



ADMINISTRATION MEMORANDUM
12-13

DATE: April 23, 2012

TO: Honorable Mayor Joyce Downing and City Council Members

FROM: William Simmons, City Manager 
Debbie Tuttle, Economic Development Manager 

SUBJECT: Nationwide Fab, Inc. - Business Assistance Incentive Agreement

RECOMMENDATION

Staff recommends approval of Resolution CR-49, which, if approved, would authorize the City Council to approve the attached Business Assistance Incentive Agreement (Attachment A) to provide financial assistance for Nationwide Fab, Inc. The company wants to expand its existing 50,000 square foot building in the Northglenn Industrial Park. This business retention and expansion project will bring in new taxes, retain and create quality primary jobs, and add more than \$1.25 million in new building construction and capital investment into the community.

The proposed incentive is for up to \$19,666 which includes a:

- 100% abatement of the Development Review Committee Fee (\$500)
- 25% abatement of building permit, plan check, and electrical fees for the new building construction (not to exceed \$2,666); and a
- 3% abatement of use tax on the associated construction materials (not to \$16,500);

BACKGROUND

Nationwide Fab started 14 years ago in Commerce City, and relocated to Northglenn five years ago. They are a national manufacturer and distributor of commercial stainless steel kitchen and food service equipment. Major customers include Chipolte, Blackeyed Pea, Smash Burgers, hospitals, schools, stadiums, and many other marketplaces.

They currently own a 50,000 square foot facility at 10923 Leroy Drive. The company wants to expand its existing building by 25,000 square feet (Exhibit A) to accommodate for new product lines to include millworking, stone and other materials used on their finished projects. Currently they outsource this process, and want to bring this manufacturing element in-house to improve efficiency, productivity, reduce costs, and increase revenues for the company. This expansion is critical for Nationwide's future growth plans.

State legislation allows Adams County Commissioners the ability to negotiate corporate property tax rebates for qualifying primary employers up to 50% of their personal (if in the Enterprise Zone) and real property taxes for the first four years. Nationwide meets the required capital investment, job growth and average wage levels to qualify for an Adams County incentive in the amount of \$19,000. In order for Nationwide to be considered for county incentives, a local municipal match is required.

The goal is to leverage the financial business assistance for Nationwide to utilize both city and county incentives. If Council approves this incentive agreement, the local match will have been fulfilled, and ACED will make a formal request to the Adams County Commissioners for consideration of a county incentive in the amount of \$19,000.

PROJECT SCOPE

In accordance with the Business and Development Assistance and Incentive Policy staff recommends entering into an Incentive Agreement with Nationwide Fab for an incentive not to exceed a total of \$19,666. This is in compliance with the provisions of Article 13 of Chapter 5 of the Northglenn Municipal Code. Below and described in Exhibit B provides the company background and scope of work for this project:

Employment:

- After Expansion - 45-50 Employees
- Current - 40 Employees
- Annual Payroll - \$1.95 Million

Capital Investment:

- Expansion Project Cost:
 - \$1.1 million - Estimated building construction & labor costs
 - \$150,000 - FF&E Capital Investment

Project Specifications

- Existing Building - 50,000 Square Feet
- Expansion - 25,000 Square Feet
- Timeline:
 - Start Construction – June 2012
 - Completion – Fall/Early Winter 2012

BUDGET IMPLICATIONS

The total business assistance incentive request from Northglenn is not to exceed \$19,666, and would include:

- 100% waiver of the Development Review Committee Fee (\$500)
- 25% waiver of building permit, plan check, and electrical fees for the new building construction (not to exceed \$2,666);
- 3% abatement of use tax on the associated construction materials (not to exceed \$16,500);

STAFF REFERENCE: If you have any comments or questions, please contact Bill Simmons at 303.450.8706 or wsimmons@northglenn.org; or Debbie Tuttle at 303.450.8743, or dtuttle@northglenn.org.

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-49
Series of 2012

Series of 2012

A RESOLUTION APPROVING AN INCENTIVE AGREEMENT WITH NATIONWIDE FAB, INC.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The Incentive Agreement between the City of Northglenn and Nationwide Fab, Inc. (the "Incentive Agreement"), attached hereto as Exhibit 1, in an amount not to exceed \$19,666.00 for waivers of building permit fees, plan review fees, and use taxes otherwise due for the business expansion project is hereby approved and the Mayor is authorized to execute same on behalf of the City.

DATED at Northglenn, Colorado, this _____ day of _____, 2012.

JOYCE DOWNING
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney

EXHIBIT 1

**INCENTIVE AGREEMENT
(Nationwide Fab, Inc.)**

THIS INCENTIVE AGREEMENT (the "Agreement") is made and executed this ____ day of _____, 2012, by and between the CITY OF NORTHGLENN, COLORADO, a Colorado home rule municipal corporation, (hereafter referred to as the "City"), and Nationwide Fab, Inc., a Colorado limited liability company, (hereafter referred to as "Nationwide").

W I T N E S S E T H

WHEREAS, Nationwide is the owner of property located generally at 10923 Leroy Drive, Northglenn, Colorado (the "Property");

WHEREAS, Nationwide proposes to construct improvements on the Property as more specifically set forth in the attached **Exhibit A** (the "Improvements");

WHEREAS, in entering into this Agreement, the City Council of the City specifically finds that entering into this Agreement will encourage the substantial expansion of a tax generating business within the City; thereby stimulating the economy of and within the City; thereby providing employment for residents of the City and others; and further increasing the taxes collected by the City;

WHEREAS, the City Council finds that the expansion project of the Property is necessary to promote the public welfare including the expansion of tax generating business and expanded employment opportunities;

WHEREAS, the City Council further finds that entering into this Agreement shall provide a mechanism for the provision to the residents of the City of necessary public and private improvements at no cost or reduced cost to the residents and the government of the City;

WHEREAS, the parties hereto wish to set forth in full their agreement as to the general nature and extent of the Improvements to be constructed and installed by Nationwide within and upon the Property, and the manner for and extent of the reimbursement to Nationwide for such construction and installation; and

WHEREAS, the parties wish to memorialize all aspects of their agreement as to the terms and conditions of such reimbursement in this Agreement.

NOW THEREFORE, the parties hereto, for themselves, their successors and assigns (to the extent this Agreement is assignable, as specified hereinafter), in and for the consideration of the performance of the mutual covenants and promises set forth herein, the receipt and adequacy of which are hereby acknowledged, do hereby covenant and agree as follows:

1. Authority. This Agreement is entered into in compliance with the provisions of Article 13 of Chapter 5 of the Northglenn Municipal Code.

2. Improvements. Nationwide shall construct, or cause to be constructed the Improvements in compliance with the specifications set forth in **Exhibit A** no later than February 1, 2013. Failure of Nationwide to complete the Improvements by this deadline shall terminate all obligations of the City set forth herein, and Nationwide shall pay to the City all amounts abated by the City under this Agreement.

3. Business Incentives. In accordance with the goals and purposes of Article 13 of Chapter 5 of the Northglenn Municipal Code, the City shall provide the following:

a. The base amount of the City's four percent (4%) use tax less the one-half percent (1/2%) use tax devoted to water acquisition and the one-half percent (1/2%) use tax devoted to capital improvements, which results in a three percent (3%) use tax to be used in determining this abatement. The City shall abate seventy five percent (75%) of the three percent (3%) use tax on construction materials for the Improvements in an amount not to exceed Sixteen Thousand Five Hundred Dollars (\$16,500);

b. The City shall abate and forego one hundred percent (100%) of the Development Review Committee fee in the amount of Five Hundred Dollars (\$500);

c. The City shall abate and forego twenty-five percent (25%) of the building permit fees in an amount not to exceed One Thousand Four Hundred and Ninety Four Dollars (\$1,494);

d. The City shall abate and forego twenty-five percent (25%) of the plan review fee in an amount not to exceed Nine Hundred and Seventy One Dollars (\$971);

e. The City shall abate and forego twenty-five percent (25%) of the electrical permit fee in an amount not to exceed Two Hundred and One Dollar (\$201);

4. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in Adams County, Colorado.

5. No Waiver. Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by the City shall not constitute a waiver of any of the other terms or obligation of this Agreement.

6. Integration. This Agreement and any attached exhibits constitute the entire Agreement between Nationwide and the City, superseding all prior oral or written communications.

7. Third Parties. There are no intended third-party beneficiaries to this Agreement.
8. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.
9. Modification. This Agreement may only be modified upon written agreement of the parties.
10. Assignment. Neither this Agreement nor any of the rights or obligations of the parties hereto, shall be assigned by either party without the written consent of the other.
11. Governmental Immunity. The City, its officers, and its employees, are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations (presently one hundred fifty thousand dollars (\$150,000) per person and six hundred thousand dollars (\$600,000) per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended, or otherwise available to the City and its officers or employees.
12. Rights and Remedies. The rights and remedies of the City under this Agreement are in addition to any other rights and remedies provided by law. The expiration of this Agreement shall in no way limit the City's legal or equitable remedies, or the period in which such remedies may be asserted, for work negligently or defectively performed.
13. Subject to Annual Appropriations. Consistent with Article X, § 20 of the Colorado Constitution, any financial obligations of the City not performed during the current fiscal year are subject to annual appropriation, and thus any obligations of the City hereunder shall extend only to monies currently appropriated and shall not constitute a mandatory charge, requirement or liability beyond the current fiscal year.
14. Notices. Any written notices provided for or required in this Agreement shall be deemed delivered when either personally delivered or mailed, postage fully prepaid, certified or registered mail, return-receipt requested, to the parties at the following addresses:

To the City: City Manager
 City of Northglenn
 11701 Community Center Drive
 Northglenn, CO 80233

With a copy to: Hayes, Phillips, Hoffmann & Carberry, P.C.
1530 Sixteenth Street, Suite 200
Denver, CO 80202

To Nationwide Adam P. Martinez
President
Nationwide Fab, Inc.
10923 Leroy Drive
Northglenn, CO 80233

DATED this day and date first above set forth.

THE CITY OF NORTHGLENN, COLORADO

Joyce Downing, Mayor

ATTEST:

Johanna Small, City Clerk

APPROVED AS TO FORM:

Corey Y. Hoffmann, City Attorney

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

Subscribed, sworn to and acknowledged before me this ____ day of _____, 2012,
by Joyce Downing as Mayor of the City of Northglenn.

My commission expires: _____

(SEAL)
Notary Public

STATE OF COLORADO)
)
COUNTY OF) ss.

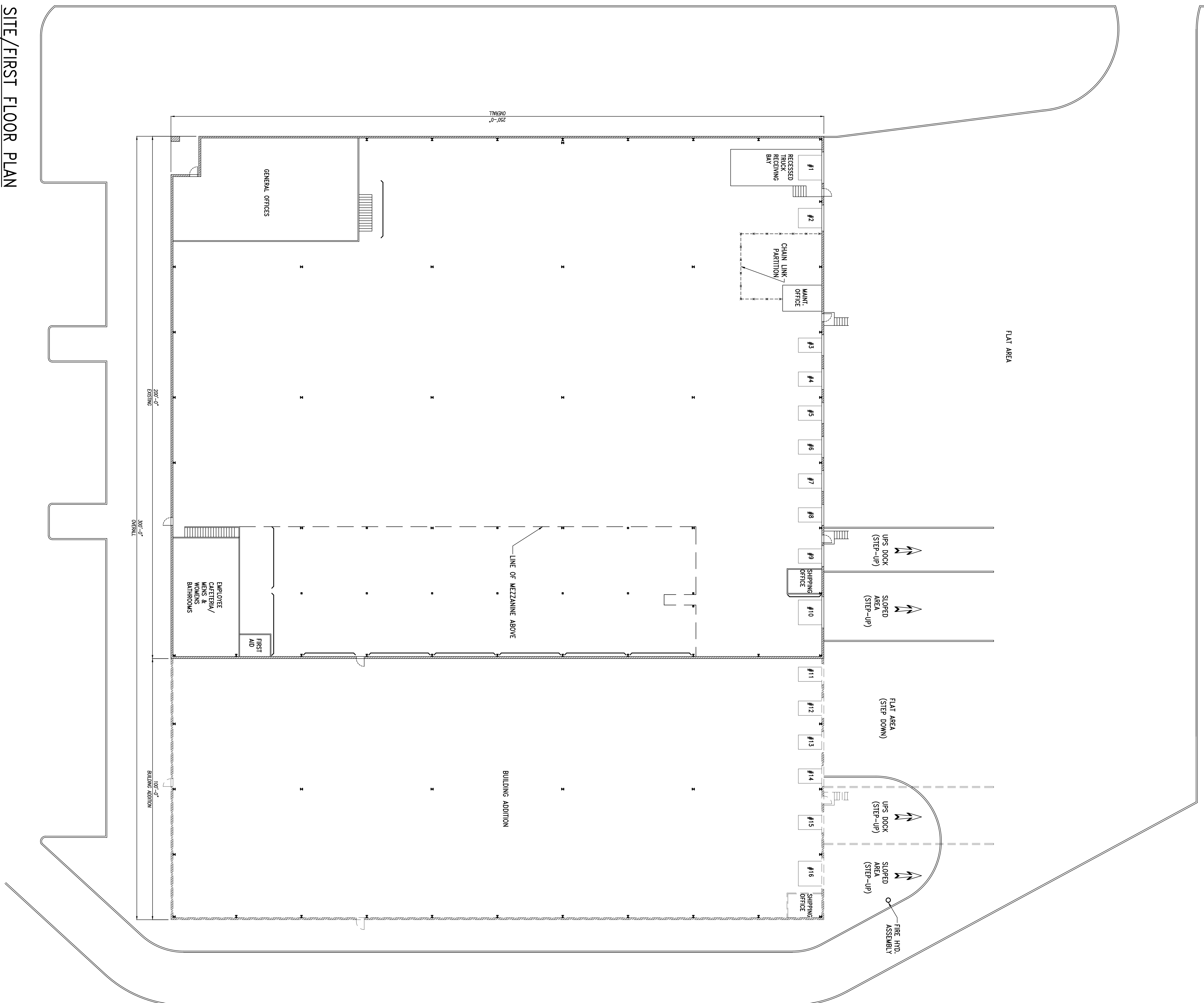
Subscribed, sworn to and acknowledged before me this ____ day of _____,
2012 by _____ as _____ of _____, a
_____.

My commission expires:

(SEAL)

Notary Public

LEROY DRIVE



SITE/FIRST FLOOR PLAN
SCALE 1/16" = 1'-0"



Business and Development Assistance & Incentives

Development Concept Proposal Request Form

Date: April 13, 2012

Company: Nationwide Fab, Inc.

Project Name: Nationwide Fab Expansion

Contact: Adam Martinez, President

Email: adammartinez@nationwidefab.com

Ph #: 303.853.0107

Website: N/A

1. Company Background: Nationwide Fab was started 14 years ago. They relocated from Commerce City to the Northglenn facility five years ago. They are a manufacturer and distributor of commercial stainless steel kitchen and food service equipment. Major customers include Chipolte, Blackeyed Pea, Smash Burgers, hospitals, schools, stadiums, and many other marketplaces. Nationwide currently owns a 50,000 square foot facility at 10923 Leroy Drive in the Northglenn Industrial Park. They were incorporated into the Northglenn Enterprise Zone in November 2010, and are not located within the NURA boundaries.

2. Project Description: Nationwide wants to expand their business and marketplace to include millworking, stone, and other materials used on their finished projects. Currently they outsource this process, and want to bring this manufacturing process in-house to increase efficiency, productivity, reduce costs, and increase revenues for the company. This 25,000 square foot expansion is critical to its projected future growth plans.

3. Conceptual Design: See Exhibit C

- 25,000 s/f expansion (attached to existing 50,000 s/f building)
- 24 foot ceilings
- Single Story
- Pre-Engineered Steel
- Sprinkled Bldg.
- Manufacturing Use
- Zoned I-2

4. Project Fact Sheet :

- Gross Building Area: 75,000 s/f (with 25,000 s/f expansion)
- Expansion Project Cost:
 - \$1.1 million - Estimated building construction & labor costs
- Expansion Capital Investment (FF&E):
 - 2012 - \$150,000 - 2012 New Furniture & Equipment
- Employment:
 - 2013 - 50
 - 2012 - 45
 - Current - 40
 - 2011 – 38
- Timeline (if incentive approved):
 - May 2012 – Start Constuction
 - Fall 2012 – Completion