



Legislation Text

File #: TB-2019-022, **Version:** 1

Consider a resolution authorizing the President to execute an Economic Development Agreement with Sovos Brands Intermediate, Inc. dba Michael Angelo's Gourmet Foods, Inc.

This item is an Economic Development Agreement between the Round Rock Transportation and Economic Development Corporation, and Sovos Brands Intermediate, Inc. dba Michael Angelo's Gourmet Foods, Inc.

This is an agreement with an existing specialty food manufacturer in the city who wishes to enhance their current facility and equipment by adding and expanding cold storage and modern manufacturing lines. The agreement requires Sovos Brands to expend at least \$11,000,000 over a three-year period in the rehabilitation of the facility, new equipment, and business personal property at their facility located within Round Rock city limits at 200 Michael Angelo Way, Austin, Texas. In addition, they must add 18 additional full-time skilled employees to their current workforce of 300 employees over the next three years.

In consideration for Sovos meeting the obligations of the agreement, economic incentive payments (EIPs) in the following amounts and years will be issued:

2020 \$140,000

2021 \$75,000

2022 \$75,000

The total incentive being offered is \$290,000 with a rate of return of 19.6% and a payback period of 4.3 years. The agreement will terminate on the date the final EIP is made in 2022 and does include claw backs, should Sovos not fulfill their obligations.