Economic Development Commission  
October 14, 2014 Meeting  
6:30 PM  
1445 Tenth Street, Golden, CO 80401 (new location)

Opening (6:30 to 6:45)  
1. Election of Chair and Vice chair  
2. Approval of Agenda  
3. Approval of meeting notes from August 12, 2014  
4. Public Comment

Discussion/Action Topics (6:45 to 8:00)  
Goal: Commitment to progress or support needs for work program elements  
Outcome: Updated focus area task status and assignments

1. By-laws clarification re remote participation in meetings

2. Economic Incentive Updates

3. 2014 Work Program  
Commission will discuss updates pertaining to the 2014 work program. Specific updates are expected for:  
   • Business Attraction/Networking Events  
   • Marketing Update  
   • Education Update  
   • Innovation Update

4. Communications  
   • GURA – Colacci  
   • Prospect/Development Project Report  
   • Chamber of Commerce – Condon, Rinehimer  
   • Community Marketing Committee – Block, Rinehimer  
   • General comments

5. Schedule/Assignments/Feedback

6. Wrap up and Adjourn (8:00)

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City of Golden Memorandum

To: Economic Development Commission
From: Steve Glueck, Director of Community and Economic Development
Date: October 9, 2014
Re: October 14, 2014 Packet Memo

Please review this additional background material for the upcoming meeting.

**Election of Chair and Vice Chair:** With Paula Reed’s resignation from the board we need to fill both of these positions.

**Discussion/ Action Topics:**

1. **Bylaws Clarification:** Based upon the busy schedule of members and the nature of EDComm’s meeting topics (more discussion and policy and not hearings, etc like some other boards), staff recommends that the Board consider clarifying your intent that members can participate in meetings remotely either via phone or Skype or similar programs. If agreeable, we can start the practice immediately, and formally address the bylaws in the near future. (Based upon a recent combined boards activity on September 29th, there is a desire on the part of the city to review all bylaws for certain procedural things, such as references to “Roberts Rules of Order”)

2. **Economic Incentive Updates.** Staff will brief the board on this program. Please see the attached recent memo to City Council.

3. **2014 Work Plan update.** There are a few updates and discussion topics related to the 2014 work plan:
   - **Business attraction:** As noted in the incentive memo, there is a significant increase in business location inquiries, which will be further discussed under the prospect section.
   - **Networking Events:** Commission members should plan to comment on the Mines Career Fair event held on September 9th, and how to proceed in this arena. In addition, the Chamber is planning a manufacturing oriented networking event in Corporate Center on October 22nd and has invited our participation. Given that EDComm hosted an event in this area in 2013, this will be a good follow-up.
   - In terms of our marketing efforts, staff will next work on a story related to Spyderco, based upon their construction status. In the future, we will focus on Photo Stencil’s choice based upon clean room facilities, and Rocky Mountain Reagents when they start construction, WRT, and an overall summary of activity.
• In terms of our efforts to support innovation, the main activities relate to the continuing Jeffco Innovation Workshop monthly meetings (next one is on November 12th at 6:30 pm in City Council Chambers) and the desire of the promoters of the large two day “Innovation Fair” for businesses and students held on September 12 and 13th to continue next year.

• It will be appropriate for the new chair and board to start working on the 2015 work plan soon.

Communications  Staff and Commission members will report on the various areas listed on the agenda.

Prospect report  The main activity related to prospects for primary job growth in the community includes the following:

• Spyderco’s addition is under construction.

• Speeco has occupied their new building.

• MIE Properties received site plan approval from Planning Commission for a 110,000 sf light industrial project at the south end of Corporate Center and continues planning.

• Meurer Engineering has begun their renovations at their new building.

• Water Remediation Technologies received site plan approval from Planning Commission in October.

General Comments:  Staff will update EDComm about activities related to GURA and the DDA that affect those economic development areas, as well as staffing developments. In terms of general business announcements:

• Construction on the Natural Grocers store is well underway. They hope to open the week of October 20th

• The Holiday Inn Express at Interplaza is under construction with a completion likely in first quarter of 2015.

• Both buildings of the 8th Street Apartment project are occupied (and seem to be full).

• A skilled nursing facility has been approved for the parcel east of Panorama Medical to allow rehabilitation services generally for short term patient stays. It is in for building permit.

• A Centura community level medical clinic is under construction at the south west corner of Heritage Road and US 6.

Attachments:  Minutes
Council memo re incentives
Minutes of Meeting
August 12, 2014

Present: Mary Block, Kelly Jackson Condon, Josephine Colacci, Paula Reed, Renee Rinehimer

Absent: Dan Becker, Terrence Rapoport

Staff present: Steve Glueck, Jenifer Doane

The meeting was called to order at 6:35 PM by Chair Reed

1. APPROVAL OF AGENDA

Chair Reed asked if there are comments or objections to the agenda for August 12, 2014. There being no comments, the chair declared the agenda approved.

2. APPROVAL OF MINUTES

Reed asked if there are comments or objections to the meeting minutes from July 8, 2014. There being no comments, the chair declared the meeting minutes approved.

3. PUBLIC COMMENT

Reed asked for potential public comment. There was none.

4. DISCUSSION / ACTION TOPICS

A. Economic Incentive Request: Glueck presented James Meurer, Meurer Research and Esther Kettering, Real Estate broker. James Meurer indicated that the company is located in Arvada, but is in the process of acquiring the 45,000 square foot building in the Coors Tech Center Business Park where PMC Hydraulics had been located. Meurer Research, Inc engineers and manufactures sophisticated products to solve complex issues facing water and wastewater treatment facilities worldwide. One of their primary products which they are installing in the Golden Water Treatment Plan are called Plate Settlers for the early stage of water treatment.

In recognition of the significant planned investment in the building renovations and capital equipment, as well as projected new employment, it was MOVED by Condon and
SECONDED that the City approve a standard use tax rebate agreement not to exceed the Charter imposed limit of $25,000. The motion passed unanimously.

B. 2014 Work Plan: Commission members discussed the 2014 Work Plan with the following outcomes:

- Staff reported on the September 9, 2014 networking event in conjunction with the CSM career days recruiting event. Edcomm members will plan to attend as available. Staff will send out the invitations to the local guest companies identified by EDComm.

- In terms of EDComm’s education work element there was a general program discussion and an inquiry as to the status of the support request for the Golden High School Student Leadership Conference this fall. Condon noted that the faculty person associated with the project moved on to another position, and that she would find out who the new contact person is.

- In terms of the marketing element of the work plan, Glueck reported that he is seeking a go-ahead from Spyderco for the next business profile story, now that their expansion is underway.

- In terms of the innovation work element, the Jeffco Innovation Faire is still on schedule for September 12th and 13th.

C. COMMUNICATIONS

a. GURA: Colacci reported on the most recent meeting. A sign grant was approved for the new 5 Star Bakery on 12th Street west of Washington Avenue. Colacci highlighted the August 14th City Council decision on the cash in lieu request for development of GURA’s two lots along Jackson Street. GURA also discussed the Colfax URA plan and proposed improvement projects for Miners Alley and Washington Avenue from 14th to 18th Streets.

b. Prospect Report: Glueck mentioned new businesses expressing interest in the Coors Tech Business Park area.

c. Chamber of Commerce: Condon reported many recent and upcoming summer events. The most significant near term event will be the Fine Arts Festival this weekend.

d. Visit Golden: Doane reported that Visit Golden is in the process of soliciting proposals for creative services to develop the 2015/2016 campaign, as well as the progress of the new meetings and convention sub-committee.

e. General Comments: Glueck mentioned the general updates in the packet memo.
6. AGENDA/ SCHEDULE

The next commission meeting is September 9, 2014.

Condon MOVED and it was SECONDED to adjourn at 8:20 p.m. The motion passed unanimously.

___________________________________________
Paula Reed, Chair
To: City Council
Thru: Michael C. Bestor, City Manager
From: Steve Glueck, Director of Community and Economic Development
Date: September 12, 2014
Re: Primary Employer Incentive Update

**Purpose of Memo:** This memo is presented to Council as an update on the active primary employer economic incentive agreements currently on the books for Golden, as well as to seek Council concurrence on four additional business investment projects. Continued emphasis on growth in our primary employer sector and specifically in City use tax is one of Council’s Signature Initiatives for this year and next. As noted below, we are enjoying great success in this area, and the small scale use tax rebates authorized by the City are having the desired effect of promoting the City’s support of primary job growth and investment in real estate and equipment.

Prior to the start of 2013, there were two active agreements, which Council further supported by eight more approvals in 2013. While the investments related to some of the ones approved in 2013 are just beginning, these projects represent a substantial private investment in the community and long term opportunity for local jobs and fiscal benefit. The four more recommended herein will continue this strong trend in coming years.

**Background:** Over the past several years, Golden has used our small scale economic incentive program (limited to a max of $25,000 per recipient) primarily to send a welcoming message to expanding or relocating companies preparing to invest in the community and create jobs. The status of the active (or recent) agreements is as follows:

- **Source Gas** moved in their downtown office space in 2012 bringing approximately 200 jobs to our daytime population. Since the agreement became effective in January 2012, they have received about 35% of the rebate of 1/3 of use tax. The agreement expires at the end of 2016.

- **The PMC Hydraulics** agreement was approved in 2010 for three years, but was extended to encourage them as Vestas struggled with the wind turbine industry. They have since closed in Colorado. They received 60% of their maximum rebate of 1/3 of use tax. This has been the only beneficiary that did not stay in the community, but we did receive significantly more benefit than the rebate cost.

- **CoorsTek** has invested very substantial sums in equipment in the two Coors Technology Center Business Park buildings formerly known as Graphic Packaging and the Sake brewery. CoorsTek continues to be a growing force in technology transfer and our local high tech
economy. One agreement was completed in 2013 with major equipment purchases, and the other has received 66% of the maximum rebate of 1/3 of use tax.

- The new Earth Treks climbing gym at Golden Ridge was completed last fall, creating jobs, fiscal benefit, and a much desired amenity. Base upon the high value of their construction, the 1/3 use tax rebate reached the charter limit with the building construction.

- Steelhead Composites has been actively improving their space in Corporate Center and have now begun production of their hybrid vehicle component. Based upon equipment purchases they have received about 40% of the maximum 1/3 or use tax rebate.

- Construction of the new 50,000 square foot building for Pason Engineering in the Coors Technology Center Business Park was also complete in late 2013, with a rebate of 1/3 of use tax on the building permit reaching the full rebate upon payment in 2014.

- Oswego Creative’s project to renovate the long vacant “Transcript” building at 1000 10th Street was complete earlier this year, and allowed this company to move back into Golden after a few years out of the City. Based upon the smaller size of the project, their use tax rebate will probably not approach the charter limits, but does demonstrate support for addressing this problem building.

- Council acknowledged the standard 1/3 use tax rebate for Spyderco’s 16,500 sf addition to their Golden production facility in October 2013. The project did not initially proceed, but is now under construction, with a planned completion of early next year.

- Council also acknowledged the agreement for a 26,000 square foot addition to the Rocky Mountain Reagents warehouse and production facility in the Coors Tech Business Park last October. This project is awaiting final financing approval to proceed.

**Fiscal Impact Snapshot:** The direct fiscal impact benefits to the City and (perhaps more importantly) the indirect community benefits from increased jobs, payroll, and spinoff business activity are substantial for the above companies and our entire local economy. One easy to define snapshot benefit for the eight above companies that have received some portion of their rebate is the use taxes paid to the city and the overall amount of investment that it represents:

- For just 2013 and the first half of 2014, total use tax paid for equipment and building materials by these eight companies totaled $843,000. By contrast, the total incentive rebated has been $118,000 (since many projects reach the charter limit in a relatively short time).

- The $843,000 use tax paid (as 3% on equipment and 1.5% of permit value) equals a level of community investment of nearly $34,000,000 by these eight companies in the last 18 months.

- Since job growth lags construction and sometimes the equipment purchases, job benefits have not been calculated, but are likely significant.

**Recommended New Agreements:** In the past several weeks, four new projects have been announced by well respected, regional companies, all seeking to relocate to Golden. EDComm has
reviewed the economic incentive requests from them and recommends that the City Manager enter into standard partial use tax rebate agreements, and that Council acknowledge the agreements as per the code.

A. SpecCo. SpecCo [http://www.specco.com] has been a manufacturer of farm and ranch equipment in the Golden area for many years. They were recently acquired by Blount International who considered moving them into a new local facility or moving the company out of state. In the end, the company chose a build to suit opportunity in the Coors Tech Business Park and recently occupied about 13,700 square feet in the 29,000 sf building. At the time they were considering the location staff indicated support for the standard use tax rebate program, however, the formal application was not submitted. Now that the building project is complete, the formal application has been submitted. Based upon the percentage of the core and shell construction, and the tenant finish for the building, permit use tax paid to date is about $26,450. Accordingly they will have already earned about $9,000 of the maximum $25,000 maximum rebate even before equipment purchases.

B. Photo Stencil [http://www.photostencil.com], located in Colorado Springs, has announced a relocation to a recently vacated tenant space in the Coors Tech Center Business Park, in Golden. The 35,000 s.f. space was chosen primarily because of the existence on site of a “class 1,000 clean room” (very high quality). They note that such facilities are rare in the front range. Per their web site ........

“Photo Stencil has been the premier supplier of printing solutions to the Electronics Manufacturing Services (EMS) and Semiconductor markets since 1979. Photo Stencil’s employees are committed to total customer satisfaction and to carry out this value proposition through continuous improvement and industry leading technology.

Success in printing takes the right solution for your products. At Photo Stencil, we offer the broadest range of solutions in the market to fit the most challenging applications. Your process requirements should demand the highest yielding printing solution available. In most cases that may not be an "off-the-shelf" stencil. It may require steps, custom aperture design or a combination of technologies to maximize yields.”

C. Meurer Research, [http://www.meurerresearch.com] located in Arvada, is in the process of acquiring the 45,000 square foot building in the Coors Tech Center Business Park where PMC Hydraulics had been located. While it was unfortunate to see PMC leave, it is very encouraging to see a local company needing to expand. Per their web site ........

“Meurer Research, Inc engineers and manufactures sophisticated products to solve complex issues facing water and wastewater treatment facilities worldwide.

Founded in 1978, MRI has over 50 patents, both foreign and domestic, and over 5,000 installations. The company offers a range of products geared to optimize water and wastewater treatment facilities.

Located in Golden, Colorado, our 30,000 square foot facility was built specifically to manufacture and market MRI water and wastewater treatment products and to provide excellent after-market customer service.”
D. WRT (Water Remediation Technology, LLC) [http://www.wrtnet.com/] is an Arvada company that specializes in simple, safe, cost effective and environmentally sound processes for removing radium, uranium and other contaminants from water. Their primary customer base includes water providers in mining areas such as Colorado’s western slope. The firm is growing and accordingly, WRT is in the process of seeking site plan approval to build an approximately 22,000 sf production facility in the Coors Technology Business Park. They will move their entire operation to Golden, bringing jobs and continued tax revenue.

Each of these four companies will help diversify and strengthen our local economy, and contribute increased future use tax, property tax, and less direct benefits related to jobs and payroll.

**Council Process.** The City’s economic incentive program is defined in Chapter 18.60 of the Municipal Code, and further defined by the City Charter that limits the dollar amount of economic incentives to a certain cap, unless authorized by a vote of the community. For most incentive agreements, the cap for City approval is $25,000. For historic preservation and senior and affordable housing projects, the cap is $100,000. The Municipal Code repeats the dollar amounts from when the Charter was amended in 2001, however, the Charter would allow such amounts to be increased by an inflation factor if desired by Council.

Chapter 18.60 contains the process for review and action on economic incentive requests. According to the chapter, the City Manager is authorized to execute agreements on behalf of the City, based upon specific criteria and the charter limits, however, Council is notified of each agreement and has a fifteen day period to request Council discussion and direction on such agreement. To date, Council has not requested specific discussion of any City Manager authorized agreements. Prior to City Manager action, each agreement is reviewed by EDComm for their comments and recommendation. By this memo, staff intends to ask Council to indicate whether you wish to discuss any of the four recommended agreements.

**Summary:** For purposes of the Municipal Code provision related to Council’s 15 day “call-up” period to request discussion of any agreement, this memo is transmitted on September 12, 2014. Accordingly if any Councilor has specific questions about a project, or wishes to request that any or all of the agreements be placed upon a Council agenda for review, please advise the City Manager by September 27, 2014. If there is no such request by that date, the two agreements will be executed.