Town of Firestone

Work Session Meeting

July 18, 2018
7:00 PM
151 Grant Avenue
Firestone, CO 80520

1. **CALL TO ORDER**

2. **DISCUSSION ITEMS**

   2.a. Executive Summary for Economic Development Presented by William Schaefer

   2.b. Discussion/Direction for filling the Town Planner Position

3. **IDENTIFY FUTURE AGENDAS ITEMS**

4. **ADJOURNMENT**

* Individuals that desire to address the Board of Trustees are requested to sign up at the table at the entrance to the meeting room. Each individual will be provided an opportunity to speak (limited to two minutes) during Public Comment. Maximum time permitted for all Public Comment is 30 minutes.

If you need special assistance in order to participate in a Board of Trustees meeting, please contact the Town Manager's Office at 303-833-3291 in advance of the meeting to make arrangements. A forty-eight-hour notice is requested.

TOWN OF FIRESTONE ECONOMIC DEVELOPMENT CORPORATION

Prepared by William Schaefer

JULY 18, 2018

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Working Group Copy

Executive Summary

As town, counties, regions, and states vie to attract and retain business and jobs, communities seeking to develop their local economies must contend with an increasingly competitive environment. Establishing an economic development organization is critical to a community's success. A team of professionals drawing on a steady source of operating funds has much greater capacity to engage in a wide range of economic development activities than does a volunteer, ad hoc committee or other informal organization. In addition, a local community with the capability to market its assets, quickly respond to inquiries, and coordinate well with regional allies will be better positioned to compete for economic development projects.

Effective economic development demands informed leadership from dedicated leaders. Economic development is the process of building strong, adaptive and equitable local economies. What constitutes success in economic development and the specific strategies to accomplish it will undoubtedly look different from place to place. Yet despite these differences, leadership is consistently identified as a critical factor in advancing local economic development.

Perhaps now, more than ever, it's imperative for Firestone to take the reins and grow a strong local economy from within, especially in the context of rapidly evolving business and workforce demands, and a new era of federalism shifting more responsibility for growth to local governments. Therefore, it's important for town leaders to understand the practice of economic development and their reasonability's to enable this growth whether through internal initiatives or public private ventures with Economic Development Corporations (EDC).

EDC's are non-profit, community based organizations that secure private and public capital through development of both residential and commercial property. Additionally, these organizations undertake Economic Development efforts and offer programs which benefit the community. While private nonprofit economic development organizations share largely the same overall goals as town government, their chief reason for being is to provide independent perspective and nimble execution of strategic priorities. They must coordinate closely with municipal planning and development efforts, but it is critical that they have independence from the volatility of municipal government. In order to achieve the community's economic development and revitalization expectations, a formation of an EDC needs to be approved by the Firestone Board of Trustee's.

The FEDC is in a unique position to take the lead on:

- Implementing the Town's Economic Development Strategy;
- Support Urban Renewal Authority Development;
- Improve access for Investors to the Town of Firestone;
- Create affordable senior living solutions;
- Bringing to fruition the vision outlined for "Central Park"
- Create conditions supportive of the business community

I. Company Overview

The FEDC will primarily focus on improving the investment, physical and economic environment for Firestone and the entire community. This will be accomplished through real estate development, financing programs and economic development activities. The overall mission for the Corporation is as follows:

Vision:
To be the preferred business address in Northern Colorado

Mission:
“The Firestone Economic Development Corporation will be a public/private partnership dedicated to enhancing the economic strength of the Town of Firestone by recruiting new primary employers, retaining existing primary employers and assisting current primary employers to expand in the town”.

A: Major Tasks:

Within a 26 month period (November 1, 2018 to Jan 1, 2021) the FEDC will complete the following;

- **Operations:** Complete the following necessary tasks to form the corporation and develop an operating structure:
  - ✓ Incorporate as a 501(c)(3)
  - ✓ Create a board of directors;
  - ✓ Develop a work program/business plan and initial budget;
  - ✓ Obtain start-up funding;
  - ✓ Establish staffing and operations, e.g. insurance, payroll, tax filings, bank accounts, workable office space etc.;
  - ✓ Establish annual audits and bookkeeping

- **Development:** A Development Division will be established. This division will be staffed by a combination of FEDC staff and employees of the Town of Firestone, as contracted through an approved operating agreement. The goal for this division is to have two development projects (new construction and/or reuse) under construction. Tasks associated with this will include: securing funding, land acquisition, completing entitlements, obtaining building permits, bid and awarding the projects and initiating construction.

- **Economic Development**: Upon development of a new 5-year Economic Development Strategy by the Town, the FEDC will assist in implementation items related to recruitment and retention of new businesses within the community and downtown. The corporation will also assume any other duties related to economic development that the Town requires assistance with and contracts out to the Corporation.

- **Economic Development Services:** The Economic Development Division can provide a diverse range and numerous combinations of different functions or services that may include the following:
  - ✓ Site Selection Data
  - ✓ Community Profiles and Statistics, Economic Research
  - ✓ Information on Incentives

- ✓ Business Advisory Services/Small Business Office(SBO)
- ✓ Development/Redevelopment Services
- ✓ Area Revitalization/ Urban Renewal
- ✓ Marketing & Communications
- ✓ Events and Promotional Activities
- ✓ Investment Attraction
- ✓ Liaison and Advocacy with various Government levels
- ✓ Information and Customer Service
- ✓ Strategic Planning Assistance
- ✓ Business Retention & Expansion (BR+E)

B: Company Goals and Objectives:

Goal 1 - Seek to partner with privately owned companies as well as other non-profits that have the knowledge and experience to bring various types of financial resources together to develop projects in infill areas and green areas.

Goal 2 – Promote development of Downtown/ Town Center Firestone, through the real estate development process.

Goal 3 – When applicable and associated with a development project, will develop public infrastructure required to support the project too include but not limited to;

- ✓ Transport Infrastructure
- ✓ Wet Infrastructure
- ✓ Energy Infrastructure
- ✓ Information Infrastructure
- ✓ Government
- ✓ Institutions
- ✓ Public space Infrastructure

Goal 4 – Provide economic assistance to desired uses when in conformance with the Town's Economic Development strategy, and funded through public monies or grants.

Goal 5 – Look at existing properties for re-use/re-hab opportunities and acquire, upgrade and lease at a competitive rate.

Goal 6 – Each project will provide a positive return on investment. The rate of return will be identified for each project independently.

Goal 7 – Provide housing assistance programs and supporting the Urban Renewal Authority by monitoring and implementation when in conformance with the Town's Housing element and goals, and funded through public monies or grants.

Goal 8 – Promote sustainable development and with a commitment to a sustainable community so we attract new innovative enterprises. This can be accomplished by pursuing joint programs that implement both the Economic Development Strategy and the Town Master Plan. The FEDC can also partner with major companies and property owners to pilot innovative sustainability programs.

C: Company Objectives for 2019

- Assist in the creation/retention of 100 primary jobs.
- Establish a positive cash flow for 2019.
- Achieve private sector investment of $500,000.
- Advance economic opportunities through public policy initiatives.

D: Strategic Initiatives for 2019

- Proactively identify and attract primary employers to Firestone.
- Explore alternative funding mechanisms for economic development projects.
- Work with the private sector and Firestone Planning Department and Urban Renewal Authority Council to encourage development of blight areas.
- Create strategy to attract state and national prospects.
- Proactively identify and pursue transformational projects.

E: Business Philosophy and Value Added

In all situations, act with integrity, honesty and fairness. Strive to provide the Firestone community with a return on investment that results in:

- Increased profit margins for the Town
- Elevated property values generating greater property tax revenues that can be utilized for re-investment in the community;
- Creating an investment environment that expands existing businesses and creates new businesses and jobs;
- Increased generated sales tax and potential bed tax revenues; and,
- Physical improvements to underperforming and in some cases, blighted properties, enhancing the overall environment of the community.
- Return of Agency/Town funded capital through agreed upon loan terms between the Town and the Corporation, and repaid with interest;

Work with partners that have the same ethical and organizational goals in mind, that match the tenets of the mission.

F: Who is the customer?

Customer 1 – The Firestone Community as initial investors.
Customer 2 - Developers that are looking for a partnership in a real estate venture. Additional private parties will be the land owners and businesses that also are looking to develop or participate in a real estate investment/development project.
Customer 3 - Businesses located within the community and future businesses that will be drawn to the area, and may lease commercial space controlled by the Corporation, or its partners.
Customer 4 – Future residents and potential occupants of any residential/commercial projects controlled by the Corporation, or its partners.

II. Products and Services

A. Products

The initial products of the Corporation have been summarized in the Major Tasks portion of this document. The products provided by the Corporation will be focused on the Operational start-up of the company, commencing construction of two development projects within a two-year timeframe and participating in economic development related activities, as identified in an updated town wide 5-year strategy. The products and expected outcomes are identified below:

- **Operations:** Complete the following necessary tasks to form the corporation and develop an operating structure (November 1, 2018 to March 1, 2019)
  - ✓ Incorporate as a 501(c)(3)
  - ✓ Create a board of directors;
  - ✓ Develop a work program/business plan and initial budget;
  - ✓ Obtain start-up funding;
  - ✓ Establish staffing and operations, e.g. insurance, payroll, tax filings, bank accounts, workable office space etc.:
  - ✓ Establish annual audits and bookkeeping,
  - ✓ Develop meeting procedures and minutes

- **Development Products:** The following products are anticipated to be completed over the period extending from November 1, 2018 to January 1, 2021:
  - ✓ Identify forms of funding;
  - ✓ Secure initial development capital;
  - ✓ Perform site assessment and opportunities study;
  - ✓ Complete a market analysis to support real estate investment strategy;
  - ✓ Identify potential partners. Solicit and form partnerships if warranted and justified.;
  - ✓ As the EDC or in partnership; obtain property, complete entitlements, develop working drawings, receive building permit, bid project and start construction.
  - ✓ Complete building tenanting and begin collecting rental income.

Economic Development Products: The following products are anticipated to be completed over the period extending from November 1, 2018 to January 1, 2021:

- ✓ Develop Central Park and manage commercial retail spaces.
- ✓ In conjunction with the Town's Economic Council and area Chamber of Commerce, host Firestone Developer Recruitment event.
- ✓ Establish a "Projects of Economic Significance Designation Program"
  - o Industrial
  - o Commercial (business/retail)
  - o Senior Living
- ✓ Assist in a Primary Employer Incentive Plan and Policy
- ✓ Develop a state and national commercial marketing initiative
- ✓ Create an aggressive developer recruitment program
- ✓ Assist with development of the 5 year Economic Development Strategy and implement action items where feasible
- ✓ Commercial Loans (Micro and Small Business) – Once a funding source has been developed to support the area Chamber of Commerce
- ✓ Business Improvement Grants once a funding source has been secured to support the area Chamber of Commerce

B. Competitive Advantages

As part of the FEDC's business strategy there are several competitive advantages that are inherent to this unique structure. These are summarized as follows:

- FEDC staff will have a very strong knowledge base regarding the challenges of development in the area.
- Structure of the FEDC provides a working group of real estate, finance and development professionals, retail and Town committee members that sit on the Board of Directors. These individuals will be able to provide their knowledge and contacts to the benefit of the Corporation, facilitating development interest in the town.
- FEDC will be capable of utilizing relationships with property owners to move projects forward.
- The relationship between the Town operations and FEDC will facilitate rapid resolution to common issues that occur during the development process.
- The FEDC will be able to tap into a variety of funding resources that become available to a non-profit, and are not available to for profit development companies.

C. Competition

Evaluating the competition for the products that the FEDC is looking to provide, is an interesting challenge. This challenge is created mainly because the competition can also function as a partner. As part of the development process the FEDC can act as a standalone developer, a development partner and a lending entity. Acting in these roles or capacities the following competitors have been identified:

- Developers (both for-profit and non-profit);
- Banks and Financial Institutions; and,
- Property Owners looking to lease space.

These are the same business entities that the FEDC would look to partner with in order to develop properties.

A distinguishing attribute that provides the FEDC with a competitive advantage is the knowledge of the Town's processes. Staff on the FEDC will have been working in or affiliated with the Town. They are well aware of the challenges and issues that may stymie other developers from moving forward on a project. By combining this experience with working capital and on-going revenue resources the FEDC enjoys a distinct competitive advantage.

D. Market Niche

Through the formation of partnerships with developers, lenders and other financial institutions, the FEDC will be able to facilitate early development of commercial, mixed use and residential real estate development projects. The FEDC will provide unique knowledge, resources and funding that is not available to other for profit or non-profit development companies.

E. Marketing Strategy

In hopeful concert with the Town's Economic Development Strategy, create excitement about the FEDC in the development, finance and real estate sectors. This will be accomplished through:

- Develop branding and icon or logo identifying FEDC:
  - Development of FEDC promotional material
  - Strategic partnerships with neighboring jurisdictions and affinity organizations.
  - Promote Sustainable Development.
  - Direct marketing to multiple development contacts generated through various trade organizations
  - Hold a recruitment event that markets the FEDC, Firestone and available development sites to developers and real estate professionals
  - Provide on-going "Town tours" to potential developers and businesses for available properties
  - Contact key property owners to discuss partnership opportunities
  - If appropriate, use a Notice of Funding approach to generate interest from other potential development partners
  - Utilize web marketing and optimization to promote FEDC on a national level
  - Network with Lenders and Finance companies.
  - Close interaction with political leaders and other business leaders who are shaping Colorado's economy.

III. Management and Organization

A. <u>Structural Organization</u>

The basic components of the corporation are as follows:

- A non-profit 501(c)(3) that acts to implement the revitalization and economic goals of the Town;
- It consists of 12 Board of Directors;
- The following directors shall be appointed as follows:
  - ✓ Each Town of Firestone Trustee may each appoint one member to the FEDC Board of Directors and it is recommended the appointee be from a committee they chair or are appointed to:
    - Planning and Zoning Commission
    - Parks/Trails and Recreation Advisory Board
    - Cultural Committee
    - Finance Committee
    - Economic and Business Development Committee
    - Firestone Urban Renewal Committee
  - ✓ One director shall be selected from among its members who live or own a business in the Town of Firestone by the Carbon Valley Chamber of Commerce
    - Chamber of Commerce member with a business located within the Town of Firestone

- The directors of the FEDC will nominate and the Firestone Town Council will appoint as directors the following:
  - ✓ One business owner or corporate executive from each of the following type

businesses located inside the Town of Firestone in the following categories:

- A director from a retail business located within the Town of Firestone
- A director from a land development business located within the Town of Firestone
- A director from a service business or warehouse business located within the Town of Firestone
- A director from a financial institution located within the Town of Firestone
- A director from a real estate business located within the Town of Firestone.

▪ The board acts as a separate entity from the town
▪ Responsibilities of the board include; operations and management, approving the annual budget of the EDC and developing implementation strategies consistent with the Town's goals.
▪ Initially, William Schaefer will be appointed as Chief Executive of the FEDC. Following this initial appointment, and upon establishment of the FEDC Board of Directors, all appointments of the Chief Executive Officer shall be made by the FEDC.
▪ Upon the FEDC Board of Directors first meeting, its first vote as a board will be to elect a Chief Executive of its choosing.
▪ The Chief Executive Officer is responsible for overseeing all operational aspects of the corporation; and,
▪ Chief Executive Officer will hire a Vice President of Development, a Marketing Manager, Development Planner, Chief Financial Officer and other staff as deemed necessary.

Other items that are non-structural but are critical to the overall success of the corporation include:

▪ The EDC will function as a private development corporation having the ability to:
  ✓ Secure funding from private and public sources including equity, debt, grants,
  ✓ Acquire land and other assets,
  ✓ Construct commercial and residential buildings and other improvements,
  ✓ Own and manage real estate assets and
  ✓ Have the authority to form legal partnerships with private and public entities.

A. Initial Staffing and Positions

The FEDC would initially utilize a part time executive staff to accomplish its goals and until a Board of Directors is established. The intent is to minimize the start-up and operating costs for the Corporation and maximize funds that have been allocated or loaned to the Corporation by the Town. The initial appointment of CEO will be William

Schaefer and upon the FEDC Board of Directors first meeting, its first vote as a board will be to elect a Chief Executive of its choosing. All further hiring of staff will be done by the elected CEO.

Part Time Chief Executive Officer (CEO) – The CEO of the Corporation is expected to perform the following duties: Supervise and conduct the activities and operations of the corporation, keep the Board fully informed, consult with the Board concerning the activities of the corporation and that all orders and resolutions of the Board are carried into effect. The CEO is empowered to act, speak for, or otherwise represent the Corporation between meetings of the Board. The CEO is responsible for the hiring and firing of all personnel, including, but not limited to, Vice President of Development, a Marketing Manager, Development Planner, Chief Financial Officer and other staff as deemed necessary. Besides these reasonability's the CEO is responsible for keeping the Board informed at all times of staff performance and implementing any personnel policies adopted by the Board. The CEO shall be authorized to contract, receive, deposit, disburse, and account for funds of the corporation; to execute in the name of the corporation all contracts and other documents authorized either generally or specifically by the Board to be executed by the corporation; and to negotiate all material business transactions of the corporation.

As the FEDC CEO, this position may spend half of its time as the Chief Executive Officer of the Corporation, but can also to other agreed upon commitments. This position will/can operate outside of the FEDC geographical locations. This position will be solely funded through the operating budget of the FEDC.

Part Time Vice President of Development/Operations– The Vice President of Development/Operations is responsible for: Collaborating with the CEO to develop and implement the FEDC's financial strategy; Actively work with the CEO to develop and implement a comprehensive development strategy to include corporate, foundation, government grants, etc…; Have the primary responsibility for development and execution of all proposals; Plan, develop and oversee the work of staff involved in development activities, including development and administration of current or potential projects, land acquisitions, capital improvement projects, and marketing; Evaluate operations and activities of the development section; determine section priorities; implement improvements and modifications; prepare various reports on operations and activities; Work with developers, consultants, and the business community to identify and develop programs and projects to revitalize and enhance facilities and properties; evaluate and make recommendations regarding development concepts and proposals of projects.

As the FEDC VP of Development/Operations, this position may spend half of its time as the VP of the FEDC, but can also to other agreed upon commitments. This position will/can operate outside of the FEDC geographical location. This position will be solely funded through the operating budget of the FEDC.

This position may either be funded solely by the FEDC or if filled by the Town Manager an operating agreement with the Town for the FEDC to pay for the time required to perform the functions of this role.

Planning Manager- This position maybe an employee of the Town of Firestone and FEDC.

This employee's time will be split between the Town Planning Department and the FEDC. Since this position is a redundant position with the town the FEDC would like to disperse equally the cost of hiring an additional employee to support both the Town and FEDC and would be agreed to under an operating agreement.

Chief Financial Officer (CFO) – This position will be a contract employee to the Corporation.
Marketing Manager, The Marketing Manager will manage all marketing for the Corporation and activities within the marketing department; developing the marketing strategy for the Corporation in line with objectives; coordinating marketing campaigns with strategic partners; overseeing the Corporations marketing budget; creation and publication of all marketing material in line with marketing plans; planning and implementing promotional campaigns; manage and improve lead generation campaigns, measuring results; overall responsibility for brand management and corporate identity; preparing online and print marketing campaigns; monitor and report on effectiveness of marketing communications; creating a wide range of different marketing materials. maintain effective internal communications with the town This position will be solely funded through the operating budget of the Corporation.

Office Manager, The Office Manger will be the focal point of contact and information flow from and to the FEDC. This person will be providing a supporting administrative role to all departments with the FEDC; manage all records; prepare reports and run the day to day operations with in the FEDC. This position will be solely funded through the operating budget of the FEDC.

Professional and Advisory Support:

- **Legal Council**
- **Grant Writer**
- **Insurance Provider**
- **Digital Marketing Manager**
- **Corporate Banking Provider**

IV. Funding and Capitalization

A. Start-up Capital

There are multiple mechanisms available to fund an EDC. In review of the other towns in our region and how they have approached funding their associated non-profits, it is clear that each EDC and Economic Development Council can be uniquely crafted to take advantage of multiple funding sources. These sources include, but are not limited to:

- General Fund subsidies or contracts for work performed
- Special Revenue Funds (Enterprise Zones; Housing and Community Development contracts (HCD),Urban Renewal Authority (URA) Federal Grants, etc....)
- Tax Credits

- Regional, State and Federal Grants
- Enterprise Loans
- Income and Asset Management
- Gifts and Bequest.

In the formation of Firestone's EDC (FEDC), I am asking the town to contract with the FEDC for 3 years at $30.00 per capita and contract additional services as need.

Separately, in 2019 I am also asking for the Town of Firestone to extend an initial $4 million-dollar development loan to be paid back in a 20-year timeframe for the purpose of developing two commercial properties with the intent of bringing value and spurring interest in investors to our community. Besides utilizing these developments as marking tools we would be generating new jobs and create additional revenue for the town with property taxes and possibly additional sales tax.

The terms of the loan will be:

- Term: 20 years with no payments for the first 10 years;
- Repayment: After the initial 10 years, FEDC has a 10 year term to repay both the principal and the accrued interest. Payments to be made annually;
- Interest: Town's investment rate plus 1%,
- Purpose: Is to assist in the establishment of the FEDC and to have two development projects under construction by January 1, 2020

B. <u>Initial Staffing Costs</u>

This business plan identifies the initial staffing structure related to the proposed tasks to be performed. As proposed the staffing and funding structure will be as follows:

Position	FTE Assignment	EDC Working Capital % Funding	Town/ Other Funding %
Chief Exec. Officer	50%	100%	
VP Development	50%/ 100 %	50%/100%	50%?
Planning Manager	100%	50%	50%
Chief Financial Officer (Contract)	0	100%	
Legal Counsel	0	100%	
Marketing Manager	1	100%	
Office Manager	1	100%	

C. <u>On-going Revenues</u>

The FEDC will rely on a variety of funding sources. After receiving the initial start-up capital from the Town, the following funding resources will be necessary to promote the on-going mission of the organization:

- **Special Revenue Funds** – Federal, state and local grants/loans.
- **Tax Credits** - Extension of loans to qualified businesses allowing tax credits to be sold, and fund projects.
- **Income and Asset Management** – Funding that is secured based on a return for projects that are developed, sold or managed.
- **Gifts and Bequest** – As a non-profit, tax benefits become available to individuals/corporations that are looking to lower their tax liability.
- **Enterprise Funds** - Funds generated by such operations as contracted with FEDC could be utilized to provide an on-going funding for other community development projects which will impact economic development of Firestone.
- **General Funds** – General funds that would be considered as a loan to the corporation that would obligate repayment with an agreed upon return could include; Strategic Improvement Funds, a percentage increase in the TOT, assignment of a portion of the Community Benefit Fee and leveraging future development for payment of Capital Improvement Projects. Returns on these investments could be in the form of increased TOT, sales tax, property tax or agreed upon interest rate. Any of these funds would need to be in the form of a loan or contract services payments to the FEDC.

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Customer 1 – The Firestone Community as initial investors.
Customer 2 - Developers that are looking for a partnership in a real estate venture. Additional private parties will be the land owners and businesses that also are looking to develop or participate in a real estate investment/development project.
Customer 3 - Businesses located within the community and future businesses that will be drawn to the area, and may lease commercial space controlled by the Corporation, or its partners.
Customer 4 – Future residents and potential occupants of any residential/commercial projects controlled by the Corporation, or its partners.

II. Products and Services

A. Products

The initial products of the Corporation have been summarized in the Major Tasks portion of this document. The products provided by the Corporation will be focused on the Operational start-up of the company, commencing construction of two development projects within a two-year timeframe and participating in economic development related activities, as identified in an updated town wide 5-year strategy. The products and expected outcomes are identified below:

- **Operations:** Complete the following necessary tasks to form the corporation and develop an operating structure (November 1, 2018 to March 1, 2019)
  - ✓ Incorporate as a 501(c)(3)
  - ✓ Create a board of directors;
  - ✓ Develop a work program/business plan and initial budget;
  - ✓ Obtain start-up funding;
  - ✓ Establish staffing and operations, e.g. insurance, payroll, tax filings, bank accounts, workable office space etc.:
  - ✓ Establish annual audits and bookkeeping,
  - ✓ Develop meeting procedures and minutes

- **Development Products:** The following products are anticipated to be completed over the period extending from November 1, 2018 to January 1, 2021:
  - ✓ Identify forms of funding;
  - ✓ Secure initial development capital;
  - ✓ Perform site assessment and opportunities study;
  - ✓ Complete a market analysis to support real estate investment strategy;
  - ✓ Identify potential partners. Solicit and form partnerships if warranted and justified.;
  - ✓ As the EDC or in partnership; obtain property, complete entitlements, develop working drawings, receive building permit, bid project and start construction.
  - ✓ Complete building tenanting and begin collecting rental income.

Economic Development Products: The following products are anticipated to be completed over the period extending from November 1, 2018 to January 1, 2021:
  - ✓ Develop Central Park and manage commercial retail spaces.
  - ✓ In conjunction with the Town's Economic Council and area Chamber of Commerce, host Firestone Developer Recruitment event.
  - ✓ Establish a "Projects of Economic Significance Designation Program"
    - o Industrial
    - o Commercial (business/retail)
    - o Senior Living
  - ✓ Assist in a Primary Employer Incentive Plan and Policy
  - ✓ Develop a state and national commercial marketing initiative
  - ✓ Create an aggressive developer recruitment program
  - ✓ Assist with development of the 5 year Economic Development Strategy and implement action items where feasible
  - ✓ Commercial Loans (Micro and Small Business) – Once a funding source has been developed to support the area Chamber of Commerce
  - ✓ Business Improvement Grants once a funding source has been secured to support the area Chamber of Commerce

B. <u>Competitive Advantages</u>

As part of the FEDC's business strategy there are several competitive advantages that are inherent to this unique structure. These are summarized as follows:

- FEDC staff will have a very strong knowledge base regarding the challenges of development in the area.
- Structure of the FEDC provides a working group of real estate, finance and development professionals, retail and Town committee members that sit on the Board of Directors. These individuals will be able to provide their knowledge and contacts to the benefit of the Corporation, facilitating development interest in the town.
- FEDC will be capable of utilizing relationships with property owners to move projects forward.
- The relationship between the Town operations and FEDC will facilitate rapid resolution to common issues that occur during the development process.
- The FEDC will be able to tap into a variety of funding resources that become available to a non-profit, and are not available to for profit development companies.

C. Competition

Evaluating the competition for the products that the FEDC is looking to provide, is an interesting challenge. This challenge is created mainly because the competition can also function as a partner. As part of the development process the FEDC can act as a standalone developer, a development partner and a lending entity. Acting in these roles or capacities the following competitors have been identified:

- Developers (both for-profit and non-profit);
- Banks and Financial Institutions; and,
- Property Owners looking to lease space.

These are the same business entities that the FEDC would look to partner with in order to develop properties.

A distinguishing attribute that provides the FEDC with a competitive advantage is the knowledge of the Town's processes. Staff on the FEDC will have been working in or affiliated with the Town. They are well aware of the challenges and issues that may stymie other developers from moving forward on a project. By combining this experience with working capital and on-going revenue resources the FEDC enjoys a distinct competitive advantage.

D. Market Niche

Through the formation of partnerships with developers, lenders and other financial institutions, the FEDC will be able to facilitate early development of commercial, mixed use and residential real estate development projects. The FEDC will provide unique knowledge, resources and funding that is not available to other for profit or non-profit development companies.

E. Marketing Strategy

In hopeful concert with the Town's Economic Development Strategy, create excitement about the FEDC in the development, finance and real estate sectors. This will be accomplished through:

- Develop branding and icon or logo identifying FEDC:
  - Development of FEDC promotional material
  - Strategic partnerships with neighboring jurisdictions and affinity organizations.
  - Promote Sustainable Development.
  - Direct marketing to multiple development contacts generated through various trade organizations
  - Hold a recruitment event that markets the FEDC, Firestone and available development sites to developers and real estate professionals
  - Provide on-going "Town tours" to potential developers and businesses for available properties
  - Contact key property owners to discuss partnership opportunities
  - If appropriate, use a Notice of Funding approach to generate interest from other potential development partners
  - Utilize web marketing and optimization to promote FEDC on a national level
  - Network with Lenders and Finance companies.
  - Close interaction with political leaders and other business leaders who are shaping Colorado's economy.

III. Management and Organization

A. Structural Organization

The basic components of the corporation are as follows:

- A non-profit 501(c)(3) that acts to implement the revitalization and economic goals of the Town;
- It consists of 12 Board of Directors;
- The following directors shall be appointed as follows:
  - ✓ Each Town of Firestone Trustee may each appoint one member to the FEDC Board of Directors and it is recommended the appointee be from a committee they chair or are appointed to:
    - Planning and Zoning Commission
    - Parks/Trails and Recreation Advisory Board
    - Cultural Committee
    - Finance Committee
    - Economic and Business Development Committee
    - Firestone Urban Renewal Committee
  - ✓ One director shall be selected from among its members who live or own a business in the Town of Firestone by the Carbon Valley Chamber of Commerce
    - Chamber of Commerce member with a business located within the Town of Firestone

- The directors of the FEDC will nominate and the Firestone Town Council will appoint as directors the following:
  - ✓ One business owner or corporate executive from each of the following type

businesses located inside the Town of Firestone in the following categories:

- A director from a retail business located within the Town of Firestone
- A director from a land development business located within the Town of Firestone
- A director from a service business or warehouse business located within the Town of Firestone
- A director from a financial institution located within the Town of Firestone
- A director from a real estate business located within the Town of Firestone.

- The board acts as a separate entity from the town
- Responsibilities of the board include; operations and management, approving the annual budget of the EDC and developing implementation strategies consistent with the Town's goals.
- Initially, William Schaefer will be appointed as Chief Executive of the FEDC. Following this initial appointment, and upon establishment of the FEDC Board of Directors, all appointments of the Chief Executive Officer shall be made by the FEDC.
- Upon the FEDC Board of Directors first meeting, its first vote as a board will be to elect a Chief Executive of its choosing.
- The Chief Executive Officer is responsible for overseeing all operational aspects of the corporation; and,
- Chief Executive Officer will hire a Vice President of Development, a Marketing Manager, Development Planner, Chief Financial Officer and other staff as deemed necessary.

Other items that are non-structural but are critical to the overall success of the corporation include:

- The EDC will function as a private development corporation having the ability to:
  - ✓ Secure funding from private and public sources including equity, debt, grants,
  - ✓ Acquire land and other assets,
  - ✓ Construct commercial and residential buildings and other improvements,
  - ✓ Own and manage real estate assets and
  - ✓ Have the authority to form legal partnerships with private and public entities.

A. Initial Staffing and Positions

The FEDC would initially utilize a part time executive staff to accomplish its goals and until a Board of Directors is established. The intent is to minimize the start-up and operating costs for the Corporation and maximize funds that have been allocated or loaned to the Corporation by the Town. The initial appointment of CEO will be William

Schaefer and upon the FEDC Board of Directors first meeting, its first vote as a board will be to elect a Chief Executive of its choosing. All further hiring of staff will be done by the elected CEO.

Part Time Chief Executive Officer (CEO) – The CEO of the Corporation is expected to perform the following duties: Supervise and conduct the activities and operations of the corporation, keep the Board fully informed, consult with the Board concerning the activities of the corporation and that all orders and resolutions of the Board are carried into effect. The CEO is empowered to act, speak for, or otherwise represent the Corporation between meetings of the Board. The CEO is responsible for the hiring and firing of all personnel, including, but not limited to, Vice President of Development, a Marketing Manager, Development Planner, Chief Financial Officer and other staff as deemed necessary. Besides these reasonability's the CEO is responsible for keeping the Board informed at all times of staff performance and implementing any personnel policies adopted by the Board. The CEO shall be authorized to contract, receive, deposit, disburse, and account for funds of the corporation; to execute in the name of the corporation all contracts and other documents authorized either generally or specifically by the Board to be executed by the corporation; and to negotiate all material business transactions of the corporation.

As the FEDC CEO, this position may spend half of its time as the Chief Executive Officer of the Corporation, but can also to other agreed upon commitments. This position will/can operate outside of the FEDC geographical locations. This position will be solely funded through the operating budget of the FEDC.

Part Time Vice President of Development/Operations– The Vice President of Development/Operations is responsible for: Collaborating with the CEO to develop and implement the FEDC's financial strategy; Actively work with the CEO to develop and implement a comprehensive development strategy to include corporate, foundation, government grants, etc…; Have the primary responsibility for development and execution of all proposals; Plan, develop and oversee the work of staff involved in development activities, including development and administration of current or potential projects, land acquisitions, capital improvement projects, and marketing; Evaluate operations and activities of the development section; determine section priorities; implement improvements and modifications; prepare various reports on operations and activities; Work with developers, consultants, and the business community to identify and develop programs and projects to revitalize and enhance facilities and properties; evaluate and make recommendations regarding development concepts and proposals of projects.

As the FEDC VP of Development/Operations, this position may spend half of its time as the VP of the FEDC, but can also to other agreed upon commitments. This position will/can operate outside of the FEDC geographical location. This position will be solely funded through the operating budget of the FEDC.

This position may either be funded solely by the FEDC or if filled by the Town Manager an operating agreement with the Town for the FEDC to pay for the time required to perform the functions of this role.

Planning Manager- This position maybe an employee of the Town of Firestone and FEDC.

This employee's time will be split between the Town Planning Department and the FEDC. Since this position is a redundant position with the town the FEDC would like to disperse equally the cost of hiring an additional employee to support both the Town and FEDC and would be agreed to under an operating agreement.

Chief Financial Officer (CFO) – This position will be a contract employee to the Corporation.
Marketing Manager, The Marketing Manager will manage all marketing for the Corporation and activities within the marketing department; developing the marketing strategy for the Corporation in line with objectives; coordinating marketing campaigns with strategic partners; overseeing the Corporations marketing budget; creation and publication of all marketing material in line with marketing plans; planning and implementing promotional campaigns; manage and improve lead generation campaigns, measuring results; overall responsibility for brand management and corporate identity; preparing online and print marketing campaigns; monitor and report on effectiveness of marketing communications; creating a wide range of different marketing materials. maintain effective internal communications with the town This position will be solely funded through the operating budget of the Corporation.

Office Manager, The Office Manger will be the focal point of contact and information flow from and to the FEDC. This person will be providing a supporting administrative role to all departments with the FEDC; manage all records; prepare reports and run the day to day operations with in the FEDC. This position will be solely funded through the operating budget of the FEDC.

Professional and Advisory Support:

- **Legal Council**
- **Grant Writer**
- **Insurance Provider**
- **Digital Marketing Manager**
- **Corporate Banking Provider**

IV. Funding and Capitalization

A. Start-up Capital

There are multiple mechanisms available to fund an EDC. In review of the other towns in our region and how they have approached funding their associated non-profits, it is clear that each EDC and Economic Development Council can be uniquely crafted to take advantage of multiple funding sources. These sources include, but are not limited to:

- General Fund subsidies or contracts for work performed
- Special Revenue Funds (Enterprise Zones; Housing and Community Development contracts (HCD),Urban Renewal Authority (URA) Federal Grants, etc....)
- Tax Credits

- Regional, State and Federal Grants
- Enterprise Loans
- Income and Asset Management
- Gifts and Bequest.

In the formation of Firestone's EDC (FEDC), I am asking the town to contract with the FEDC for 3 years at $30.00 per capita and contract additional services as need.

Separately, in 2019 I am also asking for the Town of Firestone to extend an initial $4 million-dollar development loan to be paid back in a 20-year timeframe for the purpose of developing two commercial properties with the intent of bringing value and spurring interest in investors to our community. Besides utilizing these developments as marking tools we would be generating new jobs and create additional revenue for the town with property taxes and possibly additional sales tax.

The terms of the loan will be:

- Term: 20 years with no payments for the first 10 years;
- Repayment: After the initial 10 years, FEDC has a 10 year term to repay both the principal and the accrued interest. Payments to be made annually;
- Interest: Town's investment rate plus 1%,
- Purpose: Is to assist in the establishment of the FEDC and to have two development projects under construction by January 1, 2020

B. Initial Staffing Costs

This business plan identifies the initial staffing structure related to the proposed tasks to be performed. As proposed the staffing and funding structure will be as follows:

Position	FTE Assignment	EDC Working Capital % Funding	Town/ Other Funding %
Chief Exec. Officer	50%	100%	
VP Development	50%/ 100 %	50%/100%	50%?
Planning Manager	100%	50%	50%
Chief Financial Officer (Contract)	0	100%	
Legal Counsel	0	100%	
Marketing Manager	1	100%	
Office Manager	1	100%	

C. On-going Revenues

The FEDC will rely on a variety of funding sources. After receiving the initial start-up capital from the Town, the following funding resources will be necessary to promote the on-going mission of the organization:

- **Special Revenue Funds** – Federal, state and local grants/loans.
- **Tax Credits** - Extension of loans to qualified businesses allowing tax credits to be sold, and fund projects.
- **Income and Asset Management** – Funding that is secured based on a return for projects that are developed, sold or managed.
- **Gifts and Bequest** – As a non-profit, tax benefits become available to individuals/corporations that are looking to lower their tax liability.
- **Enterprise Funds** - Funds generated by such operations as contracted with FEDC could be utilized to provide an on-going funding for other community development projects which will impact economic development of Firestone.
- **General Funds** – General funds that would be considered as a loan to the corporation that would obligate repayment with an agreed upon return could include; Strategic Improvement Funds, a percentage increase in the TOT, assignment of a portion of the Community Benefit Fee and leveraging future development for payment of Capital Improvement Projects. Returns on these investments could be in the form of increased TOT, sales tax, property tax or agreed upon interest rate. Any of these funds would need to be in the form of a loan or contract services payments to the FEDC.