GRAND JUNCTION CITY COUNCIL ADDITIONAL WORKSHOP AGENDA

MONDAY, JUNE 14, 2004, 11:30 A.M. WHITMAN SCHOOL, 248 S. 4TH STREET

11:30 am	ECONOMIC DEVELOPMENT PARTNERS PRESENT THE BUSINESS VISITATION PROGRAM	Attach 1
12:15 pm	ACTION BINDERY PROPOSAL FOR CITY-OWNED PROPAT BLUE HERON	PERTY ttach 2
1:00 pm	ADJOURN	

This agenda is intended as a guideline for the City Council. Items on the agenda are subject to change as is the order of the agenda.

Attach 1 Business Visitation Program

Mayor Hill and Council Members City of Grand Junction 250 North 5th Street Grand Junction, Colorado 81501

May 26, 2004

Dear Mayor Hill and Council Members:

As you know a group called the Economic Development (ED) Partners, have been meeting over the last twelve months. ED Partners is an informal association of local organizations focused on creating a strong economy through collaboration. Members currently include the Grand Junction Economic Partnership, the Business Incubator, Grand Junction Area Chamber of Commerce, Industrial Developments, Inc., Mesa County and the City of Grand Junction. Representatives from the City of Fruita and Town of Palisade will also be shortly joining the group.

The purpose of ED Partners is to proactively address issues affecting the economy and engage in strategy development and implementation to ensure the long-term economic health of the Grand Valley.

Over the past twelve months discussions have in part focused on the needs of existing businesses. The retention and expansion of local businesses as an economic development program has been historically underutilized in Mesa County and was identified at the Mesa County Economic Forum in October 2003 as a one its top priorities. ED Partners firmly believes that our community's economic health depends upon the well-being of our local businesses. To this end, our group has now reached a point where we have developed a proposal for cooperative implementation of a pilot business visitation program to support local business retention and expansion efforts.

We would like time on your June 14th workshop agenda to further discuss our proposal and the need for the City's participation to make this collaborative effort a success.

Sincerely,

Ann Driggers, on behalf of ED Partners

Attach 2 Action Bindery Proposal

Action Bindery Project – Written by Diane Schwenke

Company Background

Action Bindery was formed in November of 2001 by several former members of the management team from Envision, a local company that was purchased and moved out of the community. Grady Busse, CEO of the company holds the majority of the stock in this Chapter S Corporation. Action Bindery makes custom daily planners, primarily for schools and is currently housed in the Business Incubator. It holds the distinction of being the fastest growing company in Incubator history and has a short but impressive history of giving back to the community. It also has a corporate culture that includes the concept that a well-paid production staff helps develop a quality product. At this point the company employs 12 fulltime and 35 seasonal employees.

Proposed Project

The company has outgrown the 7,000 square feet it occupies at the Incubator and company officials are interested in purchasing land and building an 18,000 square foot building as a first phase of planned expansion. A six-acre site owned by the City of Grand Junction near Blue Heron Lake is the preferred location because the CEO envisions a campus like setting with employee amenities related to recreation. This site was deeded to the City in the late 80s by the Prinster family with the deed restriction that the land be used for economic development purposes (sale of this land must be approved by the Grand Junction Economic Partnership). The land was extensively mined in the early 80s and is four to six feet below the 100-year flood plain throughout the parcel.

Company officials estimate that in the next five years 32 fulltime positions will be created at an average wage of \$17.06 per hour. An additional 40 full time equivalent positions will be created due to the seasonal nature of production. When the 72 positions are combined the average wage is \$13.29 per hour.

Project Challenges

The City of Grand Junction had an appraisal done that showed the value of the land at \$260,000 or \$.93 per square foot, which puts the property slightly out of the range needed by the company to make the project work. Additionally, company officials found two comparables that were not examined by the appraiser, one for \$.57 a square foot and one for \$.87 a square foot. As a result the company is proposing that the property be sold to them for \$.55 a square foot. Additionally the company would like incentives in the amount of \$80,000 for their expansion, which is consistent with past awards based on job creation, wages and capital investment. Company officials are willing to see the incentive given as part of the final land price rather than cash if the Council desires to go that route.

Existing Business Incentive Committee Recommendation

While the complete application process has not been completed for an existing business incentive request to date, the Committee has met and considered this project. They are in agreement that the project would qualify for incentives similar to what has been suggested and would urge the Council to look favorably on this project. They further note that this is a homegrown industry that has shown tremendous growth and exhibited exceptional corporate citizenship in the three years it has been in existence.

