



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

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| AGENDA DATE: | May 16, 2022 |
| SUBJECT: | Economic Incentive Agreement Regarding Uncle Benny's Building Supplies, LLC |
| ACTION PROPOSED: | Consider Resolution 2022-19 Approving the Economic Incentive Agreement Between the Town of Johnstown and Uncle Benny's Building Supplies, LLC |
| ATTACHMENTS: | 1. Economic Incentive Agreement Between the Town of Johnstown and Uncle Benny's Building Supplies, LLC 2. Resolution 2022-19 |
| PRESENTED BY: | Sarah Crosthwaite, Economic Development Manager |

AGENDA ITEM DESCRIPTION:

Uncle Benny's is a retail store specializing in building supplies and materials that includes new and used items such as doors, electrical, hardware, cabinets, landscaping, windows, flooring, trim, lumber, and plumbing parts. They have purchased or will purchase approximately 5.03 acres of property located within the Town on the east side of I-25 at or near Marketplace Drive for the development of their store. Please note additional acreage will be purchased that surrounds the property by varying entities within the business for continued development.

Their location in Johnstown is an expansion/relocation project from their existing site within the unincorporated area of Larimer County. Their new site would consist of approximately 5.03 acres of outdoor lumber yard space and a 9,600 sq. ft. indoor retail store. In order to facilitate the development of the project, the Town has offered the following incentives:

- Allowance for temporary storage and staging area-
 - The temporary storage and staging area must cease by April 5, 2023 unless an extension is requested on behalf of Uncle Benny's and approved administratively
 - The temporary storage and staging area must remain in compliance with Town codes, standards, and expectations as outlined in the incentive agreement

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- Sales tax revenue share-
 - 1% sales tax rebate for a 10-year term for all sales tax dollars generated directly from POS at the Uncle Benny’s location within Johnstown, CO
 - Sales tax revenue share will be limited to non-dedicated sales tax dollars and will become effective on July 1, 2023
 - Sales tax revenue share is exclusive to Uncle Benny’s and does not include any future or current owners and/or third-party businesses in which space is shared, or auxiliary businesses

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

- To operate the business for a minimum of 10 years
- Construct a “makerspace” within 2 years of the effective date of the incentive agreement
- Remain in compliance with Town codes, rules, and regulations throughout the duration of the project and operation of the business

It is important to note that should Uncle Benny’s fail to remain in compliance with Town codes, rules, and regulations throughout the duration of the project and operation of the business or they fail to construct the “makerspace” within 2 years of the effective date of this agreement, the sales tax rebate will cease until Uncle Benny’s comes into compliance as determined by the Town.

The proposed development meets the Town’s Economic Incentive Policy by providing a positive fiscal, community, and employment impact within the community. Additionally, an “Uncle Benny’s Building Supplies” store meets the Town’s targeted industry objectives of attracting commercial 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.

FINANCIAL ADVICE:

The Town will be committed to a sales tax revenue share of 1% for a 10-year term to be paid quarterly as defined in Section 2(a) of the agreement.

RECOMMENDED ACTION: Approve Resolution 2022-19 approving the Economic Incentive Agreement Between the Town of Johnstown and Uncle Benny’s Building Supplies, LLC.

SUGGESTED MOTIONS:

For Approval: I move to approve Resolution 2022-19 Approving the Economic Incentive Agreement Between the Town of Johnstown and Uncle Benny's Building Supplies, LLC.

For Denial: I move to deny Resolution 2022-19 regarding the Economic Incentive Agreement Between the Town of Johnstown and Uncle Benny's Building Supplies, LLC.

Reviewed and Approved for Presentation,



Town Manager