

Memorandum



DATE **March 4, 2011**

TO **Members of the Economic Development Committee: Ron Natinsky (Chair),
Tennell Atkins (Vice Chair), Jerry R. Allen, Sheffie Kadane, Linda Koop,
Ann Margolin, Steve Salazar**

SUBJECT **Dean Foods Company/WhiteWave Foods Company Oak Cliff Project**

On Monday, March 07, 2011, the Economic Development Committee will be briefed on the Dean Foods Company/WhiteWave Foods Company Oak Cliff Project

A copy of the briefing is attached.

Should you have any questions, please contact me at (214) 670-3314.



A.C. Gonzalez
Assistant City Manager

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
Ryan S. Evans, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Dean Foods Company/WhiteWave Foods Company Oak Cliff Project

Economic Development Committee
March 7, 2011



Introduction

- Discuss new manufacturing facility in Oak Cliff proposed by Dean Foods Company and its subsidiary WhiteWave Foods Company
- Present proposed City of Dallas economic incentives for the project

Background

- Dean Foods Company
 - Dallas Headquarters – Cityplace Center
 - Operates approximately 100 manufacturing plants in U.S. and Europe
 - Approximately 27,000 employees worldwide
 - Area brands include Oak Farms retail, Schepps food service and other private labels



Background

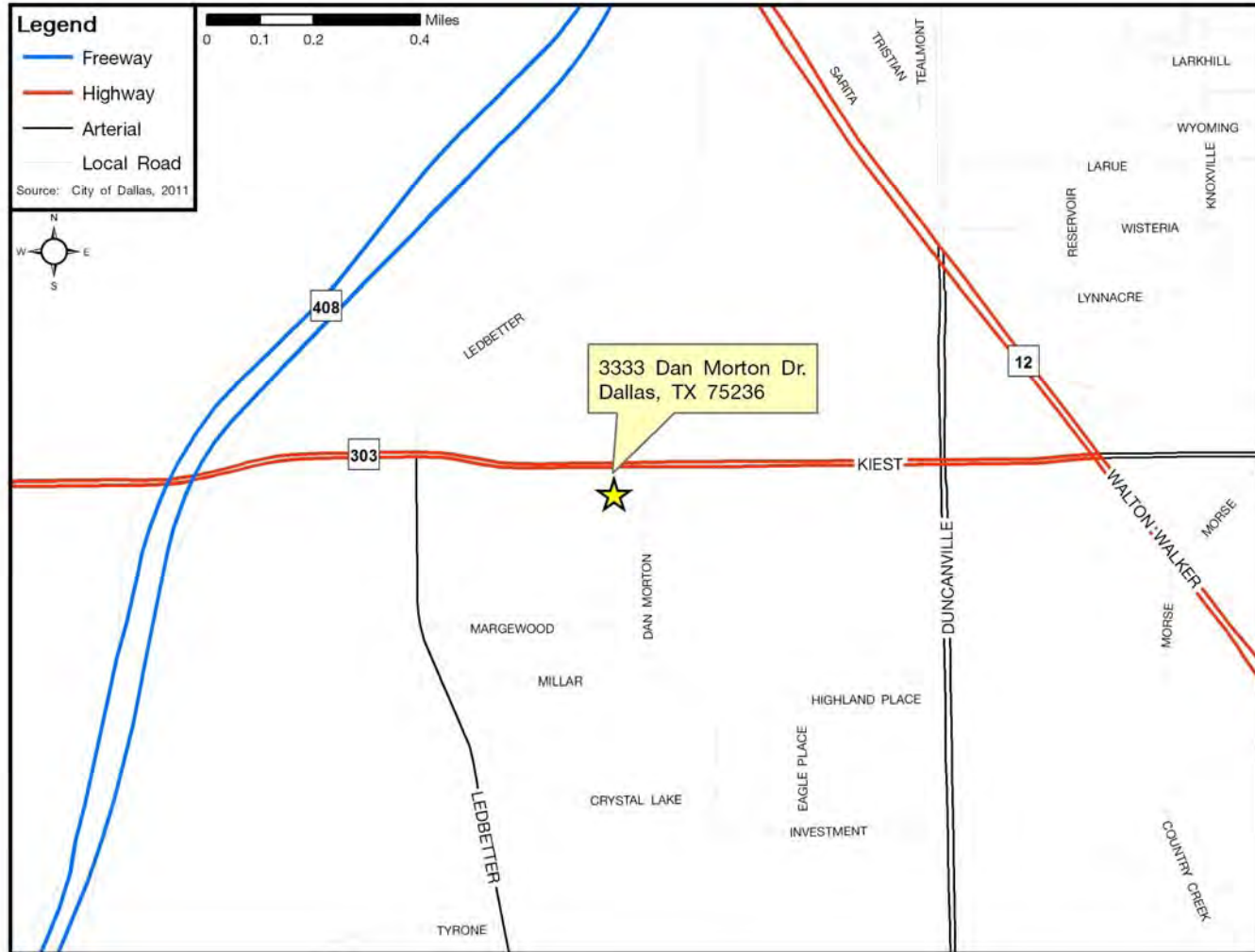
- WhiteWave Foods Company, a Subsidiary of Dean Foods Company
- Nationally branded dairy, not-dairy, soy and plant based beverages and foods



Project Description

- Project Site
 - 3333 Dan Morton Dr.
 - Approximately 18 acres
 - Existing 190,000 sq. ft. with a 97,000 sq. ft. expansion planned
- Company also considered site in Mount Crawford, VA

Project Site



Project Description

- Project Plan
 - Investment Estimates
 - Real Property - \$45,000,000
 - Personal Property - \$40,000,000
 - Employment Estimates
 - New Hire Employees – 80
 - Relocated Employees – 5
 - Average Wage - \$64,000

Proposed Incentives

- Business Personal Property Tax Abatement
 - 90% Ten-years
 - Estimated benefit: \$1,673,964
- Economic Development Grant
 - \$250,000
- The 10-year estimated fiscal impact is \$4,069,415 (Fiscal and Economic Impacts estimates are provided as Attachments 1 & 2).

Proposed Terms

- **Business Personal Property Abatement**
 - Year one
 - once company has invested \$23M in real property improvements
 - Years 2 through 10
 - authorized only if company hires/retains a minimum of 75 employees
- **Grant**
 - \$23M in real property improvements AND creating 75 full time jobs

Recommendation

- Staff recommends approval of the proposed \$250,000 economic development grant and a ten-year 90% business personal property tax abatement.

Next Steps

- On March 9, 2011, City Council will consider authorizing a public hearing for the purpose of creating Reinvestment Zone 75 (required by Chapter 312 of the Texas Tax Code)
- On April 13, 2011, City Council will consider creation of Reinvestment Zone 75 and authorizing the described tax abatement and grant.

Questions?



ATTACHMENTS



Attachment 1: Fiscal Impact

	10 Year	20 Year
Total City GF Revenue Generated	\$9,800,290	\$21,744,948
Total City GF Service Costs	\$3,806,911	\$7,334,750
Net Impact Before Incentives	\$5,993,379	\$14,400,198
City Incentives	\$1,923,964	\$ 1,923,964
Net City Fiscal Impact	\$4,069,415	\$12,476,234

Attachment 2: Economic Impact

	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	85	\$157,575,769	85	\$284,679,354
Indirect and Induced Impact	145	\$57,282,385	145	\$120,834,177
Total Impact	230	\$214,858,154	230	\$405,513,531