



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE: November 21, 2022

SUBJECT: Economic Incentive Agreement Regarding Grosboll Cookies LLC (dba Mary's Mountain Cookies)

ACTION PROPOSED: Consider Resolution 2022-46 Approving the Economic Incentive Agreement Between the Town of Johnstown and Grosboll Cookies LLC

ATTACHMENTS:

1. Resolution 2022-46
2. Economic Incentive Agreement Between the Town of Johnstown and Grosboll Cookies, LLC

PRESENTED BY: Sarah Crosthwaite, Economic Development Manager

AGENDA ITEM DESCRIPTION:

Mary's Mountain Cookies (MMC) is a Fort Collins based franchise business looking to expand and open their first store in Johnstown. MMC has a preference to locate in downtowns and has identified 16 S. Parish Avenue as the location. The Johnstown MMC store would be operated by Chris and Sarah Grosboll under Grosboll Cookies, LLC.

MMC is considered a Snack & Nonalcoholic Beverage Bar within the NAICS Code (722515) and provides a boutique eatery experience within the downtown corridor. MMC is currently making improvements to the interior and exterior of the building. These improvements would bring the building up to code for its intended use and revitalize the front façade with an awning, paint/trim, and outdoor café seating area.

In order to facilitate the development of the project, the Town has offered the following incentives:

- The Town will offer a sales tax rebate for a term of 2 years for all sales tax dollars generated directly from POS at the MMC location within Johnstown, CO.
 - 2-year term; sales tax rebate of up to 0.75%; *current local sales tax rate 3%*
 - Term of sales tax revenue share will begin effective from the date of

The Community That Cares

www.TownofJohnstown.com

P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO | F: 970.587.0141

issuance of a Certificate of Occupancy (CO) or April 1, 2023; whichever comes first

- The Town will offer a one-time 50% building permit fee reduction based on the total valuation of the construction costs specific to the property.

In order to meet the Town’s Economic Incentive Policy, Mary’s Mountain Cookies has committed to the following performance measures and expectations:

- A business operating start date no later than April 1, 2023
 - Should the business relocate to another location, the incentive offer is null. Any expansion or additional stores within Johnstown will not qualify for the incentive.
- Business hours must be at least 32 hours per week and among other days of the week, on Fridays and Saturday, not including observed holidays.

The proposed project meets the Town’s Economic Incentive Policy by providing a positive fiscal, community, and employment impact within the community. Additionally, a “Mary’s Mountain Cookies” store meets the Town’s targeted industry objectives of attracting unique commercial retailers within a key corridor of the community. The Town has been effective in strategizing the most appropriate economic incentives available and collecting required data and due diligence to ensure a fair, judicious, and strategic use of incentives.

LEGAL ADVICE:

The Town Attorney has reviewed the Economic Incentive Agreement.

FINANCIAL ADVICE:

The Town will be committed to a sales tax revenue share of 0.75% for a 2-year term to be paid quarterly as defined in Section 8(a) of the agreement.


RECOMMENDED ACTION: Approve Resolution 2022-46 approving the Economic Incentive Agreement Between the Town of Johnstown and Grosboll Cookies, LLC.

SUGGESTED MOTIONS:

For Approval: I move to approve Resolution 2022-46 regarding the Economic Incentive Agreement Between the Town of Johnstown and Grosboll Cookies, LLC.

For Denial: I move to deny Resolution 2022-46 regarding the Economic Incentive Agreement Between the Town of Johnstown and Grosboll Cookies, LLC.

Reviewed and Approved for Presentation,



Town Manager