

## Emerson Process Management to move from Austin to Round Rock, add 125 jobs in three years

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A high-tech company with 750 highly paid workers is in line for incentives worth as much as \$1.75 million for moving its headquarters from North Austin to Round Rock.

Emerson Process Management plans to add 125 workers over the next three years as it moves its base to the Frontera Vista office complex in Round Rock.

The Round Rock City Council could vote on the city's \$1 million share of the incentive package as soon as next week.

Williamson County is offering up to \$500,000, and the Round Rock Chamber of Commerce is kicking in \$250,000.

To get the full amount, the company must meet a number of criteria, including spending \$25 million to improve its new offices.

Additionally, Emerson is promising to generate 10,000 room-nights per year at area hotels, with visits from customers and workers from other cities and countries who will come to Round Rock for training.

The incentive package is one of the largest in Round Rock history.

In the mid-1990s, the city lured Dell's headquarters from Austin with incentives, and more recently, it persuaded Ikea to build a store there with a package worth about \$5 million.

City and chamber officials say incentive amounts are based on a matrix that, among other things, takes into account a company's capital investment, payroll and number of employees.

"This all started with a phone call to me" this spring from a real estate consultant, Round Rock Mayor Alan McGraw said Friday. "I was asked if we were interested in becoming home to a company with 750 employees with an average salary of over \$100,000. Of course, the answer was: absolutely."

Emerson Process Management, which helps a variety of companies worldwide automate their production, processing and distribution operations, is part of St. Louis-based Emerson, a Fortune 500 company. Emerson Process Management has had a presence in Austin since the early 1980s.

On Friday, it finalized the purchase of the two Frontera Vista office buildings at 1100 W. Louis Henna Blvd., adjacent to La Frontera shopping center.

Executives declined to reveal the price they paid for the 270,000 square feet of Class A office space.

The company will move in at the start of 2012 after finishing out the structures, which have been almost empty since they were completed in 2009.

The complex, which includes a four-story parking garage, is appraised at about \$25 million, according to the Williamson Central Appraisal District.

Officials said the planned renovations will significantly increase the property's value, netting more tax dollars for Round Rock, Williamson County and other taxing entities.

Emerson now occupies about 175,000 square feet at Research Park Plaza, 12301 Research Blvd.

There wasn't enough room to expand, executives said, so they began looking elsewhere, weighing 26 sites across Central Texas.

"Round Rock really worked with us," said Jim Nyquist, president of Emerson's systems and solutions unit. "Their arms were open, and they rolled out the red carpet."

The City of Austin has made several similar incentive deals in recent months to attract companies such as eBay, Facebook and SunPower.

The eBay agreement, for example, offers the company \$1.2 million over the next 10 years to create 1,000 jobs.

All of the agreements tie annual payments to job creation targets.

This time, however, Austin leaders said they just couldn't beat Round Rock's offer.

"When you're looking at incentives for retention, you're looking almost exclusively at the new jobs created," said Brian Gildea, Austin's economic development manager. "It would have been almost impossible for us to give that kind of incentive based on the economic benefit we'd see."

A real estate consultant initiated the talks with Round Rock, and McGraw said city and county leaders had no idea initially which company was involved, or that it already had operations in an adjacent community.

"We weren't actively snooping around Austin trying to poach their businesses," McGraw said.

Austin Mayor Lee Leffingwell and executives at the Greater Austin Chamber of Commerce insist there are no hard feelings.

"Our community has created thousands of new jobs in the past 24 months," Leffingwell said. "We have worked tirelessly to recruit new companies, encourage job creation and support job training projects.

"While I am not happy to see an employer move, the company is staying in our immediate area."

"We are thrilled Emerson will be staying in Central Texas and adding a number of new, good-paying jobs," said Dave Porter, the Greater Austin Chamber of Commerce's senior vice president of economic development.

The deal will dramatically reduce Round Rock's vacancy rate for Class A office space, which was 50 percent in the first quarter of 2011, according to Oxford Commercial.

After the company moves, the city will have about 28,000 square feet of available Class A space out of a total of 594,000 square feet.

Emerson was represented by Matt Mathias and Michael Levy of Matt Mathias and Co. as co-brokers with Curt Stanton of Paine/Wetzel's Chicago office.

"We have been working really hard to get those buildings filled," McGraw said. "There's going to be a really quick payback here."

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### **Incentive package for Emerson Process Management**

**TOTAL Contributions:**\$1.75 million

**Round Rock:** \$750,000 over seven years if company meets goals; \$250,000 in cash from existing economic development incentive fund.

**Williamson County:** \$500,000 over seven years if company meets goals.

**Round Rock Chamber of Commerce:** \$250,000 in cash from the Momentum Economic Opportunity Fund.

What the company must do to earn the incentives, **A11**

#### **What the company must do**

Invest \$25 million in facility improvements and personal property.

Transfer 750 existing jobs.

Add 125 new jobs over three years beginning Jan. 1.

Generate at least 10,000 hotel/motel room-nights per year in the city.

**Courtesy of JB Goodwin**

# Emerson Process Management to move



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