within an Enterprise Zone, the company must commit that 25% of new/retained employees will meet economically disadvantaged criteria, or be residents of an enterprise zone, or are veterans. For projects outside of an Enterprise Zone, the company must commit that 35% of new/retained employees will meet economically disadvantaged criteria, or be residents of an enterprise zone, or are veterans.

Key aspects of the Texas Enterprise Zone (TEZ) Program are:

- The local city or county must nominate the qualified company as an Enterprise Project.
- Projects may be physically located in or outside of an Enterprise Zone. The location determines the percent of new employees that must meet economically disadvantaged or Enterprise Zone residence requirements.
- The Enterprise Project must be nominated for a designation period of not less than one year and up to five years, non-inclusive of a 90-day window prior to the application deadline. Employment and capital investment commitments must be incurred and met within this timeframe.
- Applications are scored on criteria that reflect the distress of the area, state priority, and local and private effort.

A simplified graphic of the TEZ process is included below.



Proposed Nomination: Tetra Pak Inc.

Tetra Pak Inc. is an existing Denton business, which provides its clients with aseptic and other packaging products. The company is a multinational food packaging and processing sub-company of Tetra Laval, with head offices in Lund, Sweden, and Lausanne, Switzerland. Tetra Pak Inc. offers packaging, filling machines and processing for dairy, beverages, cheese, ice-cream and prepared food, including distribution tools like accumulators, cap applicators, conveyors, crate packers, film wrappers, line controllers, laminators and straw applicators.

The City nominated Tetra Pak Materials for a Texas Enterprise Zone project in August of 2018, which involved an additional investment of \$15 million in business personal property at their Denton facility, as well as retaining their existing workforce of 375 full-time employees, at that time. This investment consisted of installing a new laminator machine that enabled Tetra Pak to meet increasing demand for aseptic screw-top sports nutrition, protein drink and other containers. Tetra Pak originally received a four-year 65% tax abatement for expanding their facility (32,000 square feet) and relocating their corporate headquarters operations from Chicago to Denton in 2013. The company created a total of thirty-two new jobs with the expansion.

About the Project

Tetra Pak Inc. plans on investing over \$12 million in upgrades to their current facility, which includes the following:

- \$1.5 million to replace gas-powered rooftop HVAC units with more energy-efficient electric alternatives
- \$7 million for facility enhancements such as employee breakroom upgrades, new sprinkler systems, and replacement of roofs, doors, and windows
- \$3.5 million to complete the build-out of the Customer Innovation Center, which will serve as a collaborative space where Tetra Pak partners can meet directly with clients to develop innovative and customized product packaging solutions

If designated as an Enterprise Project by the State of Texas, Tetra Pak Inc. commits to hiring twenty-five percent (25%) economically disadvantaged persons, enterprise zone residents or veterans, for its new or replacement personnel for certified jobs, during its Enterprise Project designation. Tetra Pak Inc. currently employs 593 employees and plans to create 20 new jobs that will qualify for program. The company may qualify for up to \$1,250,000 under the program (Enterprise project: 500 (cap) new and retained jobs x \$2,500 = \$1,250,000 maximum potential refund).

The benefits of nominating Tetra Pak Inc. to the TEZ program:

- To Tetra Pak Inc.:
 - Company can apply to receive a state sales and use tax refund
- To Denton:
 - 25% of new jobs created or existing positions that turn over will be filled by people who are either economically disadvantaged, are residents of an enterprise zone within the City's jurisdiction, or are veterans.
 - This nomination has no fiscal impact to City.

FISCAL INFORMATION

Nominating Tetra Pak Inc. as an Enterprise Project has no fiscal impact to the City.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Draft Resolution

Exhibit 3 – TEZ Program Overview

Exhibit 4 – Presentation

Respectfully submitted:

Erica Sullivan

Economic Development Program Administrator