CITY OF PLANO
COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY	
☐ Consent ☐ Regular ☐ Statutory	
Council Meeting Date:	8/25/14
Department:	Finance
Department Head	Denise Tacke
Agenda Coordinator (include phone #):	**Toshia Kimball - 7479**

CAPTION

A Resolution of the City Council of the City of Plano, Texas, nominating DPS Holdings Inc. to the Office of the Governor, Economic Development and Tourism ("OOGEDT") through the Economic Development Bank ("Bank") for designation as a qualified business and an enterprise project ("Project") under the Texas Enterprise Zone Program under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code ("Act"); and providing an effective date.

FINANCIAL SUMMARY

☒ NOT APPLICABLE ☐ OPERATING EXPENSE ☐ REVENUE ☐ CIP

FISCAL YEAR: **2013-2014**	**Prior Year (CIP Only)**	**Current Year**	**Future Years**	**TOTALS**
Budget	0	0	0	**0**
Encumbered/Expended Amount	0	0	0	**0**
This Item	0	0	0	**0**
BALANCE	0	0	0	**0**

FUND(S):

COMMENTS: This item has no fiscal impact. STRATEGIC PLAN GOAL: Assisting companies with economic development incentives relates to the City's goal of strong local economy.

SUMMARY OF ITEM

Request for Enterprise Project Nomination for job retention benefits.

List of Supporting Documents:	Other Departments, Boards, Commissions or Agencies
Resolution Letter of Request	

PO Box 259199
Plano, TX 75025-9199
5301 Legacy Drive
Plano, TX 75024-3109
Phone 972.673.7000
Fax 972.673.7511

DR PEPPER SNAPPLE GROUP

August 8, 2014

Mr. Bruce Glasscock
City Manager
City of Plano
Post Office Box 860358
Plano, Texas 75086

Mr. Joe H. Morin
Team Leader – Business Development
Office of the Governor
Economic Development & Tourism
Post Office Box 12428
Austin, Texas 78711

Re: Project Description Letter for DPS Holdings Inc.
Enterprise Project Application (Plano, Texas Facility)
Tax Identification Number: 1-06-1074905-2

Dear Mr. Glasscock and Mr. Morin:

DPS Holdings Inc. ("DPS Holdings") is a subsidiary of Dr. Pepper Snapple Group, Inc. ("DPS"). Headquartered in Plano, Texas, DPS is a leading producer of flavored beverages in North America and the Caribbean. DPS is a publicly traded company on the New York Stock Exchange and markets more than 50 brands of carbonated soft drinks, juices, teas, mixers, waters, and other premium beverages. With 21 manufacturing centers, 115 distribution centers, and nearly 19,000 employees, DPS has total annual revenue of approximately $6 billion.

With one location in Plano, Texas, DPS Holdings operates as a holding company for DPS. The company is primarily responsible for purchasing assets and providing employment at the qualified business site. DPS Holdings is proposing $60 million in capital investment and is committing to retain 1,101 jobs throughout the 5 year designation at the qualified business site. Currently, DPS Holdings does not have any transportation needs to be addressed by the Governor's Office and affirms that the payroll and tax records of the business activity conducted at the qualified business site will be maintained separately from all other DPS facilities.

DPS Holdings anticipates spending over $58 million to improve the facility and purchase new IT equipment and software over the next five years at the Plano site. Specifically during the designation period, they plan to upgrade the boiler room, fan motors, and HVAC systems. In addition, they will install parking lot cameras and renovate the conference room. Additionally, its capital spend will focus on IT software and hardware for programs such as MyDay, Microstrategy, CMDM, and Fleetwood. These capital investments will significantly increase business intelligence, and allow DPS to continue as a leading producer of flavored beverages in North America.

Section 2303.406(a)(4)(D) of the Texas Government Code allows a project or activity of a qualified business to be designated as an Enterprise Project and receive job retention benefits "if the business has clearly demonstrated that the business is able to employ individuals in accordance with Section 2303.402." To meet this requirement, DPS Holdings, located at 5301 Legacy Drive, Plano, Texas in Census Tract 316.57, Block Group 1, of Collin County, will actively use Post-Employment forms to ensure that 25% of new or replacement certified personnel are residents of an enterprise zone or economically disadvantaged as required for certified jobs over the next five years.

DPS Holdings currently employs 1,101 employees at the Plano, Texas facility and commits to retain the existing level of employment. Of those jobs, 876 meet the definition of a "retained job" in Texas Government Code § 2303.401(2) because they currently exist, provide and will continue to provide at least 1,820 hours of employment annually, and will be employment positions for the longer of the duration of the project's designation period or three years after the expiration date of the claim period for receipt of state benefit. Given the proposed investment, no layoffs or reductions in employment are contemplated at this time.

Employees at DPS and DPS Holdings strive to make their community a better place to live and work through volunteer efforts and financial support for a variety of organizations benefiting a wide array of people. In the past year, DPS contributed over $7 million to the following organizations: Let's Play, KaBoom!, Good Sports, Student Conservation Association, Keep America Beautiful, The Nature Conservancy, American Red Cross, United Way, and the ACTIONeer Program. Local contributions included $40,000 in sports gear to the winners of the Dallas Cup Tournament, and sponsorships for the My Possibilities Santa Run and the 2nd annual Living for Zachary Heart Run. Over the five-year designation period, the company fully expects to continue its current level of participation in supporting various civic activities and organizations.

DPS Holdings' commitment to its Plano, Texas facility is an exciting and integral part of the local business community. We look forward to continuing our relationship with the Texas Enterprise Zone Program and the City of Plano in the coming years.

Sincerely,

Elaine Nelson

Elaine Nelson
Vice President
DPS Holdings Inc.

A Resolution of the City Council of the City of Plano, Texas, nominating DPS Holdings Inc. to the Office of the Governor, Economic Development and Tourism ("OOGEDT") through the Economic Development Bank ("Bank") for designation as a qualified business and an enterprise project ("Project") under the Texas Enterprise Zone Program under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code ("Act"); and providing an effective date.

WHEREAS, the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code, as amended, ("Act") authorizes the designation of enterprise projects within an enterprise zone (or, if the requirements of Section 2303.402 (a) (2) of the Act are met, within an area that does not qualify as an enterprise zone); and

WHEREAS, the City of Plano, Texas ("City") desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the City and to provide employment to residents of enterprise zones and to other economically disadvantaged individuals; and

WHEREAS, on October 27, 2008 the Plano, TX City Council approved Ordinance 2008-10-22, electing to participate in the Texas Enterprise Zone Program and providing for local incentives available in each area within an enterprise zone and in each area not in an enterprise zone, which local incentives are the same today as they were provided in Ordinance 2008-10-22; and

WHEREAS, the Office of the Governor, Economic Development and Tourism (OOGEDT) through the Economic Development Bank ("Bank") will consider DPS Holdings Inc. as an enterprise project pursuant to a nomination and an application made by the City; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code ("Act"), DPS Holdings Inc. has applied to the City for designation as an enterprise project; and

WHEREAS, the City finds that DPS Holdings Inc. has represented to the City that it meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

1. DPS Holdings Inc. is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction located inside of an enterprise zone and at least twenty-five percent (25%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals; and

2. There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities within the area; and

3. The designation of DPS Holdings Inc. as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area; and

WHEREAS, the City finds that DPS Holdings Inc. meets the criteria for tax relief and other incentives adopted by the City and nominates DPS Holdings Inc. for enterprise project status on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

WHEREAS, the City finds that it is in the best interest of the City to nominate DPS Holdings Inc. as an enterprise project pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The City Council finds that DPS Holdings Inc. is a "qualified business", as defined in Section 2303.402 of the Act, and meets the criteria for designation as an enterprise project, as set forth in Section 2303, Subchapter F of the Act.

Section II. That the enterprise project shall take effect on the date of the designation of the enterprise project by OOGEDT and terminate five years from the date of designation.

Section III. That the findings of the City and its actions approving this resolution taken at the City Council meeting are hereby approved and adopted.

Section IV. This Resolution shall become effective immediately upon its passage.

Section V. The City Manager, or his authorized designed, is hereby authorized to execute any documents in connection with the nomination on behalf of the City of Plano referenced above.

DULY PASSED AND APPROVED this the 25th day of August, 2014.

_____
Harry LaRosiliere, MAYOR

ATTEST:

_____
Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

_____
Paige Mims, CITY ATTORNEY