



# Town of Johnstown

## TOWN COUNCIL AGENDA COMMUNICATIONS

---

**AGENDA DATE:** October 18, 2021

**SUBJECT:** Economic Incentive Agreement Regarding Buc-ee's LLC

**ACTION PROPOSED:** Consider Resolution 2021-40 Approving the Economic Incentive Agreement Between the Town of Johnstown and Buc-ee's Colorado

**ATTACHMENTS:**

1. Resolution 2021-40
2. Economic Incentive Agreement Between the Town of Johnstown and Buc-ee's Colorado (Exhibit A)

**PRESENTED BY:** Sarah Crosthwaite, Economic Development Manager

---

### AGENDA ITEM DESCRIPTION:

Buc-ee's is a convenience store and gas station primarily located in the southern region of the US. They are in negotiations to purchase 28.22 acres of property located within the Town at the southwest corner of I-25 and Hwy 60 for development of their first location in Colorado.

The development will include at least a 53,000 SF "Buc-ee's Travel Center" and creation of a minimum of 150 full-time jobs within one year of their opening start date. In order to facilitate the development of the project, the Town has offered the following incentives:

- Expedited Planning & Development review process
  - 3 business day review period for completeness of each submittal
  - 4-week review period after acknowledgement of a complete submittal
- Sales tax revenue share, 50/50 based off of a 3% sales tax rate
  - 25-year term for all sales tax dollars generated directly from POS at the Buc-ee's location within Johnstown, CO
  - Sales tax revenue share will be limited to non-dedicated sales tax dollars and will become effective following the quarter of which they open their doors to the public

*The Community That Cares*

[www.TownofJohnstown.com](http://www.TownofJohnstown.com)

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

- The Town will consider supporting the implementation of a public improvement fee to assist in funding onsite and offsite public improvements.

In order to meet the Town’s Economic Incentive Policy, Buc-ee’s LLC has committed to the following performance measures and expectations:

- Creation of 150 full-time jobs within one year of their opening start date
- Installation of a minimum of two electric vehicle charging stations at the project location
- Defined project construction, completion, and opening dates contingent on the progress and completion of CDOT’s I-25 Improvements.

Buc-ee’s has also offered to contribute a one-time donation of \$250,000 toward a community project of the Town’s choice within 30 days of when the sales tax revenue share begins.

It is important to note that should Buc-ee’s fail to meet the minimum job creation metric, the Town will be entitled to reduce the sale tax revenue share by a proportionate amount based on each quarter that the metric is not met. Additionally, should Buc-ee’s fail to open their location in Johnstown, Colorado within four years of the effective date of the Economic Incentive Agreement, the Town will not be required to provide any of the incentives set forth within Section 3 of the agreement.

The proposed development meets the Town’s Economic Incentive Policy by providing a positive fiscal, community, and employment impact within the community. Additionally, a “Buc-ee’s Travel Center” meets the Town’s targeted industry objectives of attracting commercial destination retailers. 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 and drafted the Resolution.

**FINANCIAL ADVICE:**

The Town will be committed to a sales tax revenue share of 1.5% for a 25-year term to be paid quarterly as defined in Section 2 of the agreement.

**RECOMMENDED ACTION:** Approve Resolution 2021-40 approving the Economic Incentive Agreement Between the Town of Johnstown and Buc-ee’s Colorado

**SUGGESTED MOTIONS:**

**For Approval:** I move to approve Resolution 2021-40 Approving the Economic Incentive Agreement Between the Town of Johnstown and Buc-ee's Colorado.

**For Denial:** I move to deny Resolution 2021-40 regarding the Economic Incentive Agreement Between the Town of Johnstown and Buc-ee's Colorado.

*Reviewed and Approved for Presentation,*



---

Town Manager