



December 1, 2020

Brent Bowyer, CFO/Director of Finance
Elementum 3D
400 Young Court
Erie, CO 80516

Re: Manufacturing Facility

Dear Brent,

The proposed expansion of Elementum 3D offers an exciting opportunity and we appreciate your interest in growing your production capabilities here in Erie/Weld County!

Based on the attached project information and our discussion with Ben Pratt, Economic Development Director for Erie, below we have outlined potential assistance that we believe your project qualifies to apply for in the Town of Erie/Weld County. I've also included the estimated value of the potential assistance, as able. Assuming you chose to take advantage of everything outlined below, **we roughly estimate that the total value of potential Erie/Weld/Colorado assistance could reach \$172,036** over multiple years.

While we feel confident that your proposed project could be awarded some level of assistance through programs outlined below, formal government applications and approvals are required and there's no guarantee that your project will be approved for all potential assistance outlined in this letter.

Potential Assistance

1. Erie Development Assistance – Est. Value - \$132,125

The Erie sales tax associated with the construction of a new building and the purchase of manufacturing equipment may be rebated up to 100%. This project may qualify for a rebate of \$132,125 (100%), as detailed in attached worksheet.

Please note: Unlike many Colorado Counties charging from 1%-3% sales/use tax on equipment; Weld County has NO sales/use tax which offers additional up-front direct savings.

2. Partial Personal Property Tax Rebate – Est. Value - \$31,511 over 10 years

Weld County will consider providing a partial personal property (equipment) tax rebate on their jurisdiction's portion of the tax. The rebate amount is equal to 50% of the qualifying new or expanding company's new personal property tax for up to 10 years. To qualify, the company must be a primary sector employer, must qualify as a "New Business Facility", must invest a minimum of \$1 million in new equipment and at least 50% of their employees must be a Weld resident. **Weld County will need to formally approve the rebate.** We roughly estimate the value could reach \$31,511 over ten years. See attached Personal Property Tax information sheet with rebate procedures and worksheet.

3. Colorado First/Existing Industries Customized Job Training Grant – *Est. Value – up to \$8,400*

Eligible companies may apply for this state training grant which is awarded to assist with the cost of training new or retraining existing employees – these are competitive grants. The company must contribute at least 40% of the training costs and the program may then contribute an average maximum allowance of up to \$1,400/eligible trainee based upon actual training costs up to a maximum of \$100,000. The new jobs created must be full-time, pay above minimum wage levels for the industry and geographic area and the company must provide a health insurance plan. This program is jointly administered by the state Office of Economic Development and the Community College system. In Weld County, companies work with Aims Community College who can determine eligible training activities and assist with writing /administering the grant. We roughly estimate that your project could apply for up to \$8,400 based on Phase 1 activity. As the company continues to grow additional grants may be possible. See attached program information sheet.

4. Weld/Larimer Revolving Loan Fund (RLF) Financing – *Est. Value – TBD*

The RLF was developed to assist for-profit businesses locating/expanding in rural Weld or Larimer Counties by providing short-term (5-7 years) “gap” financing of up to 45% of project costs up to \$500,000. The business must be creating/retaining jobs. Eligible fund uses include the purchase of borrower-occupied real estate, equipment, inventory, working capital and refinancing existing debt, in some cases. To leverage other lender involvement, the RLF can take a second or third collateral position and interest rates are negotiable based on the national prime rate. A personal guarantee is required, and the borrower must provide at least 10% of the project costs. See attached program brochure.

5. Employment Services of Weld County (ESWC) – *Free Services*

ESWC is funded by the Department of Labor and Employment, plus other federal programs, and provides a broad menu of customized labor services to employers - most at NO CHARGE. Services include: Job Posting, Employee Recruitment, Screening and Referrals, Job Fairs, etc. Through their Assessment and Learning Lab, ESWC offers a flexible, self-paced learning alternative for employers interested in offering a variety of training including computerized instruction and GED preparation. In addition, the Assessment and Learning Lab has a variety of behavioral trait assessments for job candidates. The On-the-Job Training Program (OJT) provides employers an opportunity to offset labor costs during the training period by up to 50% while assisting job candidates acquire specific training. Federal tax credits may also be available for hiring a variety of special category job applicants. ESWC can determine if applicants meet federal guidelines and assist in program administration. See attached ESWC brochure.

I hope this letter provides the type of information needed to move your project forward here in Erie/Weld and welcome the opportunity to further discuss these potential incentive opportunities, answer questions you may have and begin the application process for those programs of interest, as warranted. I look forward to working with you as you expand your operations in Erie/Weld County!

Warm Regards,



Audrey Herbison
Economic Development Manager
Upstate Colorado Economic Development

Attachments

Cc: Ben Pratt, Economic Development Director, Town of Erie



WELD COUNTY

PROJECT INFORMATION FORM

for
Incentive Development

Please Note: Phase 1 = Years 1-2; Phase 2 = Years 3-5

Company Name: _____

Project Description	<i>Please provide a brief project description (facility function, relocation, expansion, consolidation, etc.) below:</i>	

	Which of the following functions does the company derive 50+% of its income from:	
	<input type="checkbox"/> Manufacturing/Processing;	<input type="checkbox"/> Warehouse/Distribution; <input type="checkbox"/> Research & Development;
	<input type="checkbox"/> Call Center/Tech Support;	<input type="checkbox"/> Office/Administrative; <input type="checkbox"/> Service Center; <input type="checkbox"/> Other
	Primary NAICS Code: _____ (if known)	
	Is 25% or more of annual gross income from direct retail sales? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Est. % of annual sales outside of Weld? _____ %		
Total Est. Investment (phase 1 building/land/equipment): \$ _____		

Land	Acres Needed: _____	Required Zoning: _____
	Est. Investment: \$ _____	Annexation Required? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Address/Legal Description: _____	

Building	<input type="checkbox"/> Existing Building <input type="checkbox"/> New Construction	(Phase 2 – if applicable)
	Phase 1 Size: _____ sq. ft.	Phase 2 Size: _____ sq. ft.
	Phase 1 investment: \$ _____	Phase 2 Investment: \$ _____

Infrastructure Requirements	<i>Please indicated unique/large infrastructure requirements below or list as "typical industrial use" :</i>	
	Water (potable/non-potable; line size; gallons/day, etc.): _____	
	Sewer (line size; pretreatment, etc.): _____	
	Gas (volume, etc.): _____	
	Electrical (Amps; peak demand, etc.): _____	
	Rail Required: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Equipment	Est. Phase 1 New Equipment (depreciable personal property) Investment: \$ _____
	Est. Phase 2 New Equipment (depreciable personal property) Investment: \$ _____
	Est. Value of existing equipment to be relocated: \$ _____

Employment and Wages	<i>Existing Employment (if applicable)</i>	
	Existing Full-time Weld jobs: _____	Existing Part-time Weld Jobs: _____
	<i>New Employment - Phase 1 (Years 1-2)</i>	
	New Full-time Jobs: _____	New Full-time Jobs: _____
	New Part-time Jobs: _____	New Part-time Jobs: _____
	New Construction Jobs: _____	
	Existing Colo. Full-time Jobs Relocating to Proposed Facility: _____; from where? _____	
	Existing Colo. Part-time Jobs Relocating to Proposed Facility: _____; from where? _____	
	<i>Wage/Benefit Information</i>	
	Est. facility-wide, annual average wage at proposed facility: \$ _____/year (include facility mgmt.)	
	Est. average production wage at proposed facility: \$ _____/hour	
	Benefits are est. to be _____% of salary/wage	Company pays _____% of employee health premium
	<i>Other Employment Information</i>	
	Est. % of workforce that is/will be Weld resident: _____%;	
Est. Training Cost/Employee: \$ _____		
Est. number of new Full-time Jobs created from Year 1 through Year 8: _____		

Timeline	Est. Construction Start: _____
	Est. New Job Hiring Start: _____
	Est. Operational Date: _____
	Est. Phase 2 Start (if applicable) : _____

Other Project Info	<i>Please add additional information or explanation below, as warranted:</i>

Company Contact Info	Company Rep Name: _____	Title: _____
	Email: _____	Phone: _____
	City/State: _____	Zip: _____
	<input type="checkbox"/> This information is accurate and complete to the best of my knowledge.	Date: _____

Thank you for your interest in locating/expanding in Weld County. For questions or assistance in completing this form please contact:

Cathy Schulte, Senior Vice President & EZ Administrator
 Ph: 970-356-4565
 cschulte@upstatecolorado.org





Town of Erie

Elementum 3D - Phase 1 and 2 Impact Analysis

Net Results

FINAL INCENTIVE CALCULATIONS

Direct Impact- Revenue to Town of Erie		
Building Permits & Development Fees	\$ -	Pending estimation.
Estimated Sales Tax to Erie Estimated Real	\$ 0	One time payment to Erie.
Property Tax from Year 1 Estimated Personal	\$ 11,672	
Property Tax from Year 1	\$ 9,985	Estimated annual payment to Erie.
Total Direct Taxes Due to Erie	\$ 21,656	

Annual payment at depreciated rate. Personal property tax will be assessed based on the date of installation.

Indirect Impact- Sales Tax from Consumer Spending		
Annual Est. Sales Tax from Consumer Spending	\$ 15,971	Estimated annual taxes from consumer spending by new employment.

10 Year Revenue Estimate		
Total Sales Tax and Fees (One-Time Fees)	\$ 0	Total PP tax, depreciated over 10 year period.
Total 10 Year Est. Personal Property Tax to Erie	\$ 59,182	
Total 10 Year Est. Real Property Tax to Erie	\$ 92,146	
Total 10 Year Est. Sale Tax from Consumer Spending	\$ 159,705	Assuming no change to property value over a 10 year period.
Total 10 Year Estimated Revenue	\$ 311,033	

Consumer Spending is based on the assumption that employment, wages, and spending variables remain constant/constant.

FINAL TAX ESTIMATES

Total Revenue to Town of Erie		
Direct Tax Revenue	\$ 21,656	Total Tax Revenue to Erie from the 1st year of new business operations.
Indirect Tax Revenue	\$ 15,971	
Total Tax Revenue to Erie	\$ 37,627	

Incentives to Business		
Building Permit Rebate	\$ -	Total rebate to company for completed development.
Total Sales Tax Rebate	\$ 132,125	
Total Rebate Amount	\$ 132,125	

10 Year Total Revenue to Town of Erie		
Direct Tax Revenue	\$ 151,328	Total Tax Revenue to Erie from the 1st year of new business operations.
Indirect Tax Revenue	\$ 159,705	
Total Tax Revenue to Erie	\$ 311,033	

10 Year Incentives to Business		
Building Permit Rebate	\$ -	One time tax rebate to not exceed this amount.
Total Sales Tax Rebate	\$ 132,125	Total Taxes rebated to the company for completed development.
Total Rebate Amount	\$ 132,125	

Payback to Town of Erie		
Estimated Payback Time	Year 4	Estimated payback is based on the direct impact of the new personal and real property tax, in addition to the indirect impact of employees spending in Erie, against the tax amount that Erie rebated back to the company.



Town of Erie

Elementum 3D - Phase 1 and 2 Impact Analysis

Tax Calculation Estimates

DIRECT IMPACT

FILL IN VARIABLES

Enter Building Valuation/Investment	\$ 2,250,000
Enter \$ New Equipment	\$ 2,650,000
Enter \$ Land Investment	\$ 600,000
Enter Permitting & Development Fees	\$ -
Enter 10 Year Personal Property Tax	\$ 59,182
Enter 10 Year Real Property Tax	\$ 92,146
Enter 10 Year Consumer Spending	\$ 159,705

Permit and development fees are not included in this model and are pending estimation.

RESULTS

TAXES ON CONSTRUCTION MATERIALS

Construction Material Costs	\$ 1,125,000
Tax Due on Construction Materials	\$ 39,375

SALES TAX ON EQUIPMENT

Sales Tax Due on Equipment	\$ 92,750
----------------------------	-----------

REBATE

Building Permit Rebate	
Sales Taxes Rebate	\$ 132,125
Total Rebate Amount	\$ 132,125
Total Sales Tax Due to Erie	\$ 0

ASSUMPTIONS

Town of Erie Tax Rate	3.50%
Town of Erie Mill Levy	0.014122
Town of Erie Millage 14.122	
The sales tax for the Town of Erie only.	

Cost of construction materials is assumed to be 50% of building value/cost. The other 50% is assumed to be the cost of labor.

INDIRECT IMPACT

FILL IN VARIABLES

Enter # of New FTE Jobs	18
Enter Facility-Wide Average Wage	\$ 65,000
Enter % of Workforce that will be Erie Residents	60%

Consumer spending assumptions are applied only to workers that live in Erie. Economic injections from nonresident labor is not accounted for in this analysis.

RESULTS

Total New Wages Paid	\$ 702,000
Estimated Consumer Spending in Erie	\$ 456,300
Estimated Tax Revenue to Muni from Consumer Spending	\$ 15,971

ASSUMPTIONS

Weld County Average Wage	\$ 52,338
% Consumer Spending	65%
General assumption that residents spend 65% of income where they live.	
WCAW according to OEDIT 2020 Annual Averages.	

Estimated Payback Schedule to Town of Erie

Revenue Over Time	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Initial Investment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Property Tax	\$11,672	\$11,672	\$11,672	\$11,672	\$11,672	\$11,672	\$11,672	\$11,672	\$11,672	\$11,672
Personal Property Tax	\$9,985	\$9,116	\$8,140	\$7,163	\$6,295	\$5,318	\$4,450	\$3,690	\$2,930	\$2,097
Consumer Spending	\$15,971	\$15,971	\$15,971	\$15,971	\$15,971	\$15,971	\$15,971	\$15,971	\$15,971	\$15,971
Total Revenue to Erie	\$37,627	\$74,386	\$110,167	\$144,973	\$178,910	\$211,870	\$243,962	\$275,294	\$305,866	\$335,606

Total Incentive Amount Over Time	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
One-Time Rebate	\$132,125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Amount to Company Project	\$132,125	\$132,125	\$132,125	\$132,125	\$132,125	\$132,125	\$132,125	\$132,125	\$132,125	\$132,125

Payback in Years	0.0	0.0	0.0	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
------------------	-----	-----	-----	--------	--------	--------	--------	--------	--------	---------

Personal Property Tax Refund Incentive Worksheet
Elementum 3D

2700 S Main St. A, Erie
November, 2020

Weld County may approve a refund of up to 50% of their portion of the tax paid on new personal property (equipment) first put into operation in Year 1, for up to 10 years. Below we've estimated taxes due on the new equipment and potential rebates based on the most current 2020 property mill levy. Based on confidential discussions with government officials, the below estimated refund calculation assumes that Weld County will each approve a 50% refund request for 10 years. **This refund is subject to formal government approval.**

Project Assumptions:

- New Equipment: \$2,650,000
- Location: 2700 S Main St. A, Erie
- Current Total Mill Levy: 107.183 mills
- Weld Levy - 15.038 mills
- Depreciation: Manufacturing Equipment - 10 year life average service life
- Assessment Factor: 29% of actual value

2700 S Main St. A, Erie - Tax Area 1333
Current Mill Levy - 107.183 mills
Taxing Jurisdictions: Weld County- 15.038 mills; School Dist RE1J-Longmont - 57.559 mills;
Northern Colo. Water - 1.000 mills; Mountain View Fire Protection Dist. - 16.2474 mills; High Plains
Library - 3.217 mills; Town of Erie- 14.122 mills

Depreciation Schedule		92%	84%	75%	66%	58%	49%	41%	34%	27%	21%
		Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10
Equipment Value	\$2,650,000										
Assessed Value	768,500	707,020	645,540	576,375	507,210	445,730	376,565	315,085	261,290	207,495	148,474
Tax Due		75,781	69,191	61,778	54,364	47,775	40,361	33,772	28,006	22,240	15,914

10 YR TOTAL ESTIMATED PP TAX DUE: **\$449,181**
Note: Above calculation does not include tax due on real property (building & land)

Entities able to refund:

PP taxes to Weld County:	10,632	9,708	8,668	7,627	6,703	5,663	4,738	3,929	3,120	2,233
Total	10,632	9,708	8,668	7,627	6,703	5,663	4,738	3,929	3,120	2,233
50% Waiver	5,316	4,854	4,334	3,814	3,351	2,831	2,369	1,965	1,560	1,116

10 YR TOTAL ESTIMATED PP TAX REFUND: **\$31,511** Weld County Refund Estimate
\$31,511 Total Refund over 10 years

See second sheet for additional program information, eligibility requirements and refund procedures.