



Legislation Details (With Text)

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On agenda: 1/26/2021 **Final action:**

Title: A Resolution Authorizing the Town of Erie to enter into a Sales Tax Rebate and Incentive Agreement with Elementum 3D for the Purposes of Economic Development

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution 21-015, 2. 2021.01.26 Elementum 3D Tax Rebate, 3. Upstate Colorado Assistance Proposal- Elementum 3D - Manufacturing Facility Expansion

Date	Ver.	Action By	Action	Result
1/26/2021	1	Town Council		

SUBJECT: A Resolution Authorizing the Town of Erie to enter into a Sales Tax Rebate and Incentive Agreement with Elementum 3D for the Purposes of Economic Development

DEPARTMENT: Economic Development

PRESENTER: Ben Pratt, Economic Development Director

TIME ESTIMATE: 10 minutes

FISCAL SUMMARY:

Cost as Recommended: \$132,125.00

Balance Available: N/A

Budget Line Item Number: N/A

New Appropriation Required: No

STAFF RECOMMENDATION:

Approve resolution authorizing the Sales Tax Rebate Incentive Agreement.

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

Elementum 3D is an Erie based additive manufacturing research and development company that specializes in creating advanced metals, composites, and ceramics primarily for the aerospace industry. On November 9th, 2020 Elementum 3D won the Gold Medal in the US Air Force’s Advanced Manufacturing Olympics, and was selected by NASA to partner through their Announcement of Collaboration Opportunity program.

In October 2020, the Economic Development Department was informed that Elementum 3D was experiencing considerable growth which would require them to either relocate their existing headquarters (located at 400 Young Court), or expand into a new facility. Elementum3D indicated that in order to relocate or expand in Erie, they would require some financial assistance to remain competitive within the market.

Since then, the Economic Development department and Upstate Colorado (Lead Economic Development Agency for Weld County) have met with Elementum 3D to identify local and county assistance that could support their expansion efforts and retain them within Erie. The attached proposal developed by Upstate Colorado is the result of those meetings. Elementum 3D has confirmed that with this assistance they are confident they will be able to meet their job creation and facility growth goals as outlined in their application (included with proposal document).

Project Expansion Summary:

Elementum 3D will maintain their current office location at 400 Young Court, AND will expand their manufacturing facilities to a second location, located at 2700 main street, Unit A (11,153 sq/ft).

In this new location Elementum 3D will be installing metal powder-based 3D printers. Under the terms of a multi-year contract, these 3D printers will be used to print rocket engines for space travel. Elementum 3D also anticipates additional aerospace components will ultimately be 3D printed at that facility.

Total Value of new equipment: \$2,650,000
Total Value of new construction: \$,2,250,000
Existing Full-time Jobs Retained: 29
Est Jobs Created within 1-8 years: 28

Fiscal Impact:

Staff's analysis indicates the Town's Sales Tax Rebate of \$132,125 will be fully offset by direct tax revenue to the Town from the project in 4 years, and that over a 10 year period the project will generate net tax revenue to the Town of just over \$200,000 (\$335,606 less \$132,125 rebate = \$203,481).

Board Priority(s) Addressed:

- ✓ Prosperous Economy
- ✓ Effective Governance
- ✓ Fiscally Responsible

ATTACHMENTS:

1. Resolution
2. Sales Tax Incentive Agreement- Elementum 3D
3. Upstate Colorado Assistance Proposal- Elementum 3D - Manufacturing Facility Expansion