

Project Garnet Urban Renewal Plan

Colorado Springs City Council
Work Session

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Presentation Overview



- Project Garnet Overview
- Urban Renewal Designation
- Economic and Fiscal Impact Analyses
- Staff Recommendation
- Questions

Project Garnet Overview



Entegris, Inc. is a global supplier of advanced materials and process solutions for the semiconductor, life sciences, and other high-tech industries.

Project Garnet Overview



- Publicly Traded on Nasdaq
- Trading Symbol: ENTG
- Market Capitalization: \$17 Billion

Project Garnet Overview



- **Entegris Manufacturing Center of Excellence**
- Investment plans for expansion and job creation
 - \$631 million capital investment over 5 years
 - \$ 280 million building and improvements
 - \$351 million machinery, equipment, furniture and fixtures
 - Construct approximately 500,000 Sq. Ft. Facility
 - 597 jobs over 5 years
 - Average wage: \$75,754
- **Colorado Springs competed with other communities for this project – Highly competitive**

Project Garnet Overview



- Potential for significant Phase 2 expansion in 2028
 - \$554 million capital expenditure
 - 500,000 Sq. Ft. expansion
 - 483 new jobs
- (This analysis models phase 1 only)

Project Garnet Overview



- Proposed Site
 - 301 South Rockrimmon Boulevard
 - Approximately 88 acres
 - Appropriately zoned
 - Site was previous location of Compaq Computer Corporation manufacturing facility
 - The facility was demolished in 2012

Project Garnet Overview



Project Garnet Overview



- Incentives through an EDA from the City of Colorado Springs
- Additional incentives from the State of Colorado, El Paso County and Colorado Springs Utilities.
- Chamber & EDC Deal Closing Fund
- Project Garnet is pursuing an Urban Renewal designation
- Company will break ground on the new facility in 2023 following final approval of local and state incentives.

URA Designation



- URA designation to address statutory blight
- To facilitate an extraordinary investment, job creation and economic growth
- To make Colorado Springs competitive with other cities under consideration

URA Designation



- Existing Conditions Survey
- Urban Renewal Plan
- El Paso County Impact Report

Economic & Fiscal Impact Analysis



Expansion

15-Year Economic and Fiscal
Impact Analyses

Expansion: Economic Impact



15-Year Analysis of New Community Benefits from Expansion

| New Community Benefits – Permanent Jobs | | 15 Year Total | |
|--|--|----------------------|----------------------|
| Direct Jobs | | 631 | |
| Indirect/Induced Jobs | | 583 | |
| Total Permanent Jobs | | 1,214 | |
| New Community Benefits – Construction Jobs | | | |
| Total Construction Jobs | | 4,268 | |
| New Community Benefits – GMP | | 15 Year Total | Average Annual |
| Total Value Added (Gross Metropolitan Product) | | \$2.2 Billion | \$148 Million |

Expansion: Fiscal Impact



15-Year Analysis of Gross New City Revenue from Expansion

*No Sunset

| New City Revenue from Expansion | 15 Year Total | Average Annual |
|---------------------------------|---------------|----------------|
| Total New City Revenue (Gross) | \$54,693,919 | \$3,646,270 |

* Indicates item scheduled to sunset; calculations assume special fund taxes are renewed after sunset.

* See Appendix slide 23 for breakdown of calculations.

Expansion: Calculation of Incentives



Calculation of Incentives for Expansion: City Sales and Use Tax Rebates over a 15-Year EDA Agreement

| City Sales and Use Tax Rebate | Total |
|---|--------------------|
| Business Personal Property (Machinery and Equipment) | \$5,265,000 |
| Construction Materials | \$1,400,000 |
| | |
| Total Estimated Sales and Use Tax Rebate | \$6,665,000 |

Expansion: Fiscal Impact



15-Year Analysis of Net New City Revenue from Expansion

*No Sunset

| New City Revenue from Expansion | 15 Year Total | Average Annual |
|-------------------------------------|---------------------|--------------------|
| Total New City Revenue (Gross) | \$54,693,919 | \$3,646,270 |
| City Incentive | (\$6,665,000) | (\$444,333) |
| | | |
| Total New City Revenue (Net) | \$48,028,919 | \$3,201,937 |

Staff Recommendation



Approval of a resolution making certain legislative findings and approving the Project Garnet Urban Renewal Plan.

AND

Approval of a resolution approving a Cooperation Agreement between the Colorado Springs Urban Renewal Authority and the City of Colorado Springs to promote redevelopment and assist with financing of public improvements for the Project Garnet project pursuant to Colorado Revised Statute Section 31-25-107(9)(a)(II)

Questions?

