



Sixth Amendment to the Leprino Development Agreement

**City Council
Final Reading - January 3, 2023**

Leprino Economic Impact

- **Greeley plant employed: 545 with 134 new hires in 2021/2022**
- **2021 impact of cheese manufacturing in Weld County, CO:**
 - **2,501 additional jobs county-wide**
 - **\$171.1M additional earnings county-wide**
 - **\$19.9M additional state and local taxes**
 - **Median advertised salary: \$65.3K (\$31.4/hr)**
 - **54% of new hires have a bachelor/master's degree**
 - **2013-2022 property-tax rebate: \$76.9M**



Leprino Development Agreement

- **Raw water credits and costs a key component of the agreement**
 - **“Produced Water” from dairy process was a key part of the raw water dedication, and an uncertain amount when the original agreement was negotiated**
 - **Assumed 600 acre feet (AF) – Actual amount 840 AF**
 - **Greeley had the option to purchase any amount above 600 AF once decreed**



Leprino's Raw Water Overage

- **Buildout occurred in 2018 – raw water surcharges for any usage over dedicated water allotment**
- **Leprino exceeded their water allotment by 172.53 AF in 2020**
 - **Leprino's overage in 2020 resulted in amount owed of \$565,001.68**
- **Staff from Greeley and Leprino agreed to use the raw water surcharge revenue for Greeley to purchase a portion of the excess Produced Water**



Sixth Amendment – Key Terms

- **The \$565,001.68 Leprino owes for the raw water surcharge allows Greeley to purchase 38.70 AF of excess Produced Water**
- **Greeley relinquishes all rights to the remainder of the excess Produced Water**
- **Defined remaining available cash-in-lieu of raw water volumes and prices**



Recommended Action:

- **Adopt the ordinance for the Sixth Amendment to the Development Agreement for Leprino Foods Company**



Questions?

