



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: December 8, 2020

Reference: Consider approval of an Economic Development Agreement by and between the City of Coppell and Varidesk, LLC, and authorize 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 Economic Development Agreement is part of their overall incentive package being considered by City Council.

Introduction:

Varidesk, LLC produces flexible office space solutions and office furniture. Although Varidesk, now referred to as Vari, started in Coppell, they are known throughout the world for their creative solutions to office space and office furniture. Vari brings in guests from all over the world to showcase their products. They have continued to increase their lease space in Coppell to accommodate their growth over the years, but Vari has grown to a point that they need to vacate their current lease space to build and occupy a new corporate headquarters. With 350+ employees now, they need something to accommodate their space needs today and into the future.

After an extensive search for the best site, they have selected the property owned by Archway Properties 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.

This Economic Development Agreement is a portion of the overall economic development incentive package being considered by City Council this evening. Vari's decision to purchase this site in Coppell is based heavily on the approval of all incentives in the incentive package.

Analysis:

The Economic Development Agreement includes the following:

90% tax rebate on real and business personal property for years 11 – 20, 80% tax rebate on real and business personal property for years 21 – 27, one-time cash grant of \$1,000 per employment position for any new positions with an annual salary of \$80,000 or greater, excluding benefits for a maximum of 350 employment positions, 10-year, 75% sales tax rebate of the City's general fund collection for sales sourced to the City of Coppell, 50% waiver of Building Permit Fees, 75% sales tax rebate on all materials purchased and sourced to Coppell.

Legal Review:

The documents were prepared by Pete Smith.

Fiscal Impact:

Fiscal impact varies from year to year based on rebates issued that year.

Recommendation:

Staff recommends approval.