



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: June 8, 2021

Reference: Consider approval of a Resolution approving a Tax Abatement Agreement by and among the City of Coppell and Printful, Inc., and authorizing the Mayor to sign.

2040: Create Business and Innovation Nodes

Executive Summary:

Printful, Inc. is an on-demand printing and warehousing company looking to lease space at 217 Wrangler Drive. This Resolution is for a Tax Abatement Agreement with the terms of a 75% abatement on tangible personal property for a period of 5 years.

Introduction:

Printful Inc. is an on-demand printing and warehousing company that helps small businesses and individuals turn their ideas into brands and products. Customers are able to sell their items online, and Printful will print the custom products and ship them under the brand of their customer. Products include clothing, accessories and home and living items.

The company was started in North Carolina in 2013. The company has grown rapidly throughout the United States and Europe. The DFW location will be its 4th facility in the United States and its 8th facility globally. Printful will employ 120 employees at opening but expects to grow to approximately 400 employees within the first 2.5 years.

Printful will lease the entire 115,000 sq. ft. at 217 Wrangler Drive. The initial lease term is 74 months. The current real property value for that building is \$8,867,710. There are no existing incentives on the building. While they will spend close to \$1,000,000 in improvements to the building, the FF&E value is the value under consideration for an incentive. Between printing equipment, racking systems and furniture, Printful expects to have approximately \$14,000,000 in furniture, fixtures and equipment.

The company estimates that only 17% of the inventory at this facility would be shipped out of the State of Texas, which means only 17% would be subject to Triple Freeport Tax Exemption.

This facility will have a mix of office space, production space and warehouse space.

City Council held the required Public Hearing regarding the designation of Reinvestment Zone No. 113 on May 25, 2021.

Analysis:

The resolution and tax abatement that coincide with Reinvestment Zone No. 113 will provide a 5-year, 75% abatement on the tangible personal property for Printful, Inc.

Legal Review:

The documents were prepared by Pete Smith.

Fiscal Impact:

75% abatement of tangible personal property taxes for 5 years.

Recommendation:

Staff recommends approval.