



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: December 8, 2020

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

2040: Create Business and Innovation Nodes

Executive Summary:

Varidesk, LLC produces flexible office space solutions and office furniture. They are scheduled to purchase the land at the NEC of Freeport Parkway and State Highway 121 to construct their new corporate headquarters. This Resolution is for a Tax Abatement Agreement with the terms of a 90% abatement on real and business personal property for a period of 10 years.

Introduction:

Varidesk, LLC produces flexible office space solutions and office furniture. Varidesk, now referred to as Vari, started in Coppel. They were originally located in shared space with Gemmy Industries at 117 Wrangler Drive. Due to the growth of the company, Varidesk expanded to the point of needing their own lease space. In 2016, they leased approximately 38,000 square feet of space at 1221 S. Belt Line Road with approximately 90 employees. The popularity of the brand has continued to grow along with Vari's employment count, and they have expanded their lease space over the past few years to accommodate their continued growth. Vari has now made the decision to vacate their current lease space to build and occupy a new corporate headquarters to accommodate their 350+ employees.

After an extensive search for the best site, they have selected the property located at the northeast corner of Freeport Parkway and State Highway 121. Vari will construct their new corporate headquarters at this site, which will range anywhere from 140,000 – 180,000 square feet in size. They will also use a portion of this square footage as one of their new VariSpace concepts until the need arises for them to occupy the entire building themselves. Their decision to purchase this site in Coppel is based heavily on the approval of the incentive package under consideration by City Council this evening.

Prior to voting on the proposed tax abatement agreement, City Council will hold the required Public Hearing regarding the designation of Reinvestment Zone No. 111 this evening, December 8, 2020.

Analysis:

The resolution and tax abatement that coincide with Reinvestment Zone No. 111 will provide a 10-year, 90% abatement on the real and business personal property for Varidesk, LLC.

Legal Review:

The documents were prepared by Pete Smith.

Fiscal Impact:

90% abatement of real and business personal property taxes for 10 years.

Recommendation:

Staff recommends approval.