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**CITY COUNCIL AGENDA
WEDNESDAY, MARCH 29, 2017
250 NORTH 5TH STREET
6:15 PM – PRE-MEETING – ADMINISTRATION CONFERENCE ROOM
7:00 PM – REGULAR MEETING – CITY HALL AUDITORIUM**

To become the most livable community west of the Rockies by 2025

Call to Order, Pledge of Allegiance, Moment of Silence

- 1. Discussion and Potential Action Item**
 - a. Authorization of the City Manager to Negotiate an Economic Development Incentive Agreement to Retain and Expand an Existing Business
- 2. Other Business**
- 3. Adjournment**



Grand Junction City Council

Regular Session

Item #1.a.

Meeting Date: March 29, 2017

Presented By: Greg Caton, City Manager

Department: Admin - City Manager

Submitted By: Greg Caton, City Manager

Information

SUBJECT:

Authorization of the City Manager to Negotiate an Economic Development Incentive Agreement to Retain and Expand an Existing Business

RECOMMENDATION:

City Staff recommend approval as presented.

EXECUTIVE SUMMARY:

This item is to discuss whether to authorize the City Manager to negotiate an incentive package for the retention and expansion of an existing business. The company would locate the facility on City owned land that would be improved for the purposes of establishing a business park on the riverfront at the east end of Las Colonias Park. As the anchor tenant, the company would actively participate with Grand Junction Economic Partnership in the recruitment of businesses to the park. If the incentive agreement is consummated, the business park will be considered under separate action at a future City Council meeting. Conceptual design of the business park includes the development of approximately 10% of the entire Las Colonias Park for the location of several businesses in a campus setting combined with public park amenities consistent with the Las Colonias Master Plan. Approximately one-half of the project is related park amenities which include irrigation systems, a shelter, bathroom facilities, a dog park, a boat ramp and an athletic turf area. The cost to develop the business park includes street infrastructure for both access on and off Riverside Parkway as well as internal street structure within the park development.

BACKGROUND OR DETAILED INFORMATION:

This item is to discuss whether to authorize the City Manager to negotiate an incentive package for the retention and expansion of an existing business which includes \$1 million toward the construction of a facility (estimated to be \$2 million), City payment of \$71,000 in fees, and a 10-year rebate of the City's real property tax which is estimated at a total \$46,000. In addition to its portion of the building, the company would construct a public asset estimated at \$600,000 for public use, execute a land lease on City owned land for \$20,000 per year for 25 years (totaling \$500,000), and the company would actively participate with Grand Junction Economic Partnership in the recruitment of businesses to the park.

With the successful negotiation of an incentive agreement, the company would locate its facility on City owned land that would be improved for the purposes of establishing a business park. The business park will be considered under separate action at a future City Council meeting; however, to provide some context for the negotiation of the incentive package, there is an economic development opportunity within the City and Downtown Development Authority (DDA) district to build a business park in connection with the next phase of Las Colonias Park for an overall public/private investment of \$30 million on the riverfront (\$10 million public and \$20 million private). The City wishes to partner with the DDA in pursuit of this development.

Of the \$10 million estimated cost of the project, approximately one-half is for park amenities which include irrigation systems, a shelter, bathroom facilities, a dog park, a boat ramp and an athletic turf area. The cost to develop the business park includes street infrastructure for both access on and off Riverside Parkway as well as internal street structure within the park development.

Conceptual planning of the recreation and business park estimates between 10 to 15 acres developed with park amenities complimenting a business park designed to attract the outdoor recreation industry. Key to this development is the retention of a native Grand Junction business. This business is looking to move and expand its current operations and is proposed as the anchor tenant for the development. The vision of the combination recreation and business park centers around two main concepts: one, providing a Google-like campus for a cluster of like type industry businesses is a proven tool to attract significant economic development to a defined area. The business will play an active and key role in the recruitment of other businesses to this park and two, the combined park allows for the company as well as other businesses to build significant amenities that will have public and private benefit. The City, or a City-based organization such as a development corporation, would manage the park including 25-year land leases to businesses located in the park.

The State of Colorado has placed specific emphasis in the outdoor recreation industry with the creation of the Office of Outdoor Recreation Industry in 2015. In support of expansion and new job creation, the State has offered \$75,000 in cash incentives to

the company. Officials at the State level have also encouraged the concept of a “plug and play” business park to compete with other States and in particular, Utah. The vision of this business park is in direct alignment with the State of Colorado’s goals and initiatives related to economic development and specifically this targeted industry.

FISCAL IMPACT:

The economic development incentive includes:

- \$1 million toward the construction of a facility (estimated to be \$2 million)
- Waiving \$71,000 in fees
- 10-year rebate of the City’s real property tax estimated at a total \$46,000

In addition to constructing their portion of the building, the company would also:

- Construct a public asset estimated at \$600,000 for public use
- Execute a land lease on City owned land for \$20,000 per year over 25 years (totaling \$500,000)

SUGGESTED MOTION:

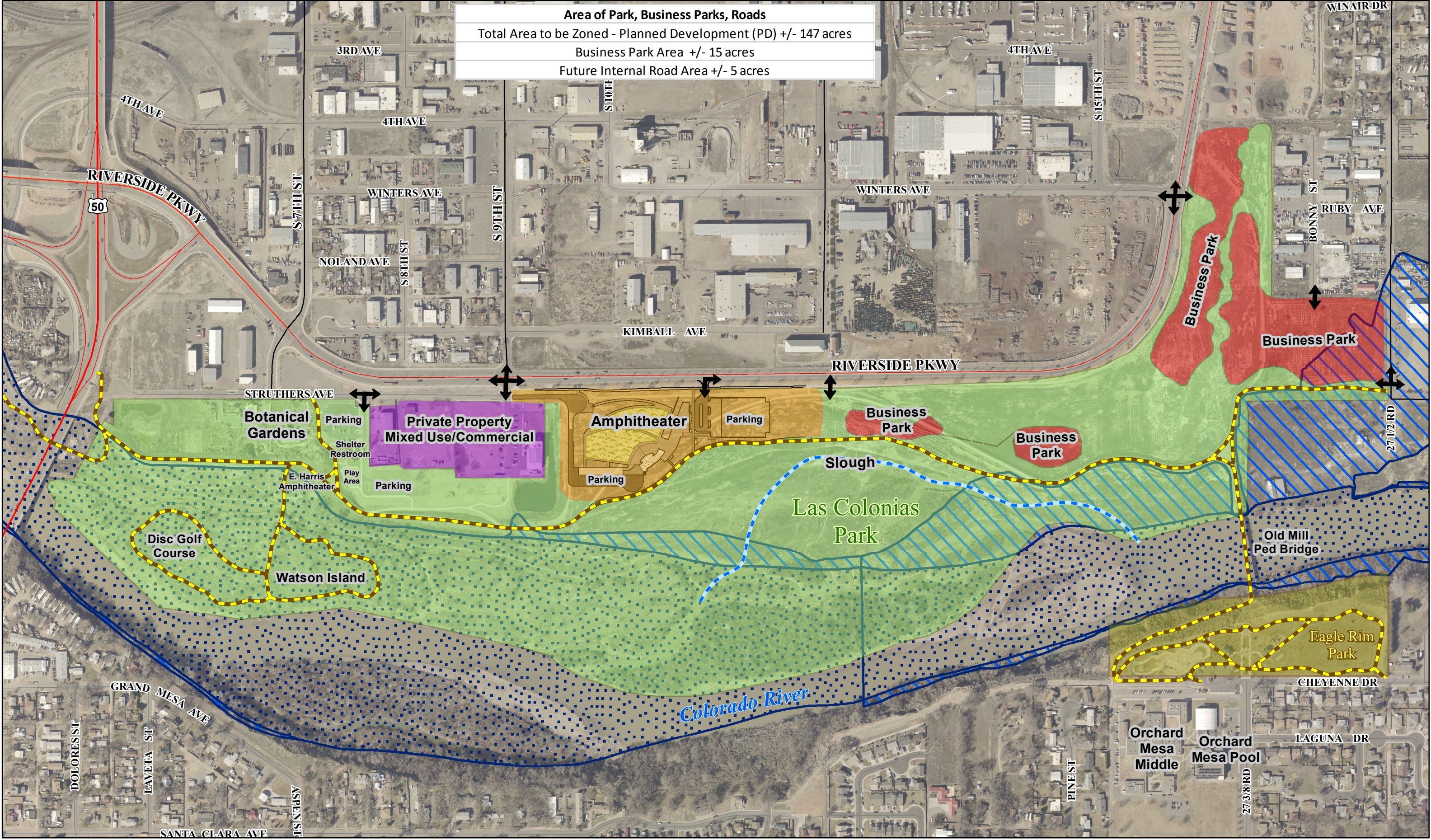
I move to authorize (to not authorize) the City Manager to negotiate an economic incentive agreement consistent with the terms presented.

Attachments

1. Draft Outline Development Plan (ODP)

Las Colonias Park - Outline Development Plan (ODP)

Area of Park, Business Parks, Roads
 Total Area to be Zoned - Planned Development (PD) +/- 147 acres
 Business Park Area +/- 15 acres
 Future Internal Road Area +/- 5 acres



FEMA -2012 Floodplain Data

- ZONE AE - Floodway
- ZONE AE (100yr) 1% Annual Chance Flood
- Existing Park
- Colorado Riverfront Trail
- Access Points

Document Path: G:\GIS\DEPARTMENT\PARKS\GIS\LasColonias\OutlineDevelopmentPlan.mxd