

AGENDA



Thursday, August 9, 2007

**Public Hearings and Possible Actions
RECOMMENDATION FOR COUNCIL ACTION****Item No. 60**

Subject: Conduct a public hearing and consider an ordinance nominating a proposed Otis Spunkmeyer production expansion facility located at 6315 East Stassney Lane, Austin, Texas, for designation by the Governor's Office of Economic Development and Tourism as an Enterprise Project in accordance with Texas Government Code Chapter 2303 ("Texas Enterprise Zone Act").

Fiscal Note: There is no unanticipated fiscal impact. A fiscal is not required.

For More Information: Sue Edwards, Director/974-7820; David Lloyd, Attorney/974-2918.

This hearing is to consider an ordinance nominating a proposed Otis Spunkmeyer production expansion facility for State designation as a "single enterprise project" under the Texas Enterprise Zone Act. State law requires a public hearing by Council to consider the proposed Enterprise Project designation. If so designated, an enterprise project is eligible for a refund of State sales and use taxes based on employment criteria and the amount invested. It is not necessary for such a project to be located in an "Enterprise Zone" to receive such benefits, and the proposed Otis Spunkmeyer production expansion is not in an Enterprise Zone. Staff and the Greater Austin Chamber of Commerce are coordinating with Otis Spunkmeyer and the Governor's Office of Economic Development and Tourism on this project.

Enterprise projects not located in an Enterprise Zone are required to fill at least 35% of new jobs with individuals who are economically disadvantaged, or reside in State identified "Qualifying Census Block Groups". The State also requires that the nominating local government identify economic development incentives that may be offered to the project. The City will provide expedited permitting and construction inspection for the project. The project specifications indicate that Otis Spunkmeyer will expand its cookie dough manufacturing operations at its current location of 6315 East Stassney Lane. Approximately \$9.8 million will be invested in 2007 and an additional \$8.0 million in 2008 for a total capital investment of \$17.8 million. Work on this new product line is scheduled to begin in Summer 2007. The proposed Otis Spunkmeyer production expansion is projected to create 60 additional permanent jobs within the City.

At the public hearing, the Council must hear and pass on any objection, made orally or in writing, to the provisions of this designation prior to approval of this ordinance.