

**GRAND JUNCTION CITY COUNCIL
ADDITIONAL WORKSHOP AGENDA
SEPTEMBER 19, 2005, 11:30 A.M.
TWO RIVERS CONVENTION CENTER
159 MAIN STREET**

- 11:30 am **ECONOMIC DEVELOPMENT ISSUES:** Discuss economic development strategies and priorities with recommended funding for Fiscal Year 2006. [Attach 1](#)
- 12:30 pm **INCENTIVE REQUEST FOR THE COLORADO BUREAU OF INVESTIGATION:** The Grand Junction Economic Partnership is requesting consideration of an incentive in the amount of \$200,000 for the Colorado Bureau of Investigation (CBI) to relocate to the City of Grand Junction. [Attach 2](#)
- 1:00 pm **ADJOURN**
- 1:30 **KANNAH CREEK WATER SHED TOUR**
- 4:30-5 **DINNER then return to Grand Junction**

**Attach 1
Economic Development Issues**

CITY OF GRAND JUNCTION

CITY COUNCIL AGENDA						
Subject	Economic Development Issues					
Meeting Date	September 19, 2005					
Date Prepared	September 15, 2005				File #	
Author	Sheryl Trent		Assistant to the City Manager			
Presenter Name	Sheryl Trent		Assistant to the City Manager			
Report results back to Council	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Yes	When	
Citizen Presentation	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	Name	
<input checked="" type="checkbox"/>	Workshop	<input type="checkbox"/>	Formal Agenda		<input type="checkbox"/>	Consent
						Individual Consideration

Summary: A discussion of the establishment of economic development strategies and priorities, with recommended funding for Fiscal Year 2006.

Budget: The anticipated budget for Fiscal Year 2006 is \$450,000 in the Economic Development Fund, and whatever fund balance may be carried over from 2005. The current anticipated fund balance at the end of 2005 is \$316,278 as of September 15, 2005. Please see the attached worksheet.

Action Requested/Recommendation: That the City Council consider funding the economic development requests as outlined in this agenda item, and give direction to staff on other related issues.

Attachments: Letters from the Grand Junction Area Chamber of Commerce and the Business Incubator Center. Request for outside funding from GJEP.

Background Information:

Recent History

The City Council adopted a Strategic Plan in 2002, based on visioning and community surveys. Since that time the Plan has been implemented, reviewed and updated. The current Strategic Plan does address economic development in many ways, and the specific areas that will be covered by this report are highlighted below.

Goal: Develop and maintain public and private sector partnerships which enhance economic opportunities.

Objective: Promote a consolidation of local economic development efforts

Objective: Implement a process that involves the City and other funding partners in a meaningful way early on in the economic development process

Objective: Be prepared to use site and infrastructure pre-development as a planning tool for targeted economic development

In addition, at the recent City Council retreat economic development was a topic of discussion and a staff report was developed that indicated some of the values and goals addressed. This staff report was offered as a draft document to the various economic development agencies for comment. The full report is attached, but outlined below are the values and goals expressed, and the main areas that were recommended for consideration by the City Council

Values and Goals

The values:

- Quality growth
- Respect for the small town community atmosphere
- Responsive to citizens and business requests (through the Listening to Business program and other avenues of feedback and information)
- Based on our strategic plan
- Invest in the long term viability of Grand Junction

The goals :

- A partnership of public, private, and non-profit agencies is the best way to address economic development
- We want to foster prosperity through creation of wealth and a high quality of public services
- We want to support affordable housing for our community
- We will promote community and neighborhood empowerment
- We will eliminate cash financial incentives for the creation of jobs, effective January 1, 2006
- We will support the Listening to Business results through our budget process and through specialized approaches to addressing the needs.

Status Report

In the time since the retreat, staff has carried out several Council directives with regard to economic development.

- ✓ A wage and salary survey was conducted
- ✓ The Listening to Business Report was completed and reviewed
- ✓ Changes have been made in the development review process to expedite review
- ✓ The Grand Valley Housing Partnership has been formed and is meeting on a regular basis
- ✓ The Neighborhood Program has continued to grow and expand
- ✓ New park and beautification projects have been undertaken and in some cases completed.
- ✓ ED Partners has continued to meet

- ✓ Meetings were coordinated with all the economic development partners.

The City Council determined their focus would be on six major areas: **business image, marketing and promotion, business attraction, business expansion, business creation, and education/workforce development**. The City is already dedicating a huge amount of resources to the economic development effort through our daily activities such as parks and recreation, the Riverside Parkway, and the Visitors and Convention Bureau.

In order to better understand needs and issues, the City Council scheduled meetings with all of the economic development groups in the City, including the Grand Junction Area Chamber of Commerce, the Grand Junction Economic Partnership, the Business Incubator Center, Industrial Developments, Inc; and Mesa State College. Feedback was received from all of those agencies. Three of the comments that were common to all groups were the following: that the City should separate “community development” issues from “economic development” issues; that cash incentives should be a part of the overall tool box that the City can offer to attract and fund business; and that a better definition of our six areas of focus would be appreciated.

With regard to “community development” and how it relates to “economic development”, staff would comment that as a public entity serving a wide range of citizen interests, needs, and demands, the City cannot separate development issues. We need to be as inclusive as possible in our view of economic development and how that affects all of our efforts in the community. Community and economic development have a profound effect on one another, and for the City of Grand Junction, they are interdependent. Infrastructure, park development, business services, response time from staff, utilities, and beautification projects are as much a part of our economic development responsibilities as would be new business attraction. Therefore we cannot focus on a more narrow view of economic development, and that is an entirely appropriate function for non-public agencies such as those that exist to perform those services.

The issue of cash incentives can be very confusing. Experts in the field can be found in support of cash as an economic development tool, and just as many experts will say that cash incentives should not be used. Rather than try to be experts in this subject, staff feels that this issue is best addressed by our 2006 funding strategy, which offers a “pool” of funding to GJEP to use for any reason they deem necessary. A detailed recommendation follows in the implementation plan outlined later in this report.

An expanded definition of our six categories follows, but please be aware that it is not intended to be limiting, but to be able to be flexible and adaptable as our needs change and our focus shifts, as is very common in economic development.

Business Image This would include quality of life; creating an environment that is most conducive to quality growth and development, and partnerships to increase our abilities to leverage public resources. Our business image is directly related to our quality of services, which means the professional level of our staff, our response time to citizens, our flexibility in funding needs in the community, and our ability to “get the job done”. It may involve changes in the way we do business, becoming

creative in working to beautify our community, and continuing to support the efforts of our citizens to make Grand Junction a better place to live.

Marketing and Promotion The Visitors and Convention Bureau and the Chamber of Commerce are the agencies that currently fit under this area. The City also does a number of publications, including City News and the Grand Valley Business Times. Staff intends to continue to develop brochures, information, videos, our websites, and other avenues to outreach to a wide variety of interests in an effort to promote Grand Junction as a place to live, work and play.

Business Attraction This is specific to relocating new business that meet our goals and strategies, which is a function that GJEP performs. It could include a wide range of efforts such as operational support of GJEP, land acquisition, site development, bonding capacity, and other funding sources.

Business Expansion A definition of this area would be growing existing business. Recent efforts such as the Listening to Business report gave some specific suggestions and comments as to how the City of Grand Junction can better serve this area. Some of this work is performed by the Chamber of Commerce and some by the Business Incubator Center. The City also has established an infill and redevelopment program.

Business Creation Entrepreneurship may be a good way to describe this area of focus. The Business Incubator Center is an agency that specializes in this area of development, and other possible opportunities include venture capital groups, improvements to infrastructure at certain sites such as the DOE complex, and loan and funding capital.

Education/Workforce Development While the County operates the Workforce Development Center, the City of Grand Junction can support efforts in this area as well. Mesa State College and the Bishop Center (UTEC) are examples of agencies that would be addressing needs. Additionally, the City undertook the wage survey as a method of determining some data about salaries, and issues such as a knowledge based economy and a cultural economy all fit into this category. The research currently being conducted on CPI data by Mesa State would be a part of this focus.

Implementation Plan for 2006

The City Council allocated \$450,000 during their budget discussion for the 2006-2007 Fiscal Year. After staff discussion, hearing from all of the economic development partners (including Mesa County) and reviewing the Council's stated goals, strategic vision, and policies, staff is recommending the following focus areas:

Focus Area A \$250,000 be allocated to the infill and redevelopment program. Staff currently has over ten (10) applications in the process, all of which are viable and well regarded projects. At this time only one in the amount of \$30,000 is ready to be presented to the City Council, but it is clear that at least the amount of \$250,000 will be requested during 2006. Projects include office space, housing, retail space, and redevelopment of areas such as sections North Avenue. We are

very excited by this program and see it growing in scope and size over the years, increasing the property values in our core City and beautifying the entire area. The program is currently less than a year old, and staff would recommend a full review of this program in July of 2006. This meets the Council Strategic Plan Objective: Be prepared to use site and infrastructure pre-development as a planning tool for targeted economic development, and meets the **Business Expansion and Business Image** areas of focus.

Focus Area B \$40,000 be allocated to the Business Incubator Center (BIC). As the Council is aware, we have been funding this agency at a level of \$32,000 for the last five years. We will request that the BIC sign a Letter of Understanding or perhaps a contract that will specify the outcome of that funding in the areas of entrepreneurship and business creation. Specific areas of focus and objectives will be outlined in that agreement. This meets the Council Strategic Plan Objective: Implement a process that involves the City and other funding partners in a meaningful way early on in the economic development process and this fits into the **Business Expansion and Business Creation** areas of focus.

Focus Area C \$40,000 be allocated to the Grand Junction Economic Partnership (GJEP). We will request that GJEP sign a Letter of Understanding or perhaps a contract that will specify the outcome of that funding in the areas of business attraction and expansion, and marketing of our area. Specific areas of focus and objectives will be outlined in that agreement. This meets the Council Strategic Plan Objective: Implement a process that involves the City and other funding partners in a meaningful way early on in the economic development process and this fits into the **Business Attraction** and **Marketing and Promotion** areas of focus.

Focus Area D \$15,000 be allocated to the continuation of the Listening to Business survey process. The original steering committee is expected to meet before October and determine how that process should take place and the funding levels. At this point we have recommended the same level as last year. This meets the Council Strategic Plan Objective: Implement a process that involves the City and other funding partners in a meaningful way early on in the economic development process and this fits into the **Business Image, Business Expansion and Marketing and Promotion** areas of focus.

Focus Area E \$5,000 to the continuation of the CPI data compilation by Mesa State College. This program has been supported by the City for a number of years and is a valuable tool. While originally a part of the request for funding of an Entrepreneurial Business Institute, staff feels that at this time only the CPI data collection should be funded by the City, given our budget constraints and pressing needs. While this support does not directly meet any strategic plan goals or objectives, nor fit easily into one of our areas of focus, it is important.

Focus Area F \$37,950 for support staff for economic development issues. The current position is that of the Assistant to the City Administrator. This position is funded partially from General Fund monies and partially from Community Development Block Grant monies.

Focus Area G \$62,050 for the establishment of a “pool” for GJEP to use in the attraction of new business. Again, the City would have an agreement based on guidelines established so that both agencies would fully understand the use of the money. It would be expected that GJEP use this in whatever manner they feel is most appropriate, and not return to the City with any request for additional financial support. An exception would be made for unusual or extenuating circumstances. Past examples of those circumstances would include Hamilton Sundstrand or a large recruitment such as CBI. This meets the Council Strategic Plan Goal: *Develop and maintain public and private sector partnerships which enhance economic opportunities* and the Strategic Plan Objective: Promote a consolidation of local economic development efforts. It also fits into several areas of focus: **Business Attraction, Marketing and Promotion, Business Expansion and Business Image.**

Issues Not Addressed

There are several important issues that have not been addressed by the recommended funding allocations for 2006.

- Mesa State College (the proposed Community Development Budget does include a master plan process in 2007) There are two projects with which they would like City assistance related to the construction of a new dormitory: reimbursement of sewer tap fees and a combined stormwater and sewer improvement. The President has indicated his preference is cash participation instead of infrastructure partnership.
- Jet service (this issue has been an ongoing topic of concern)
- Existing business expansion and/or retention (there is no agency, nor is there a plan, to address the business needs identified in the Listening to Business report. This is addressed under recommendations for 2005)
- An incentive pool for existing businesses (the Listening to Business report indicated that our local businesses did not want incentives, instead they wanted the City to focus on the elimination of disincentives. However, staff feels that our infill and redevelopment program is an incentive program. Should we choose to do more staff would recommend a contract for services such as we will be establishing with BIC and GJEP)
- Economic development study for long range strategy (staff feels that nothing new would come from such a study, as the Lochwood Greene report is only two years old. However, this would be a City effort and as such could be implemented by the City in light of our needs)
- Joint website to offer information on land, buildings, and zoning issues for potential needs (there is no current single source of that information)

As a point to remember, during the budget review the City Council will note that many of City concerns will be addressed. Staffing levels and the improvement of services in the Community Development Department will be a part of the budget recommendations, as will long range planning issues. Budgets were developed for staff to market and promote Grand Junction through brochures and attendance at major economic development conferences including the retail and service sector economies.

Recommendations for the Balance of 2005

Currently staff is aware of two upcoming requests for the City Council with regard to the Economic Development Fund. One would be the request before you on September 19th for \$200,000 for the relocation of the Colorado Bureau of Investigation. The second (before you in October) would be for a infill project in the downtown area that will provide new housing, and that request is for \$30,000. If both of those projects are funded at the full request level, the expected balance at year end in this fund would be \$86,278. In addition, IDI will be approaching the City with a request of financial assistance for the infrastructure needs related to the CBI relocation in Air Tech Park, and the estimate is currently \$150,000. Staff will be researching grant opportunities for that project. IDI is also working on an agreement for the City to transfer our ownership interest in Bookcliff Technology Park, which has an approximate value of \$800,000.

Staff recommendation would be to fund two projects with that \$86,278. The first would be the website that will have current and frequently updated information on land sites, zoning, land for sale, vacant buildings, and buildings for lease. It would also include links to other websites, information on demographics, contact information. The intent would be to provide a "one stop" location for anyone interested in locating, relocating, or expanding. The effect of the website would fulfill the stated goal to *develop and maintain public and private sector partnerships which enhance economic opportunities* and the **Marketing and Promotion** area of focus. A rough budget for that effort would be \$10,000 with annual maintenance of \$1,000.

The second request for the remaining approximate \$75,000 would be to begin the establishment of a program to address existing business needs and expansion efforts as outlined in the Listening to Business report. Staff would return to the City Council with a full recommendation and report no later than December 1, 2005 as to how best that money may be allocated. Potential uses included the funding a contract or contract position to focus on those needs, the development of a program such as our infill and redevelopment program, and additional efforts at the survey for the Listening to Business Program. All three Strategic Plan objectives of Objective: Promote a consolidation of local economic development efforts Objective: Implement a process that involves the City and other funding partners in a meaningful way early on in the economic development process Objective: Be prepared to use site and infrastructure pre-development as a planning tool for targeted economic development will be met by this request, and this funding fits into the **Business Expansion** area of focus.

**Recommended Funding for Economic Development Fund in 2006
\$450,000 Total Fund Balance**

Focus Area A	Infill and Redevelopment Program	Funding for ongoing program	\$250,000
Focus Area B	Business Incubator Center	Operations	\$40,000
Focus Area C	Grand Junction Economic Partnership	Operations	\$40,000
Focus Area D	Listening to Business	Continuation of data survey	\$15,000
Focus Area E	CPI Data	Mesa State College	\$5,000
Focus Area F	Staff Support	Asst to the City Manager	\$37,950
Focus Area G	Incentive Pool	New business attraction (GJEP)	\$62,050

Potential Economic Development Strategies and Actions

Introduction

At the recent City Council retreat, discussions were held regarding economic development. Several decisions and some general direction to staff resulted from that retreat, and this memorandum will give a summary of some ideas and strategies for the City Council to consider.

Values and Goals

The values expressed about economic development at the retreat were:

- Quality growth
- Respect for the small town community atmosphere
- Responsive to citizens and business requests (through the Listening to Business program and other avenues of feedback and information)
- Based on our strategic plan
- Invest in the long term viability of Grand Junction

The goals that were mentioned both directly and indirectly included:

- A partnership of public, private, and non-profit agencies is the best way to address economic development
- We want to foster prosperity through creation of wealth and a high quality of public services
- We want to support affordable housing for our community
- We will promote community and neighborhood empowerment
- We will eliminate cash financial incentives for the creation of jobs, effective January 1, 2006
- We will support the Listening to Business results through our budget process and through specialized approaches to addressing the needs.

Potential Strategies and Actions

In order to accomplish these goals, our strategy will be to work from both the “bottom up” (community based approach) *and* the “top down” (policy based approach). There are six main areas in which economic development can be focused based on these discussions: **business image, marketing and promotion, business attraction, business expansion, business creation, and education/workforce development**. The City is already dedicating a huge amount of resources to the economic development effort through our daily activities such as parks and recreation, the Riverside Parkway, and the Visitors and Convention Bureau. Much of the assistance that the City can either offer directly or partner with another agency to offer is encompassed into more than one area (for example, infrastructure and site development could work for an existing business expansion or to attract a new business to Grand Junction). Also, please notice that the City already has in place many of the actions and strategies listed below: any new approaches have been underlined and noted.

1) ***Business Image*** (*Quality of life; creating an environment that is most conducive to quality growth and development*)

- a) Business friendly community
 - i) Enhanced Community Development processes and customer support (new)
 - ii) Modifications to Land Use Regulations
 - iii) Responsive Plan Review and Building Inspection
 - iv) Permit Streamlining
- b) Neighborhood Program
- c) Development Incentives
- d) Infill and Redevelopment Program
 - i) Planning and design services
 - ii) Technical Assistance
- e) Site Development (such as deferral or waiver of water/sewer fees)
- f) Partnerships with local schools (such as a parking lot and a gym, part of CIP)
- g) Improved Infrastructure
- h) Improved Traffic Circulation
- i) Improved Public Safety Services
- j) Improved Pedestrian Amenities
- k) Improved Recreational Facilities
- l) Community Beautification Projects
- m) Enforcement of beautification regulations in our codes
- n) Affordable housing initiatives (new in 2005)
- o) Ensure top quality medical facilities

2) ***Marketing and Promotion*** (*Business Stimulation*)

- a) Chamber of Commerce support
- b) Visitors and Convention Bureau

- i) Tourist attraction
- ii) Event Marketing
- c) Brochures and Information
- d) Grand Valley Business Times (new)
- e) Videos (new)
- f) Website (new)
 - i) Land Inventories and Data
 - ii) Building Inventories and Data
- g) Sponsorship of Special Events (new)
- h) Venture Capital Forum (Business Incubator Center)
- i) Attendance at conferences
- j) Downtown Development Authority
- k) Business Improvement Districts (BID's)

3) **Business Attraction** (*relocating new business that meet our goals and strategies*)

- a) GJEP support
- b) Become a funding partner at some level
- c) Land Acquisition and/or Assembly, Donations, Sales
- d) In kind services
- e) Site Development (such as deferral or waiver of fees for water/sewer)
- f) Sale/leaseback arrangements
- g) Enterprise Zones (administered by the BIC)
- h) Business Incubator Center support
- i) Revolving Loans (administered by the BIC, support for 2005 was \$300,000, no additional budget anticipated)
- j) CDBG funds (used in the neighborhood program and for infrastructure. This is a declining resource)
- k) Bonding capacity
- l) Targeting industry attraction (energy, industrial parks)

4) **Business Expansion** (*growing existing business*)

- a) Listening to Business report and continuation, funding of action items (included in various items in this report)
- b) Business Incubator Center support
- c) Chamber support
- d) Revolving Loan Fund (administered by the BIC)
- e) Land Acquisition and/or Assembly, Donations, Sales

- f) In kind services
- g) Site Development (such as deferral or sponsorship of water/sewer fees)
- h) Sale/leaseback arrangements
- i) Enterprise Zone (administered by the BIC)
- j) CDBG funds (used in the neighborhood program and for infrastructure)
- k) Bonding capacity

5) **Business Creation** (*Entrepreneurship*)

- a) Business Incubator support
- b) DOE building improvements
- c) Small Business Development Center (administered by the BIC)
- d) Revolving Loan Fund (administered by the BIC)
- e) Support for angel/venture capital networking (new)

6) **Education/Workforce Development**

- a) Mesa State (develop a partnership, no budget as of this date)
- b) UTEC
- c) Knowledge Based Economy (new, to be defined)
- d) Human Capital
- e) Customized Training (new)
- f) Research, such as CPI data and wage study data

Conclusion and Recommendations

Based on the City Council direction, staff would recommend implementing the action steps outlined in the table above and allocating the appropriate funding out of the Economic Development Fund. The exception would be the funding of the neighborhood and area plans which will be a part of the regular budget cycle for 2006/7. Detailed plans will be presented to the City Council at a later date.

Current ED Fund Balance

\$421,278

Action Steps and Timelines with Staff Assignments

Action	Assigned Staff	Deadline	Budget
Communication of our new direction	Assistant to the City Manager, Communications and Community Relations Coordinator	July 11, 2005	No cost
Website	Partnership with ED Partners members	September 1, 2005	\$5000 for design and set up, \$250 per month updates, \$500 annual maintenance fee
Neighborhood, Corridor and Area Plans	Community Development Director, Assistant to the City Manager	January 1, 2007	\$250,000 (estimate)
Written economic development plan with specific targeted goals	Assistant to the City Manager, consultant, ED Partners	January 1, 2006	\$50,000
Survey of sites	Assistant to the City Manager GJEP, BIC, Chamber, BOR	September 1, 2005	
Survey of buildings	Assistant to the City Manager GJEP, BIC, Chamber, BOR	September 1, 2005	
Add partners to the Economic Development Partners	Assistant to the City Manager, ED Partners	By the August Meeting. Suggest Mesa State, UTEC, the Workforce Center	No cost

2005 Beginning Funds Available**\$747,728**

<u>Revenue Source:</u>	<u>Description</u>		
Transfer-In from Sales Tax CIP	<i>Annual transfer of the 3/4 cent sales tax</i>	\$300,000	
Transfer-In from General Fund	<i>General Fund portion for Mesa State</i>	\$150,000	
Grand Junction Chamber of Commerce	<i>Sundstrand incentive refund</i>	\$39,000	
Total Revenue			\$489,000
Total Funds Available			\$1,236,728

<u>Expenditures Made To:</u>	<u>Description</u>		
Mesa State College	<i>City Council Contribution</i>	\$250,000	
WCBDC Incubator	<i>Revolving Loan Fund</i>	\$300,000	
WCBDC Incubator	<i>Incubator, WCBDC</i>	\$32,000	
GJEP	<i>Universal Glass Block Co. (1st of 2 pmts.)</i>	\$20,000	
WCBDC Incubator	<i>ISO Certification program</i>	\$25,000	
GJEP	<i>Twin Otter (\$51K of \$75K committed)</i>	\$51,000	
Labor Allocation	<i>Development Coordinator/City Administration</i>	\$24,148	
Total Expenditures			\$702,148

Balance As Of 9/06/05**\$534,580**

<u>Current Year Commitments:</u>	<u>Description</u>		
GJEP Incentive	<i>Twin Otter Relocation</i>	\$24,000	
Economic Development Partners	<i>Business Visitation</i>	\$15,000	
Labor Allocation	<i>Development Coordinator/City Administration</i>	\$13,802	
Mesa State College	<i>Bureau of Business & Economic Research</i>	\$5,000	
GJEP, Cryogenics	<i>Vaporizer manufacturer</i>	\$15,500	
GJEP	<i>Universal Glass Block Co. (2nd of 2 pmts.)</i>	\$20,000	
GJEP, Prospect #04008	<i>Restaurant Equipment</i>	\$20,000	
Infill/Redevelopment Incentive	<i>Triumvirate LLC, 7th & Rood</i>	\$105,000	
Total Current Year Commitments			\$218,302

Projected Balance As Of 12/31/05**\$316,278**

<u>Mesa State College Foundation</u>	
1996 Expense	\$94,891
1997 Expense	\$439,982
1998 Expense	\$215,127
1999 Expense	\$81,474
2000 Expense	\$418,526
2001 Expense	\$250,000
2002 Expense	\$250,000
2003 Expense	\$250,000
2004 Expense	\$250,000
2005 Expense	\$250,000
<i>Total Commitments</i>	<u>\$2,500,000</u>
<i>Balance</i>	\$-

OUTSIDE GROUP FUNDING REQUEST

APPLICANT: Grand Junction Economic Partnership

PROJECT: Quality Jobs First

FUNDING REQUEST:

- \$50,000 annual support as an investor in GJEP's Quality Jobs First program
- Establishment of a funding pool to be used for cash incentives

Description

Quality Jobs First is a program of the Grand Junction Economic Partnership (GJEP). GJEP is a 501 ©(6), not-for-profit economic development organization intended to serve as the mechanism that pulls together the collective leadership of Mesa County in order to stimulate strategic economic growth through the attraction of new business, creation of jobs and new capital investment. Core functions of this program include:

- Developing and promoting a compelling image of Mesa County to targeted industry clusters and
- Effectuating and coordinating the creation of quality primary and secondary jobs in Mesa County thereby generating new earnings and capital investments.

Background and Past Achievements

GJEP, formerly known as the Mesa County Economic Development Council, was formed in 1985 to create jobs and diversify and stabilize the economy of Mesa County. A full-time professional economic development staff, its programs and activities have been privately funded through a series of multi-year initiatives. Over the past 20 years more than \$6,055,000 in private sector funding has been contributed to these strategic economic development efforts. The results have substantially diversified the local economy by relocating 40 new businesses and the following:

New Primary Jobs	2,667
Secondary Jobs	1,200
Direct Capital Investment	\$138,952,053
Local Vendor Purchases	\$165,806,621
Total Payroll	\$385,855,802

Results in 2004 showed great returns on the Quality Jobs First program during its first year:

New Primary Jobs	61
Average Salary	\$42,126
New Capital Investments	\$4,600,000
Annual Payroll	\$2,569,686

Current Goals and Community Benefit

While great strides have been made in the strength and health of our local economy over the last 20 years, it is critical that we must continue our efforts and address the current economic concerns:

- **Shortage of high paying jobs.** The shortage of high-paying jobs in Mesa County continues to be a major economic issue. Based upon economic data compiled by the US Department of Labor, Mesa County's average salaries, adjusted for inflation, have barely increased since 1969. The statistics show that the average salary has increased from \$25,131 to \$25,208, a gain of only \$77.
- **Quality of economic growth.** As might be expected for a regional service economy, recent economic growth in Mesa County has been in service sectors such as construction, retail, entertainment and tourism. There are several concerns about disproportionate growth in this sector of the economy. Service jobs pay low wages and require few skills and inward investment is low. Furthermore, this sector is largely dependant upon the strength of other sectors of the local and national economy and therefore not sustainable. In other words, the quality of our economic growth could be improved.
- **Diversification and stabilization of the economy.** The current increase in employment in oilfield services sector, as evidenced by substantial increases in the severance tax payments, underlines the importance of ensuring that the boom/bust economy, typical of many western communities, is not again experienced in Mesa County. It is critical that we invest in the economic development of all sectors of our economy, to diversify, stabilize and make sustainable our economy, otherwise we are at risk of history repeating itself.

GJEP's program's purpose is to address these economic issues in the most efficient and effective way possible. As is widely recognized in the economic development profession, the way to achieve this is through quality primary job creation within certain target industries that will diversify, stabilize and provide quality economic growth. Primary jobs are very valuable to our local economy as they generate inward investment, pay higher wages, and require greater skills. This creation of good jobs increases not only incomes but also local government and business revenues, providing the resources needed to create a quality community in which to live and reducing dependency on public services. To ensure that wage levels and the strength of our economy do not deteriorate in the future, it is imperative that we create quality primary jobs. **Cash incentives are an important ECONOMIC TOOL as they are utilized by most communities with active business attraction programs. We need to remain competitive as a business location and thus we ask that the Council remain flexible and open to their utilization.**

Similar Services and Programs

GJEP is the only local economic development program whose main focus is on primary job creation.

Other Funding Sources

GJEP recently conducted its “Quality Jobs First” funding campaign which raised \$1.4 million in private sector pledges.

Non Receipt of Funding

The removal of cash incentives as an option and the apparent lack of public support for the GJEP program will seriously compromise our ability to compete and will be a significant barrier to our success.



August 22, 2005

Grand Junction City Council
250 North 5th Street
Grand Junction, CO 81501

Dear Members of the City Council,

We want to thank you for the opportunity our Executive Committee had to meet with you last month to discuss a variety of issues including your future economic development direction. Our Board of Directors took a few moments at the board meeting on August 18th to review the City's Draft Economic Development Strategy and voted to formally submit the following comments and recommendations:

1. General Comments:

- We applaud the interest and support of the City Council in Economic Development. However, we find the draft strategies and actions as outlined in the distributed document too inclusive in scope in order to be effectively managed. We understand that at this point this document is more of a laundry list than a guiding document. It would perhaps be better to place community development issues such as affordable housing, neighborhood empowerment and issues such as pedestrian amenities in a separate but related document, entitled something like Community Image/Business Environment versus "Business Image" (the category under which they currently appear).
- We think it is very important for the City Council to focus on the Listening to Business results as well as other **business** inputs as this economic development strategy continues to evolve. It is business that drives the economy and it will be business that improves and enhances the economy.
- As we review sections one through six it is difficult to determine what the City sees as its role in various activities. It is the Chamber's view that the City support ongoing activities by other economic development entities rather than create duplicate efforts such as separate marketing and promotion pieces.

2. Specific Recommendations for City ED Strategies and Actions:

- Focus first on the disincentives identified in the Listening to Business Report, specifically the planning and development processes. If this community were to be identified as a place where planning processes were predictable, consistent and expedient it would create a sense that we are truly “open for business” and encourage investment.
- Support the work of others before considering the creation of programs and services already provided by other community organizations, even if this means no direct City control of those programs beyond contractual based outcomes and expenditures.
- Financially support the expansion of Mesa State College
- Financially support the creation of additional industrial space in the community
- Continue to provide funding for the Listening to Business Program
- With regard to cash incentives we generally agree that infrastructure and other “long term community investments” are preferable. However, we would ask that, similar to the County, the City allow for the occasional possibility of cash incentives, particularly in the case where the State of Colorado and others, in order to assist growing companies, require local matching dollars.

The Grand Junction Area Chamber of Commerce welcomes the opportunity to work with the City and other economic development entities in order to maximize our effectiveness in making this one of the top 25 small cities to do business.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rick Gibson', with a stylized flourish at the end.

Rick Gibson
Chairman of the Board

Cc: Kelly Arnold
Sheryl Trent
Thea Chase
Ann Driggers

9/14/05

Mayor Bruce Hill
City of Grand Junction
250 North 5th Street
Grand Junction, CO 81501

Dear Mayor Hill,

The Western Colorado Business Development Corporation (WCBDC) appreciates the opportunity to provide comments on the "Potential Economic Development Strategies and Actions" prepared for the Grand Junction City Council, and would welcome further discussions. The WCBDC Board (The Board) is also providing comments to the "Draft Mesa County Economic Development Whitepaper" and will reiterate some points here and attach for reference.

Values and Goals: The Board appreciates the expressed values and goals and encourages the City to be flexible in thinking about ED tools, that no absolutes be established, be creative and ensure ability of the local economy to maintain its diversity and sustainability while improving opportunities for quality jobs. Furthermore, the City's commitment to partnerships in economic development is consistent with WCBDC's approach and opinion regarding the future. The City can perform a critical role in facilitating partnerships and coalitions to address economic development issues.

Potential Strategies and Actions:

Business Image: The Board applauds the long list of strategies and actions and understands that it is not the plan of the City to embark on each of these and that an existing partner may already be accomplishing these or will be. The Board encourages the City to assist in implementing these ideas with special attention to removing disincentives and barriers to business growth. The Board encourages the City to do its best to improve the process and promote a business friendly community for citizens interested in starting, expanding or relocating a business. The theme "Grand Junction is Open for Business" was discussed as a tag line for this effort.

Marketing and Promotion: Again the Board appreciates the list of strategies and actions with an emphasis on coordination with and assistance from City leadership in accomplishing these objectives.

Business Start-up, Expansion and Attraction (combined because of overlap in strategies and comments): From the response to the County whitepaper, "The Board agreed enthusiastically with the emphasis on sustainability and diversity of the economy and encouraged a proactive approach to these factors. The Board unanimously expressed concern regarding the impact of the resurgence of the energy sector on existing and start-up companies because of the

competition for labor and the driving up of labor costs due to supply and demand forces. This problem may jeopardize the balance of a currently diversified economy.”

The Board encourages both the City and County to place an emphasis on facilitating expansion of existing business and start-ups. Get the infrastructure out there to help. Make sure the 1883 jobs identified in the LTB report are created here and participate in efforts that help to increase company profitability. This in turn leads to higher wages and sustainability of jobs. Of major concern is the potential lack of industrial zoned properties to accommodate the projected increase in square feet required to fuel business expansion (over 1 million for just the 100 companies interviewed in the LTB report).

The Board appreciates the City support for the grants to redevelop the Riverview Technology Center site on which WCBDC resides. The Board also acknowledges the on-going support for business creation and expansion through financial support of the Colorado Small Business Development Center, Business Incubator and Loan Fund of Mesa County.

As stated in the response to the County, the Board encourages both bodies to support the Listening to Business (LTB) project on an on-going basis and encourage its location at the Entrepreneurial Business Institute (EBI) at Mesa State College.

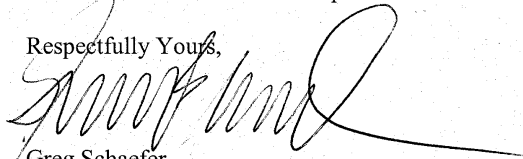
Another critical issue brought up in the County report was that air service is currently a barrier to growth. The Board encourages the County and City to research this issue further and explore successful models like Eagle and Montrose as well as non-resort driven airports to identify strategies that may be employed at Walker Field.

The Board agrees with the emphasis on education and training as an opportunity for economic development. In particular the County and or City could take a leadership role in facilitating the coordination of resources to be customer driven. There are many federal, state and local resources that may be underutilized and opportunities exist to better serve both individual companies and industry clusters in this regard.

Finally, the Board supports continuing the ED Partners group and concurs that sorting out the Group's role is critical to its continuance.

Again, the WCBDC Board of Directors appreciates the opportunity to participate in this critical discussion on economic development and welcomes further interchange of ideas.

Respectfully Yours,



Greg Schaefer
Chair, Board of Directors

9/14/05

Chairman Tilman Bishop
Mesa County
P.O. Box 20,000
Grand Junction, CO 81502

Dear Commissioner Bishop,

The Western Colorado Business Development Corporation (WCBDC) appreciates the opportunity to provide comments on the "Draft Mesa County Economic Development Whitepaper" and would welcome further discussions.

Problem Statement: As much of the first section of the report is statements of fact, the Board had little comment. However, just hearing the final presentation of the Listening to Business (LTB) pilot study, the Board encouraged the County to embrace the conclusions in LTB in its whitepaper in particular in the workforce section where the quality of applicants was a concern not the existing workforce. The Board agreed enthusiastically with the emphasis on sustainability and diversity of the economy and encouraged a proactive approach to these factors. The Board unanimously expressed concern regarding the impact of the resurgence of the energy sector on existing and start-up companies because of the competition for labor and the driving up of labor costs due to supply and demand forces. This problem may jeopardize the balance of a currently diversified economy.

Opportunities and Strategies:

Industry Clusters: While the Board supports the potential upside of an industry cluster approach it has concern that it be pursued within an overall strategy to maintain diversity and sustainability within the economy. Furthermore, the Board asked that the County maintain flexibility in the cluster approach keeping the overriding goals of quality sustainable jobs and an economy structured to perform today and take advantage of opportunities of tomorrow. In particular, LTB identified a vibrant and growing manufacturing sector which the Board encourages the County to recognize as a targeted cluster. Understanding the changes to manufacturing created by the global economy, there are many opportunities to work with local companies to assist them in their growth and profitability, such as the ISO/AS program.

Energy: The energy cluster has many "factor conditions" predisposing its success; primarily supply of the raw material. The Board questioned what investment may be required to build this cluster. Cluster support generally focuses on specialized labor force training, specialized infrastructure availability, technology development and related and supporting industries. While leadership by the County in facilitating areas such as labor force and infrastructure is critical; the Board encouraged the County to focus investment in areas such as technology development and support for related and supporting industries. The thought behind this is the opportunities for

local companies to develop technologies that can be sold in other markets and the creation of jobs in local companies that would be sustainable past the extraction stage of the industry. The Board encourages the County to invest its allocation of Energy and Mineral Impact Assistance dollars to support these efforts as well as to maintain a diversified economy.

Tourism/Recreation and Medical: The Board agreed that these are viable clusters in Mesa County that contribute greatly to our quality of life and provide job opportunities, however not generally high paid. The Board encourages the inclusion of the Arts and Cultural cluster in this section for the same reasons as these clusters have been identified. All three of these clusters have exciting opportunity for wealth building beyond their current structure.

Within all of these clusters the Board would like to bring attention to the vibrant entrepreneurial culture in Mesa County which has been recognized by national authorities such as the U.S. Small Business Administration, Cognetics and Inc. Magazine. Within the body of the whitepaper the Board encourages promotion of start-ups, innovation and entrepreneurship as a strength and strategy towards community economic goals.

Education/Training Resources: The Board agrees with the emphasis on education and training as an opportunity for economic development. In particular the County and or City could take a leadership role in facilitating the coordination of resources to be customer driven. There are many federal, state and local resources that may be underutilized and opportunities exist to better serve both individual companies and industry clusters in this regard.

Airport: There was unanimous agreement with the opportunity that the Airport and air service provides for the economy to thrive and grow. The Board agreed that air service is currently a barrier to growth and concern was expressed. The Board encouraged the County to research this issue further and explore successful models like Eagle and Montrose as well as non-resort driven airports to identify strategies that may be employed at Walker Field.

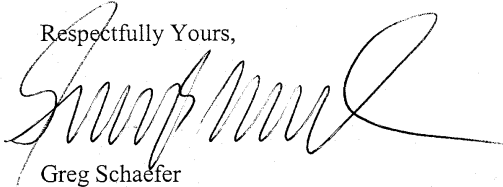
Recommended ED Tools and comments on Available Tools:

- The Board encourages the County to be flexible in thinking about ED tools, that no absolutes be established, be creative and ensure ability of the local economy to maintain its diversity and sustainability while improving opportunities for quality jobs.
- Place an emphasis on facilitating expansion of existing business and start-ups. Get the infrastructure out there to help. Make sure the 1883 jobs identified in the LTB report are created here.
- Participate in efforts that help to increase company profitability. This in turn leads to higher wages and sustainability.
- Strongly urge that the LTB project is continued on an on-going basis and be housed at the Entrepreneurial Business Institute (EBI) at Mesa State College.
- Create an Economic Development fund with a mission and vision that allows for innovation and flexibility. Use Energy and Mineral Impact Assistance funds to capture the opportunity the industry offers and mitigate the impacts it creates.

- Provide long-term commitment to start-up and existing business through annual investment in the Colorado Small Business Development Center and Business Incubator program that encourage profitable business start-up, retention, expansion and quality job creation.
- Provide long-term commitment to access to capital for growing businesses through support for the CDBG grants to capitalize the Loan Fund of Mesa County.
- Continue support for the Enterprise Zone, seen by participating businesses as a valuable economic development incentive.

Again, the WCBDC Board of Directors appreciates the opportunity to participate in this critical discussion on economic development and welcomes further interchange of ideas.

Respectfully Yours,

A handwritten signature in black ink, appearing to read 'Greg Schaefer', written in a cursive style.

Greg Schaefer
Chair, Board of Directors

**Attach 2
CBI Request**

CITY OF GRAND JUNCTION

CITY COUNCIL AGENDA						
Subject	Request for Incentives for Colorado Bureau of Investigation					
Meeting Date	September 19, 2005					
Date Prepared	September 13, 2005				File #	
Author	Sheryl Trent		Assistant to the City Manager			
Presenter Name	Sheryl Trent		Assistant to the City Manager			
Report results back to Council	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	<input type="checkbox"/>	When	
Citizen Presentation	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	Name	
<input checked="" type="checkbox"/>	Workshop	<input type="checkbox"/>	Formal Agenda		<input type="checkbox"/>	Consent
						Individual Consideration

Summary: The Grand Junction Economic Partnership is requesting consideration of an incentive in the amount of \$200,000 for the Colorado Bureau of Investigation (CBI) to relocate to the City of Grand Junction. This incentive would be based on a written agreement between the parties and is based on the intent of CBI to move, hire, and retain a certain number of employees for a specified period of time.

Budget: The request for \$200,000 could be funded from the Economic Development Fund, which has a current projected year end available amount of \$316,278.

Action Requested/Recommendation: Staff would request that the Council determine whether to fund a relocation incentive for CBI, and if so, in what amount. Staff recommends that if a funding level is set that that amount be allocated to the Economic Development fund.

Attachments: Letter of request from Grand Junction Economic Partnership (GJEP) regarding CBI. Letter from IDI donating the land for the location of CBI.

Background Information:

Currently the Colorado Bureau of Investigation has a crime lab facility located in Montrose, Colorado. They are leasing their facilities from the hospital, and must move from those buildings no later than the summer of 2008. Currently CBI has sixteen (16) employees working at that location, all of which would be expected to work out of a new location. CBI sent out requests for relocation, to which the City of Grand Junction responded. GJEP coordinated this effort and several variations on location and building sites were discussed. Industrial Developments Inc (IDI) has offered two tracts of land in the Air Tech Park subdivision at no cost to CBI for purposes of relocation. After a

lengthy and time consuming review process, CBI determined that the site offered in the City of Grand Junction was best suited for their purposes.

At the same time CBI is approaching the Colorado legislature to obtain a significant increase in funding. This will allow them to increase their employment from sixteen to thirty-seven (37) employees and finance the payment on the new building. That process will begin shortly and may be dependent upon the election this November. At this time it is unclear that they will have the ability to add new employees and/or finance the payments for the lease of a new building.

The \$200,000 will be a reimbursement of actual billed costs based on the expense to move and relocate both equipment and employees.

At this time, GJEP and CBI have signed a Memorandum of Understanding regarding the relocation. This MOU sets forth, between GJEP and CBI as the only parties, the specifics related to the move of the facilities to Grand Junction. While the MOU mentions some financial assistance from the City in the potential form of relocation costs and bonding capacity, it does not bind the City of Grand Junction in any way nor does it commit the City to the performance of certain tasks.

Considerations for Discussion

- The amount requested is \$200,000. The current balance of the Economic Development Fund is expected to be \$316, 278 at the end of 2005. We know of at least one more infill and redevelopment request in the amount of \$30,000.
- The cash grant will be provided based upon the full-employment as specified in the CBI needs analysis. At full employment CBI anticipates 37 full time positions which, due to the highly skilled nature, will pay significantly higher than the Mesa County average wage. This means that if the sixteen current employees of CBI do not move to Grand Junction, no reimbursement would be made, and if CBI is unsuccessful at obtaining approval from the legislature, no reimbursement would be made.
- The cash grant can only be used for the reimbursement of relocation costs and the disbursement will occur accordingly. CBI will receive the lesser of \$200,000 or the costs of relocation and moving incurred. Again, this will solely be based on the number of employees that relocate to Grand Junction.
- The County has indicated that they will not contribute cash incentives to the relocation of CBI to Grand Junction.
- IDI will be requesting financial assistance, in the approximate amount of \$150,000, to assist in the infrastructure for the two CBI parcels they have donated. Staff is researching other funding options, but should that not be available the Economic Development Fund may need to be augmented with an additional transfer.
- CBI is a state agency, and not a primary employer. While GJEP feels that CBI meets the definition of primary employer as the funding for the program comes from outside the area (from Denver), staff does not view CBI as a primary

employer. This will be the first time that the City of Grand Junction would fund this nature of incentive.



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

August 3, 2005

Dear Mayor Hill and Council Members,

As you know the Grand Junction Economic Partnership has been working with the Colorado Bureau of Investigations to establish their Western Slope Facility in Grand Junction. In May 2005 GJEP presented a proposal to CBI with a number of site and financing options for its facility. Included in our proposal was a cash grant to offset the relocation costs of CBI from its current facility. Based upon our proposal the CBI announced in June that it had selected a Grand Junction site for its new facility. We would therefore like to proceed to request the formal approval of this cash grant. Details on the incentive request are:

- . The amount requested is \$200,000.

- . The cash grant will be provided based upon the full-employment as specified in the CBI needs analysis. At full employment CBI anticipates 37 full time positions which, due to the highly skilled nature, will pay significantly higher than the Mesa County average wage.

- . The cash grant can only be used for the reimbursement of relocation costs and the disbursement will occur accordingly. CBI will receive the lesser of \$200,000 or the costs of relocation and moving incurred.

- . Based upon economic impact modeling, the economic impact of this project is estimated to be almost \$22 million on the Grand Junction economy in the first five years.

Due to the significant economic impact of this project and the benefits to our local economy, the Grand Junction Economic Partnership Board of Directors believes the cash grant to CBI merits your approval. Given this, we request time on the agenda as for the your consideration and approval of our request.

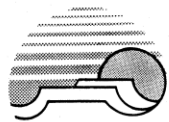
Thank you for your assistance in creating quality jobs for our local residents.

Sincerely,

A handwritten signature in black ink that reads "Ann Driggers". The signature is written in a cursive, flowing style.

Ann Driggers President

cc. Norm Franke, Chair, GJEP Prospect Committee



Industrial Developments, INC.

360 Grand Avenue, Grand Junction, Colorado 81501 242-3214

April 7, 2005

Mr. Kelly Arnold
City of Grand Junction
225 North 5th Street
Grand Junction, CO 81501

Dear Kelly;

On behalf of Industrial Developments, Inc. (IDI) Board of Directors I am writing to determine if the City is willing to partner with our organization in making land available at no cost for inclusion in a community proposal currently being prepared by the Grand Junction Economic Partnership to lure a new facility to the community that would generate significant economic impact.

This project would generate new job positions at an average wage in the low 60s and is highly desirable in terms of the positive economic impact it would have on the area.

IDI is in the process of contracting with an engineering firm to develop a 10-acre site along Landing View Road immediately north of 3D Systems. The concept is to construct the interior roads and infrastructure needed to convert this property into five 2-acre parcels that would be available for expanding and relocating light industrial firms. Any proceeds from sale of the developed lots would used to begin infrastructure improvements at Bookcliff Technology Park. Cost of development is estimated at up to \$50,000 an acre. At a meeting earlier this week the Board voted to offer two of these lots at no cost to the GJEP Prospect in order to make the community proposal more competitive if:

- The City of Grand Junction would assist in expediting this 10-acre development through the City planning process in order to get it completed in a more timely fashion and
- The City of Grand Junction would transfer its interests in Bookcliff Technology Park to IDI.

The City of Grand Junction assisted IDI in buying Bookcliff Technology Park (formerly known as the Benson Ranch development) in 1996 in exchange for IDI transferring 10 acres to 3D Systems as part of an overall incentive agreement. The City contribution was approximately \$200,000 and a purchase agreement was executed whereby the City would realize two thirds of the selling price when Bookcliff Technology Park was sold. A copy of the agreement is attached.

IDI will have to make considerable cash investment (in addition to the land costs that have already been expended) in order to have the lots along Landing View Road fully developed and ready for the location of the GJEP Prospect facility (estimates are \$50,000 per acre for a total of at least \$200,000). By receiving full interest in the Bookcliff Technology Park, IDI will be able to continue to develop and have property available for future economic development projects. The City of Grand Junction will be able to make this community much more competitive for location of a high impact economic development project that could provide a significant number of high paying professional positions and enhance our location as the regional hub for the Western Slope of Colorado.

As you are well aware, time is of the essence with the Grand Junction proposal for this prospect is due in early May. Therefore, the IDI Board respectfully requests that the City act upon this matter at your earliest convenience and reply no later than May 2nd.

IDI appreciates the relationship that has existed between the City of Grand Junction and our organization in the past as we jointly work to improve the economy of the Valley. We look forward to continuing that relationship and working on even more exciting projects like this in the future.

Please feel free to contact any IDI Board member if you have any questions or need further assistance in considering this request.

Sincerely,

The Board of Industrial Developments, Inc.
Jim Fleming, President
Robert Bray, Vice President
Rob Bickley, Secretary/Treasurer