



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: May 11, 2021

Reference: Consider approval of an Amended and Restated 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 purchased the land at the NEC of Freeport Parkway and State Highway 121 to construct their new corporate headquarters. City Council approved two agreements as part of their overall incentive package on December 8, 2020. One of the agreements is now being amended to include all company affiliates under the Agreement.

Introduction:

Varidesk, LLC produces flexible office space solutions and office furniture. Varidesk, LLC purchased the land at the NEC of Freeport Parkway and State Highway 121 to construct their new corporate headquarters. As part of their overall incentive package, City Council approved an Economic Development Incentive Agreement and a Tax Abatement Agreement on December 8, 2020. The Economic Development Agreement applies to the improvements, tangible personal property, employment grants and sales tax for the company. The Tax Abatement Agreement applies to the real property improvements for the company.

After the land was purchased and the agreements were passed, Varidesk, LLC created new legal entities that are company affiliates of Varidesk, LLC. The land that will house the new corporate headquarters has been transferred, conveyed and sold to VariSpace Coppell, LLC. Vari Sales Corporation also exists today. Therefore, Varidesk, LLC would like to amend the existing Economic Development Incentive Agreement to include all company affiliates that are directly or indirectly controlled by or is under common control with Varidesk, LLC.

Analysis:

There are no changes to the terms of the agreement. This amendment is being made only to ensure that all company affiliates are included in the agreement between the City of Coppell and Varidesk, LLC.

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.