

**RESOLUTION APPROVING MODIFICATIONS TO ECONOMIC DEVELOPMENT
INCENTIVES FOR MID RAIL REAL ESTATE, LLC AND INTSEL STEEL WEST, LLC**

NO. 2017-07

WHEREAS, the City Council of the City of Commerce City ("City Council"), by Resolution No. 2014-56, adopted the Commerce City Economic Development Incentives Program ("Incentive Program"), effective January 1, 2015;

WHEREAS, Intsel Steel West, LLC, whose principal business address is 6000 Jensen Dr., Houston, TX 77026, ("Intsel Steel West") has submitted a Business Incentive Application under the Incentive Program in connection with proposed new development and business operations in the City of Commerce City ("City") by Intsel Steel West and a related company, Mid Rail Real Estate, LLC, whose principal business address is 6000 Jensen Dr., Houston, TX 77026 ("Mid Rail Real Estate" and, with Intsel Steel West, "Businesses");

WHEREAS, Mid Rail Real Estate will develop and own a steel distribution facility and Intsel Steel West will operate that facility in the Irondale area of the City;

WHEREAS, the estimated combined value of capital improvements planned for the opening of the Intsel Steel West in the City, including fixed non-construction capital expenditures for equipment in the amount of \$1,500,000 and new construction consisting of a building and related structure in the amount of \$8,000,000 and a rail spur in the amount of \$5,000,000 (collectively, "Capital Improvements"), and the Businesses anticipate creating 92 new full or part time jobs in the City;

WHEREAS, upon review of the Business Incentive Application and staff report, the City Council approved Resolution 2016-01 granting incentives to the Businesses, subject to conditions to be established by an Incentive Agreement consistent with such Resolution, including deadlines for the construction of the Capital Improvements;

WHEREAS, the construction of the Capital Improvements has commenced but, due to causes outside of the reasonable control of the Businesses, the Capital Improvements will not be completed according to the schedule established in Resolution 2016-01; and

WHEREAS, upon review of the Business Incentive Application and staff report, the City Council desires to modify the incentives described in Resolution 2016-01 and finds that the incentives granted through this resolution, subject to conditions to be established by an Incentive Agreement consistent with such Resolution, are and shall be in the best interests of the residents of the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COMMERCE CITY, COLORADO AS FOLLOWS:

1. Resolution 2016-01 is repealed and replaced by this resolution.
2. The City is authorized to rebate to Mid Rail Real Estate the following amounts as incentives for the Capital Improvements:
 - a. **Seventy-five percent (75%)** of the City's non-dedicated sales and use taxes (at the 3.5% rate) payable and remitted to the City in connection with the Capital Improvements by Mid Rail Real Estate; and

- b. **Seventy-five percent (75%)** of the building permit fees and building plan review fees payable and remitted to the City in connection with the Capital Improvements by Mid Rail Real Estate;

Such incentives shall apply whether the taxes and fees are paid to the City directly by Mid Rail Real Estate or through vendors or contractors.

3. The City is authorized to rebate to Intsel Steel West the following amounts as incentives for the Capital Improvements:

- a. **Seventy-five percent (75%)** of the City's non-dedicated sales and use taxes (at the 3.5% rate) payable and remitted to the City in connection with the Capital Improvements by Intsel Steel West; and
- b. **Seventy-five percent (75%)** of the building permit fees and building plan review fees payable and remitted to the City in connection with the Capital Improvements by Intsel Steel West;

Such incentives shall apply whether the taxes and fees are paid to the City directly by Intsel Steel West or through its vendors or contractors.

4. All incentives provided to Businesses shall be conditioned on verification of the City sales and/or use tax and fee payments received by the City, and completion of the Capital Improvements, as set forth in the schedule below:

<u>Capital Improvements</u>	<u>Completion Date no later than:</u>
Building Construction	December 31, 2017
Equipment Purchase	December 31, 2017
Rail Spur Construction	December 31, 2021

5. The City Manager is authorized to negotiate and execute an Incentive Agreement with the Business consistent with the Incentive Program and this Resolution to establish any additional conditions deemed necessary and in the City's best interests, which conditions shall govern and be conditions to the payment of any incentives.

RESOLVED AND PASSED THIS 9TH DAY OF JANUARY 2017.

CITY OF COMMERCE CITY

Sean Ford, Mayor

ATTEST:

Laura J. Bauer, MMC, City Clerk