

**PLANNING AND DEVELOPMENT MEMORANDUM**  
**#09-03**

February 12, 2009

**TO:** Honorable Mayor Kathleen M. Novak and City Council members

**FROM:** William Simmons, City Manager *WAS*  
James Hayes, Director of Planning and Development *JH*  
Kristin Sullivan, Economic Development Coordinator *KS*

**SUBJECT:** Precision Metal Manufacturing, Inc.

**BACKGROUND:**

Precision Metal Manufacturing is currently located in unincorporated Jefferson County, at 12555 W. 52<sup>nd</sup> Ave. The company is planning to expand and is currently in negotiations to purchase and relocate to the building at 11060 Irma Dr. in Northglenn. This building is approximately 71,000 square feet, and it was formerly occupied by Medegen.

Under the Business Incentive Zone Ordinance, City Council has the power to abate certain categories fees, taxes, and other business development-related charges for businesses that are expected to generate revenue to the City.

**COMPANY FACTS:**

- Precision sheet metal shop that makes products such as welded chasis assemblies, front panels, cabinets, and brackets
- Industries served include agricultural, medical, and testing equipment
- Annual revenue is over \$9,000,000
- Current location employs 74 people; company expects an increase of 20%
- Company expects to relocate its current equipment, worth \$3.1 million, and purchase \$1.5 to \$2 million in new equipment in the next four years
- Estimated use tax to the City of Northglenn on the new equipment is approximately \$60,000 to \$80,000.

**INCENTIVE PROPOSAL**

Staff is proposing an agreement that would provide an incentive of \$24,650 in the form of a waiver up to this amount on plan check fees, building permit fees, and use tax on construction materials for tenant finish.

Adams County Economic Development will advance an incentive proposal to the Adams County Commissioners to rebate the County's personal property taxes on the \$2 million in new equipment if a local match from the City of Northglenn is pledged. The County's proposed incentive amount is an additional \$24,650.

## **BUDGET/TIME IMPLICATIONS**

Precision Metal Manufacturing is interested in closing on the property in the first quarter of 2009 if possible. Relocation would take place as soon as possible thereafter.

The incentive would take the form of fee waivers up to \$24,650. It is anticipated that use tax revenues from the company will exceed the amount of the incentive, resulting in a net financial benefit to the City.

## **RECOMMENDATION**

Staff recommends approval of the resolution to give Precision Metal Manufacturing an incentive in the amount of \$24,650.

## **STAFF REFERENCE**

If Council members have any comments or questions, they may contact James Hayes at [jhayes@northglenn.org](mailto:jhayes@northglenn.org) or at 303-450-8937

SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-21  
Series of 2009

\_\_\_\_\_  
Series of 2009

A RESOLUTION APPROVING A BUSINESS INCENTIVE FOR PRECISION METAL MANUFACTURING, INC. FOR FEE WAIVERS IN THE AMOUNT OF \$24,650.00

WHEREAS, the Northglenn Business Incentive Zone Ordinance provides for the waiving of use tax on building materials, building permit fees, and plan check fees associated with redevelopment projects that will generate new revenues for the City;

WHEREAS, Precision Metal Manufacturing, Inc. desires to relocate to the City of Northglenn to the former Medegen building located at 11060 Irma Drive, and such relocation will include tenant finish and the relocation of approximately 74 employees to the City of Northglenn;

WHEREAS, the Adams County Commissioners will be considering an incentive proposal in the amount of \$24,650.00 based on a rebate of personal property taxes if a local match from the City of Northglenn is pledged; and

WHEREAS, the City's Business Incentive Zone Review Committee has reviewed the incentive request of Precision Metal Manufacturing, Inc., and has determined that a business incentive in the amount of \$24,650.00 is appropriate.

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

Section 1. The City Council hereby approves a business incentive for Precision Metal Manufacturing, Inc. in the amount of \$24,650.00, provided that Precision Metal Manufacturing, Inc. completes the relocation of its facilities to 11060 Irma Drive.

DATED at Northglenn, Colorado, this \_\_\_\_ day of \_\_\_\_\_, 2009.

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KATHLEEN M. NOVAK  
Mayor

ATTEST:

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JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

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COREY Y. HOFFMANN  
City Attorney