

**GRAND JUNCTION CITY COUNCIL  
MONDAY, OCTOBER 6, 2014**

**WORKSHOP, 5:00 P.M.  
CITY AUDITORIUM  
250 N. 5<sup>TH</sup> STREET**

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

[Supplemental Document](#)

**1. Web Site Upgrades – Demonstration**

- Industrial Land Analysis
- Lethbridge
- Innovation Districts

[Supplemental Document](#)

**2. Marketing Plan**

**3. Commercial Catalyst Pilot Program**

**4. Vendor Compensation**

**5. International Economic Development Council Conference**

**6. Global Petroleum Show**

[Supplemental Document](#)

**7. Other Business**

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**CITY OF**  
**Grand Junction**  
COLORADO  
CITY COUNCIL

**ECONOMIC DEVELOPMENT UPDATE**



OCTOBER 6, 2014



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**Agenda**

- Website Upgrades
- Marketing Plan
- Commercial Catalyst Pilot Program
- Vendor Compensation
- Global Petroleum Show
- International Economic Development Council Conference



## WEBSITE UPGRADES

Goal: Support Existing Businesses and New Prospects by Providing Useful Information and Data



## WEBSITE UPGRADES

- New Design
  - Incorporate Marketing and Branding Strategies
- New Content
  - Surveyed "best practices" in local government economic development websites
  - Economic Development Partners, news feed, success stories, cost of doing business, Industrial Lands



## INDUSTRIAL LANDS ANALYSIS

### Industrial Lands Analysis

- Identified large industrial parcels and parks
- Determined location of utilities (water, sewer, gas, electric, broadband)
- Provide Property Details & Contact Information
- Next Steps



## LETHBRIDGE, ALBERTA

- [www.ChooseLethbridge.ca](http://www.ChooseLethbridge.ca)
- Business Cluster Integration with GIS
- Teconnect
  - Technology Commercialization Centre
  - Incubator, Accelerator and Innovation Hub

## BUSINESS INCUBATOR TECHNOLOGY ACCELERATOR

- Accelerator Program for Tech Start Ups
- Fostering Innovation
- Components:
  - Education
  - Innovation Space
  - Business Incubation
  - Advisory/Mentor Network

**Goal:** Continue to partner with the Business Incubator and the Manufacturing Council to find how to better define the partnership and support and promote the retention, success and expansion of existing businesses and start-ups.



## ECONOMIC DEVELOPMENT MARKETING PLAN

**Goal:** Identify and understand the existing efforts of the Economic Development Partners

**Goal:** As part of the annual budget process, evaluate the success of our current marketing efforts and identify potential opportunities for new or coordinated marketing efforts.

## ECONOMIC DEVELOPMENT MARKETING PLAN

### Background:

Understand the Existing Efforts of Our Economic Development Partners

Identify Opportunities and Investments

Collaborative Marketing

- Synergistic Strength
- United Front



## ECONOMIC DEVELOPMENT MARKETING PLAN

### Purpose:

- Seek a qualified economic development branding and marketing professional to work with the Economic Development Partners on brand development and a collaborative Marketing Plan.

### Goals and Outcomes:

- Cohesive Branding
- Unified Voice for Economic Development Marketing
- Implementation Strategies



## ECONOMIC DEVELOPMENT PARTNERS MARKETING COMMITTEE

- ✓ Evaluate Proposals and Recommend Contract
- ✓ Work with Marketing Firm to develop Brand and Economic Development Marketing Plan
- ✓ Implement Cohesive and Collaborative Marketing Strategies



## OPTION FOR TWO CONTRACTS

### Branding and Marketing Plan Development

- ✓ Brand Development
- ✓ Identification of Target Markets and Industries
- ✓ Marketing Strategies (with prioritization and cost estimates)
- ✓ Identification of Benchmarks and Performance Indicators

### Advertising and Promotional Material Development

- ✓ Implementation of Marketing Strategies
- ✓ Promotional and Advertising Material Development
- ✓ Monitor Benchmarks and Performance Indicators



## COMMITTEE RECOMMENDATION- NORTH STAR

- **Leading National Research, Branding and Economic Development Strategy company**
  - Extensive and Individualized research, data analysis, community outreach and perception surveys
- **Brand Development**
  - Combination of Vision of the Community, Perception of Consumers & Influencers, Competitive Strategy
- **Asset Alignment**
  - Matching industries with our specific economic assets
- **Industry Intelligence**
  - Identification of clusters, relationships between industries, critical site selection factors, workforce needs
- **Creativity**
  - Creative Concepts, Logos and Visual Identity of Brand, Content Recommendations, Targeted Marketing Message



## WHAT CAN CITIES TEACH MARKETERS ABOUT MARKETING

*Andy Levine, President Development Counsellors International*

### Smart Cities:

- Understand the Art of Collaboration
- Know how to Work with Smaller Budgets
- Focus on Match Rather than Reach
- Turn to Earned Media to Do the Heavy Lifting
- Know the Importance of Influencer Marketing
- Starting to Use their Own Residents as Digital Ambassadors



<http://www.forbes.com/sites/onmarketing/2014/08/26/what-cities-can-teach-marketers-about-marketing/> Accessed 10/04/2014



COUNCIL DIRECTION



COMMERCIAL CATALYST PILOT PROGRAM

Goal: Explore Opportunities and Review Requests to assist the business community through tax policies, financing options and financial incentives

## COMMERCIAL CATALYST PILOT PROGRAM

- Economic Development Incentive for Revitalization
- Matching Grant Program to Leverage Private Investment in Commercial Buildings
- Façade Improvements & Pedestrian Safety Investments
- North Avenue Overlay



## COMMERCIAL CATALYST PILOT PROGRAM

### Eligible Projects

Repair, restoration, or installation of :

- Exterior Masonry, Stucco or Siding
- Exterior Awnings, Window, Trim and Doors
- Lighting & Signage

Removal of Nonconforming structures

Pedestrian Safety- sidewalks and park strips

All improvements must be permanent



## COMMERCIAL CATALYST PILOT PROGRAM

- Commercial Properties (owner or tenant with owner approval)
- Matching Grant up to \$10,000 per project
- Two Rounds of Funding
- Application Process (first come, first served)
- Conformity with North Avenue Overlay
- Funding on a reimbursement basis



## COUNCIL DIRECTION





## REVIEW OF VENDOR COMPENSATION EXPENSE

### WHAT IS THE VENDOR'S FEE?

- Sales tax vendors are sometimes compensated by taxing jurisdictions for their collection and remittance of sales tax.
- Each taxing jurisdiction (state, local government) authorized its own vendors fee per ordinance or statute.
- The compensation is in the form of a "vendors fee" which is the portion of the sales tax collected by the vendor that they get to retain.
- The vendor fee is deducted from tax remitted on each return filed.



## CITY OF GRAND JUNCTION VENDOR EXPENSE

3.33% of taxes collected

Reduced from 5% to 3.33% in 1983

Savings in vendor compensation expense is transferred to VCB



## VENDOR FEE BY STATE

Of the 46 states that have sales tax:

- 19 do not offer vendors compensation
- 27 offer vendors compensation
- Colorado has the highest vendor compensation expense of all the states

*State Sales Tax Rates and Vendor Discounts, Federation of Tax Administrators, 1/1/2014*



## COLORADO MUNICIPAL VENDOR COMPENSATION

Of the 69 home rule municipalities:

- 29 do not offer vendors compensation
- 32 offer less vendors compensation than the City of Grand Junction
- 6 offer the same rate of compensation as the City of Grand Junction
- 1 offers more compensation than the City of Grand Junction

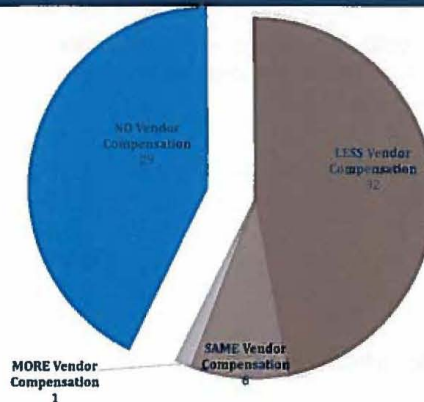
*Colorado Department of Revenue Form 1002 (2014)*

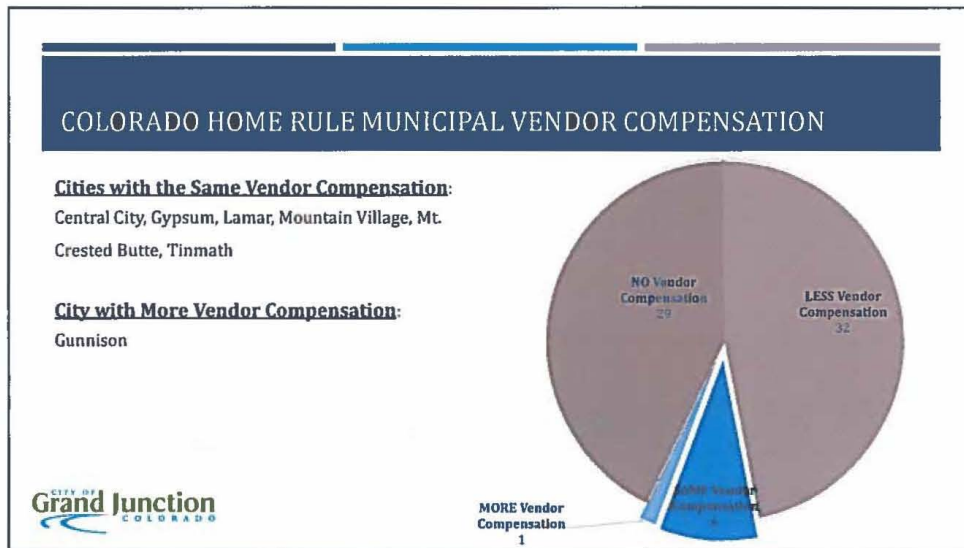
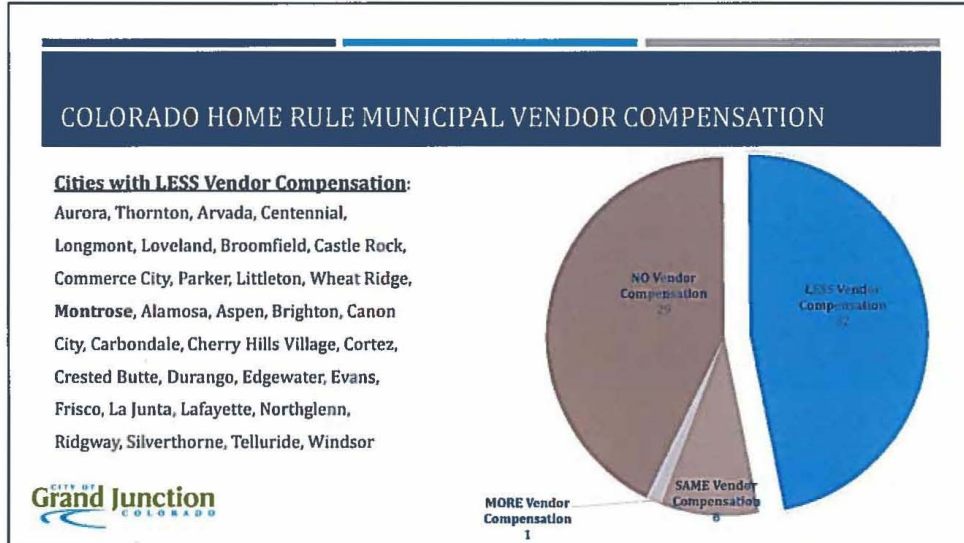


## COLORADO HOME RULE MUNICIPAL VENDOR COMPENSATION

**Cities with NO Vendor Compensation:**

Denver, Colorado Springs, Fort Collins,  
Lakewood, Pueblo, Boulder, Greeley, Golden,  
Greenwood Village, Rifle, **Glenwood Springs,**  
**Delta,** Avon, Black Hawk, Breckenridge,  
Englewood, Federal Heights, Glendale,  
Larkspur, Lone Tree, Louisville, Sheridan,  
Snowmass, Steamboat, Sterling, Vail, Winter  
Park, Woodland Park





Most Populated Cities

City	Population	Vendor Fee	Cap
Grand Junction	59,899	3.33%	
Parker	47,169	3.33%	\$ 200
Castle Rock	51,348	3.33%	\$ 200
Thornton	124,140	3.00%	\$ 25
Arvada	109,745	3.00%	\$ 100
Centennial	103,743	3.00%	
Longmont	88,669	3.00%	\$ 25
Broomfield	58,298	3.00%	\$ 200
Littleton	43,775	2.50%	\$ 100
Loveland	70,223	2.00%	\$ 100
Commerce City	48,421	2.00%	\$ 100
Aurora	339,030	0.50%	
Westminster	109,169	0	
Denver	634,265	0	
Colorado Springs	431,834	0	
Fort Collins	148,612	0	
Lakewood	145,516	0	
Pueblo	107,772	0	
Boulder	101,808	0	
Greeley	95,357	0	



VENDOR COMPENSATION COMPARISON

	Big-Box Retailer \$70 million annual sales 75% taxable \$1.4 million annual sales tax	Grocery Store \$35 million annual sales 20% taxable \$192,500 annual sales tax	Department Store \$35 million annual sales 100% taxable \$962,500 annual sales tax	Auto Repair Shop \$150,000 annual sales 50% taxable \$2,000 annual sales tax
City of Grand Junction 3.33%; no cap	\$47,644	\$6,410	\$32,051	\$69
Montrose 1.33%; no cap	\$19,202	\$2,560	\$12,801	\$27
Castle Rock 3.33%; \$200	\$2,400	\$2,400	\$2,400	\$69
Glenwood Springs 3.33%; no cap	\$0	\$0	\$0	\$0



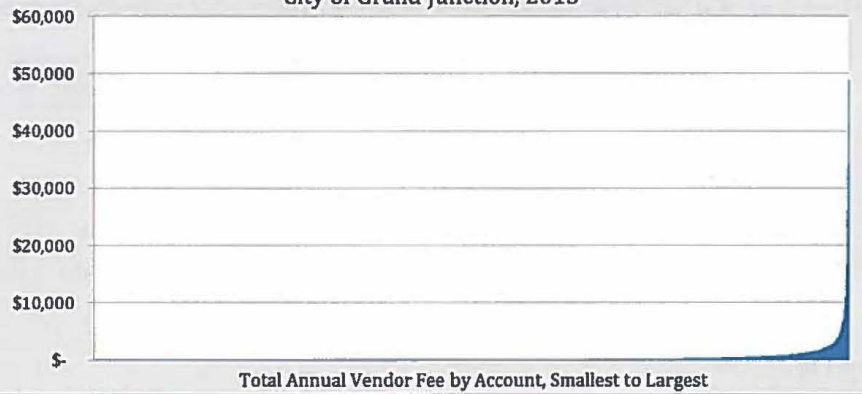


### 2013 VENDOR COMPENSATION EXPENSE

- \$1.35 million total vendor compensation expense; \$395 average compensation per account
- Top 10 Accounts (<1% of accounts)  
\$335,000 (25% of compensation)
- Top 50 Accounts (1.5% of accounts)  
\$620,000 (46% of compensation)
- Top 100 Accounts (3% of accounts)  
\$760,000 (56% of compensation)



### Sales Tax Vendor Compensation by Account City of Grand Junction, 2013

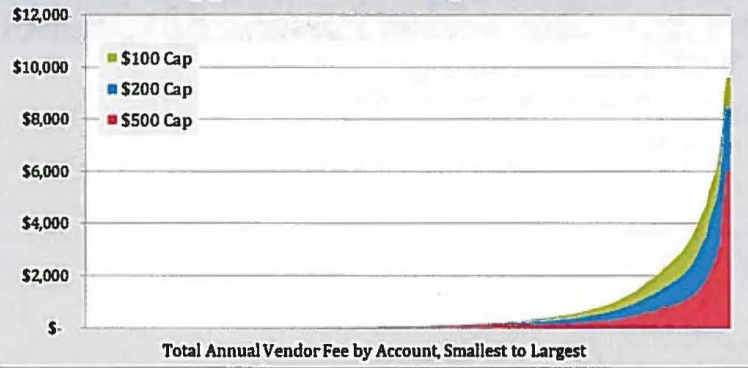


### IMPACT OF VENDOR COMPENSATION CAP

- \$100 Cap**
  - \$700,000 savings
  - 380 accounts impacted, average of 7 returns per account
  - \$1,200 maximum fee
- \$200 Cap**
  - \$535,000 savings
  - 178 accounts impacted, average of 6 returns per account
  - \$2,400 maximum fee
- \$500 Cap**
  - \$350,000 savings
  - 53 accounts impacted, average 7 returns per account
  - \$6,000 maximum fee



### Capped Vendor Compensation



## COUNCIL DIRECTION



## GLOBAL PETROLEUM SHOW

### Collaborative Effort

- Grand Junction Area Chamber of Commerce
  - Energy and Economic Development Committee
- Grand Junction Economic Partnership
- Industry Officials

### Global Petroleum Show

- Calgary June 2015
- 60,000 attendees
- 2,000 exhibitors
- 72% of attendees directly influence company's decisions

### Goals

- Target Energy Related Manufacturing Companies
- Promote Existing Industry



COUNCIL DIRECTION



INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL ANNUAL CONFERENCE

MAXIMIZING ECONOMIC IMPACTS OF AIRPORTS IN YOUR REGION  
SMART SITE SELECTION: DATA DRIVEN DECISIONS  
SOCIAL NETWORK IMPACT ON ECONOMIC DEVELOPMENT  
CAPTURING INCREASED NEAR SHORING OPPORTUNITIES  
FRACKING, ENERGY AND THE IMPACT ON ECONOMIC DEVELOPMENT  
A VIEW FROM CORPORATE AMERICA:

WINNING STRATEGIES IN ECONOMIC DEVELOPMENT MARKETING  
DEFENSE MANUFACTURING ASSISTANCE PROGRAM  
BUILDING A BETTER WORKFORCE  
ENTREPRENEURSHIP, EVERYWHERE  
EXPORTS IN THE SERVICE-BASED ECONOMY  
STRATEGIC ALLIANCES FOR MANUFACTURING GROWTH  
REHABBING VACANT PROPERTIES

TALENT ATTRACTION MARKETING  
INCENTIVE DUE DILIGENCE  
BUSINESS RETENTION  
PUBLIC PRIVATE INFRASTRUCTURE INVESTMENT  
GROWING YOUR EXPORT ECONOMY  
CREATING JOBS OUTSIDE THE BIG CITIES  
GROWING LOCALLY:

INNOVATION, ENTREPRENEURSHIP AND NEW INVESTMENT  
ASIA'S ECONOMIC EXPANSION:  
OPPORTUNITIES FOR YOUR COMMUNITY  
CREATING JOBS AND SAVING FARMS WITH AG-TECH  
RAISING THE BAR IN SITE SELECTION  
IF YOU BUILD IT, WILL THEY COME?  
HOW TO MAKE IT COUNT: APPLIED METRICS FOR ECONOMIC DEVELOPMENT

**Supp2**



## The BIC Technology Accelerator Draft Concept

**Presented by;**

**Jon Maraschin, Executive Director**

**Business Incubator Center**

10/06/14

## ABSTRACT

With the creation of the GJMakerSpace 3D Innovation center in 2014, it has become clear that there is a disparate technology community on the Western Slope with the desire to innovate and collaborate. The GJMakerSpace is quickly becoming ground zero for innovators to collaborate and potentially start their companies; the site is visited regularly by CMU students and professors, retirees, entrepreneurs creating prototypes, students and curious tinkerers. It has also become clear that many of the potential startups lack the capital or expertise to launch their ventures. A viable critical pathway to assist the technology startups would be to create an accelerator program at the Business Incubator which would provide free rent/broadband to companies accepted into the program for 6-12 months depending on the business model of the startup.

## INTRODUCTION / BACKGROUND

The Business Incubator Center (BIC) has a long history of effectively assisting entrepreneurs start, grow and thrive in their businesses. This has been achieved by combining affordable rent, business coaching, a commercial kitchen and access to capital for qualified companies. In 2014, with the help of the City of Grand Junction, Western Colorado Community College and the Western Colorado Manufacturers' Alliance, BIC created the GJMakerSpace centered around 3D printing and micro electronics. BIC also agreed to host a DARPA robotics team and a First Robotics team in an effort to create an innovation cluster within the confines of our campus. The effort is proving to be effective with MakerSpace membership growing and the successful launch of 4 companies in the first four months of operation. It's also becoming apparent that there are two evolving opportunities within the growing innovation community:

- The MakerSpace is quickly outgrowing their current equipment and will need to acquire a laser cutter, lathe and CNC mill over the next year; it is the intent of BIC to approach the private sector of advanced manufacturers for the additional equipment, while using member fees to pay for additional space.
- The potential technology/manufacturing startups need a place to launch their endeavors and simply do not have the capital to rent space and pay for the initial operating costs of running their ventures until they achieve critical mass. Within the incubation industry, there is a segment called accelerators that actually fund the initial startup and operation of entrepreneurs and BIC has all of the relevant pieces to create a similar program to "accelerate" the startup of technology/manufacturing companies in our community.

## FOSTERING INNOVATION

Accelerators are not new ideas; basically, the host provides space, capital and access to investors for a direct percent of ownership in the company (generally 4%) in a gamble that a number of the startups will be successful; the accelerator then brings in venture capitalists to fund the initial operation. A great example is the Telluride Venture Accelerator (TVA) ([www.Tellurideva.com](http://www.Tellurideva.com)) in our back yard; BIC has assisted a number of TVA's graduates after they leave the program and need additional business support services.

Although the traditional accelerator model can work, taking equity in our clients and then requiring it to be repaid in 3-4 years at a multiple of the investment simply isn't who we are; historically, a large number of accelerator graduates have had to sell their companies to pay back their equity which creates an industry churn/attrition.

*We believe that a way to accelerate technology startups in our community, as well as increase our innovation cluster and drive local economic development, would be to create a hybrid accelerator program by leveraging the strengths of BIC and offering free rent/broadband to companies that are accepted into the program for 6-12 months; we believe that companies will come from CMU students/faculty, location neutral folks in our community, makers and entrepreneurs from other communities that don't have a program remotely like this.*

*Why free? We want to grow the sector and put our community on the map as the technology innovation center of the Western Slope. We also want entrepreneur driven startups that will stay in our community for a long time rather than VC driven startups which will likely leave the community.*

## PROJECT PLAN

By combining the strengths of the Business Incubator Center (BIC), the GJMakerspace [which is supported by Western Colorado Community College (WCCC) and the Western Colorado Manufacturing Alliance (WCMA)], we believe we can create a technology/manufacturing accelerator that will be another strong pathway for business formation and job creation. The key elements of this project are:

1. *Education* – leverage the strengths of BIC, GJMakerspace, CMU/WCCC and the WCMA to support the launch, growth and long term success of technology/manufacturing startups.
2. *Innovation Space* - Phase I of the project would involve providing space and plug in availability of broadband for the startup companies. Space would cover utilities, enhanced broadband and current incubator services.

3. *Business Incubation* - Since this concept is focused on developing successful companies, it is envisioned that BIC will train entrepreneurs the basics of starting and running their own business, marketing techniques, financing options, and potentially access to capital. Much of the incubation process is already in place, and having the Accelerator housed at BIC within close proximity of the MakerSpace and robotics teams will help promote the technical abilities of these companies.
4. *Advisory/Mentoring* – in order to run an effective accelerator, it will be critical that BIC creates an enhanced advisory network in order to provide the level of technical assistance that these companies may need. This will include a “graybeard panel” as well as peer to peer networks.

#### TASKS / MILESTONES

Since many of the elements for this proposal are already in place within our community, the major task to get the office/technology space ready for occupancy. BIC will also need to take our broadband from 20M to 50M or even 100M in order to support and attract this type of company. It is anticipated that the space could be tenant ready within 30 days.

The key tasks to complete are:

1. Prepare space and create common areas with appropriate furniture (estimated at \$5,000)
2. Upgrade broadband speed (estimated at \$500-\$800/month)
3. Allocate space specifically for accelerator clients (estimated at \$1,600/month at inception and up to \$2,400/month at capacity)
4. Acquire proper signage

It is anticipated that BIC could launch this program without additional staffing, however, if the program proves to be successful, BIC will need to acquire staff with the appropriate skill set to optimize the program and potentially the GJMakerspace.

#### FUTURE PHASES

As we look at communities that are thriving and driving technology and manufacturing, they have landing pads for innovators. It is realistic to envision such a space within walking distance of downtown Grand Junction; an example would be [www.teconnect.ca](http://www.teconnect.ca) which is an innovative model by our neighbors from the north.





September 22, 2014

Grand Junction City Council

Delivered Electronically

RE: Global Petroleum Show Funding Request

Dear Members of the Grand Junction City Council;

The Grand Junction Area Chamber and the Chamber's Energy and Economic Development Committee respectfully request that you act favorably on a staff recommendation that \$15,000 of city funds be allocated to creating a community presence at the Global Petroleum Show in Calgary, Canada in June of 2015. This is the largest gathering of energy related companies and decision makers held anywhere in the world with over 2,000 exhibitors and 60,000 attendees. 72% of them directly influence company decisions. As an organization, the Chamber is willing to partner in this effort and send individuals to work the event manning the exhibitor space and making personal contact with the other companies exhibiting at the show.

We support this expenditure for several reasons including:

- This strategy is targeted at not just helping to attract new energy related manufacturing companies but will also help our existing companies by giving them a joint venue to co-market in an effort to gain new customers and continue to expand and add jobs. We already have commitments from three member companies of the Energy and Economic Development Committee to attend the event with us and promote not just their companies but also the community as a location for additional manufacturing. We will work to secure more.
- One of the unique assets of this area is the abundance of diverse sources of energy and the low cost of that energy. As a result we are already somewhat known by the energy industry which will help us gain entrance to conversations with company representatives.
- Colorado Mesa University's Unconventional Energy Center has proven to be a strong partner to the energy sector in terms of workforce development and applied research which gives us another unique selling point when trying to attract energy related manufacturing companies.
- Energy is a driver of our economy so it makes sense to build upon that base and diversify it with the manufacturing of energy related products. It is also a targeted industry by the Grand Junction Economic Partnership.