



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: December 13, 2022

Reference: Consider approval of a Resolution approving a Tax Abatement Agreement by and between the City of Coppell and Rochester Sensors, LLC, and authorizing the Mayor to sign.

2040: Create Business and Innovation Nodes

Introduction:

Rochester Sensors, LLC has selected to relocate their global headquarters to Coppell. Rochester Sensors embarked on a multi-city search to determine the home of their new global headquarters. As part of the negotiations, the City made an offer to help incentivize their decision to relocate to Coppell.

Background:

Rochester Sensors, LLC is a global manufacturer of high-quality gauges, sensors, switches and systems used to measure liquid levels. The company, founded in 1913, is currently headquartered in Dallas but has manufacturing facilities in Mexico, Belgium, the United Kingdom and China. Due to the proposed incentive agreement and other factors, Rochester Sensors has selected Coppell as their new global headquarters. The company will occupy approximately 80,000 square feet of space at 1025 S. Belt Line Road. Rochester Sensors will have 200 employees at the Coppell location, and they will sign a minimum 7-year lease term. The company will add approximately \$3.6 million in furniture, fixtures and equipment, and while a majority of their inventory will be subject to Triple Freeport Tax Exemption, there will be tax generating revenue from the business.

Before a tax abatement can be granted, a reinvestment zone must be created. A public hearing was held and Reinvestment Zone No. 114 was created by ordinance by City Council on October 11, 2022. A public hearing notice was then posted on the City's website as required by the Texas Tax Code Section 312.207. The resolution and tax abatement that coincide with Reinvestment Zone No. 114 will provide a 5-year, 75% abatement on the tangible personal property for Rochester Sensors, LLC.

Benefit to the Community:

Rochester Sensors, LLC is locating 200 employees in Coppell that have the potential to live, eat and shop in Coppell, and the business will generate new property tax dollars for the community. In addition, being the global headquarters, Rochester Sensors also has the potential to draw other businesses such as their vendors to Coppell.

Legal Review:

The City Attorney's Office drafted the agreement.

Fiscal Impact:

75% abatement on tangible personal property for 5 years.

Recommendation:

Staff recommends approval.