



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: December 11, 2018

Reference: Consider approval of a Resolution approving a Tax Abatement Agreement between the City of Coppel and EMP Manufacturing Inc., and authorizing the Mayor to sign.

2030: Business Prosperity

Executive Summary:

Norwex USA, Inc. opened a second facility in Coppel in 2018. This Tax Abatement Agreement is for that facility. The 5-year agreement is for a 90% abatement on the business personal property located at 220 N. Freeport Parkway.

Introduction:

In 1994, Norwex began in Norway. The company produced personal care and cleaning products with a radically reduced amount of chemicals. In 1995, Norwex entered the home party market in Norway and grew dramatically. In 1999, Norwex expanded to Canada and the United States, and by 2010, they were selling products worldwide.

The company grew rapidly and outgrew their former space in Addison. After a long search, Norwex decided to move their U.S. Headquarters and distribution center to 800 W. Bethel. They are occupying 143,000 square feet of space at this building. In 2018, Norwex's sister company, EMP Manufacturing, leased approximately 212,980 square feet of space at 220 N. Freeport Parkway. Norwex subleases approximately 150,000 square feet of that space.

EMP Manufacturing houses the research and manufacturing institute for the parent company, Norwex. Norwex is able to control the product development process in-house from start to finish. This allows more freedom for the company to create and be assured that quality and ingredients are all to Norwex's standard. The space is green-certified and houses manufacturing, raw materials, product storage and the Research Institute.

Analysis:

Reinvestment Zone 91 was created in 2014. This 5-year, 90% abatement will be applied to the business personal property for EMP Manufacturing Inc. located at 220 N. Freeport Parkway.

Legal Review:

The Agreement was drafted by Pete Smith.

Fiscal Impact:

N/A

Recommendation:

Community Development recommends approval.