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## National Scooter Co. Inc. moves HQ to Pflugerville

Austin Business Journal - by [Francisco Vara-Orta](#) ABJ Staff

**National Scooter Co. Inc. is moving its headquarters and manufacturing operations to Pflugerville, forecasting 140 jobs over the next few years in a bid to become the country's largest maker and seller of scooters and electric bikes.**

National Scooter Co. CEO Greg James said he is moving his headquarters from Nacogdoches, about 219 miles northeast of Pflugerville, and some small manufacturing operations from China because the Austin area has the talent, retail market and business-friendly government incentives he sought.

"I couldn't think of a better place to take the company to the next level," James said. "Austin not only has innovative talent, but also the culture that is looking for alternative modes of transportation and has embraced the scooter quite well."

National Scooter's global headquarters, manufacturing, design and engineering, distribution and shipping operations, and a factory retail store will be located at Springbrook II Business Park at 1950 Picadilly Drive. Also, the company's flagship retail store, Austin Electric Vehicles, is expected to open in Austin in the next year or two.

James said the location in Pflugerville, at 10,000 square feet, is in proportion to the company's current size with eight employees. He plans to add more space and is working with the city and a developer for its manufacturing operations to be housed somewhere in Pflugerville, adding at least 60,000 square feet. Scooters should be rolling off the assembly line next year, he said.

James plans to hire 140 employees within six years. Hiring in Austin for all positions — from sales and marketing to engineering and warehousing — is under way. At least 34 employees are to be hired in the first year, and about twice that many will be hired the year after.

James, 55, spent more than 25 years in new car sales before he sold his **General Motors** dealerships in East Texas to start National Scooter last August. He had been selling scooters and electric bikes on the side but decided to do so full time after seeing rising gas prices, people's desire to stop depending on oil and socioeconomic diversity among scooter and electric bike buyers.

"It cuts across all lines in who buys the scooters, and I think there is finally enough momentum in this country for scooters to take off," James said.

While gas-powered scooters are two to three times more fuel-efficient than automobiles, James is developing a new electric-powered scooter his company will make and sell exclusively. He's bought a portion of Twist N' Go Scooters, based in Seattle, to own the rights to develop his model under that brand.

Last year, James sold about 3,000 scooters — mostly Twist N' Go gas and electric scooters retailing from \$1,495 to \$2,995. He hopes to sell 14,000 to 16,000 annually once production reaches full capacity in Pflugerville a few years from now.

Scooters have grown steadily in popularity over the past decade. In 2000, about 25,000 were sold in the U.S., but in 2008 the total reached 228,000, said Ty van Hooydonk, a spokesman for the **Motorcycle Industry Council** in Irvine, Calif. Scooter sales now make up about 25 percent of all motorcycle sales in the U.S., he said.

Official sales figures are hard to pin down for electric bikes, but the **National Bicycle Dealers Association** estimated 10,000 electric bikes were sold in the U.S. in 2007, up by 4,000 from the previous year — a tiny but growing fraction of the 18 million bikes sold that year.

Meanwhile, millions of scooters and electric bikes are sold overseas each year. That's helped keep most production overseas as well. Nearly all scooters and bicycles sold in the U.S. are made in foreign countries, with Italy's **Vespa** being the best known scooter.

By moving its manufacturing from China, National Scooter will become the first American scooter company to have its entire operations — from design to manufacturing to retail distribution — in the U.S., van Hooydonk said.

The move was made possible by an economic development agreement in which National Scooter will receive \$235,000 in incentives from the **Pflugerville Community Development Corp.** in exchange for beginning operations in Pflugerville by Aug. 1.

The company must also employ and provide benefits to at least 62 people within two years, and operate in Pflugerville for at least five years.

James said 20 sites in nine Texas cities were considered for the business' new location. All of them offered a triple freeport exemption, which exempts businesses that assemble, process, manufacture or store certain goods within a designated area from paying local taxes on their inventory if the goods are shipped out of the state within 175 days.

But James said Charles Simon, executive director of the **Pflugerville Economic Development Corp.**, sold him on the city with his customer service.

Landing the scooter deal is a big win for the small town 16 miles northwest of downtown Austin. Besides its growing retail development at **Stone Hill Town Center** with 700 mostly part-time jobs, its primary employment base consists of small manufacturers mostly tied to the area's tech industry.

"It's going to help us become more established as a bigger player in Austin business, and we're thinking this is a great way to diversify our employment base so it's not all tied to just the high-tech industry," Simon said.

If National Scooter grows as James projects, it will be the second-largest employer in the city behind **Austin Foam Plastics**, which has 250 workers. Currently, James said he is in a second round of fundraising, hoping to secure an additional \$2.8 million.

"The love affair between Americans and their cars — and in Texas, their pick-up trucks — isn't over," James said. "But I know there's a growing awareness of the need for alternative transportation, and I think from Austin on outward, people will come to love our scooters and bikes."

**Courtesy of JB Goodwin**