

Entegris, Inc.

Economic Development Agreement

Colorado Springs City Council
Work Session
June 7, 2020



Presentation Overview



- Entegris Overview
- Proposed EDA
- Financial Analyses
- Staff Recommendation
- Questions

Entegris Overview



Entegris delivers advanced materials for semiconductor and life sciences industries across the globe. Through a robust portfolio and global footprint, the company has three major divisions: Advanced Material Handling, Specialty Chemicals & Engineered Materials, and Micro-Contamination Control.

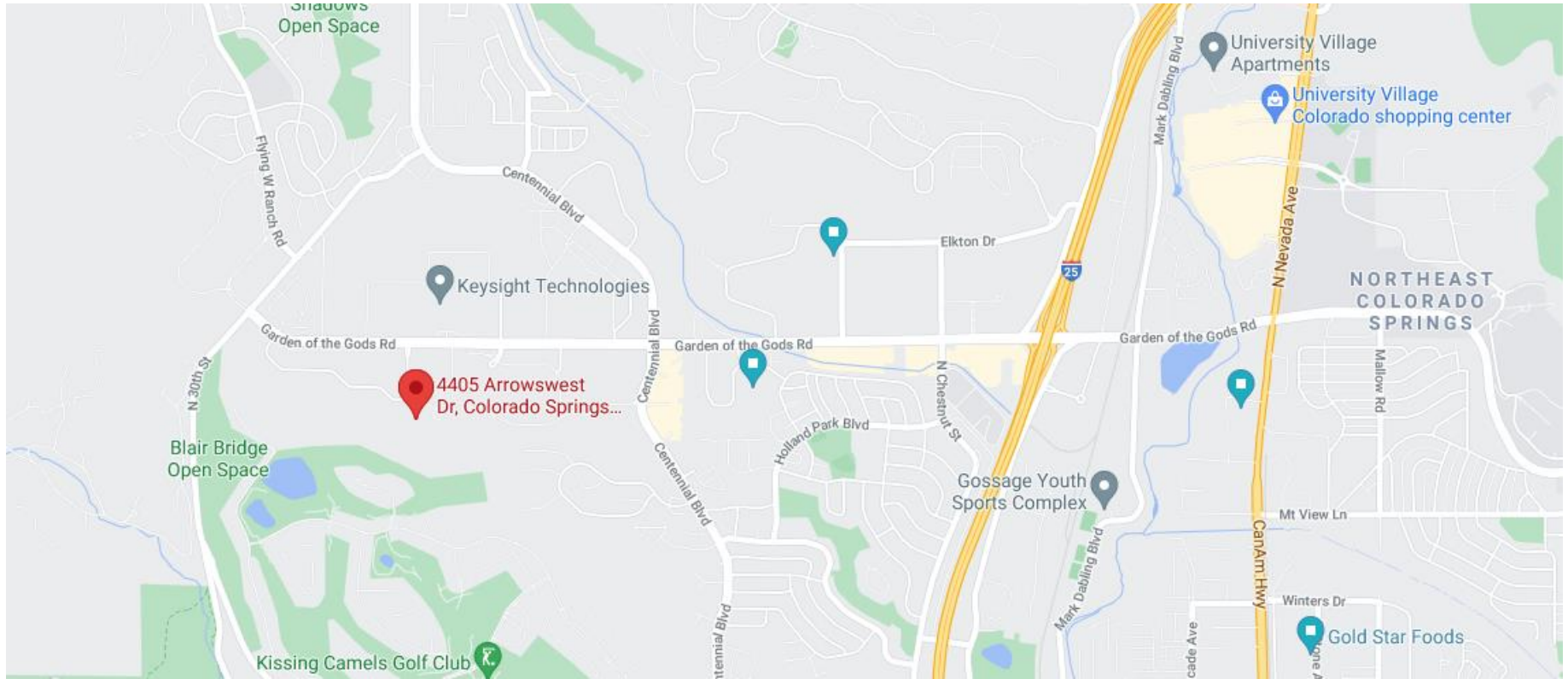
The Entegris Colorado Springs location is considered an essential business producing products that directly impact the supply chain of COVID-19 vaccine production.

Entegris Overview



- Expanding operations at existing location to produce products critical for vaccine production.
 - 4405 Arrowswest Drive
- Currently has 285 employees locally and 5,300 employees company wide

Entegris Overview



Entegris Overview



- Investment plans for expansion and job creation
 - \$24.2 million capital investment
 - \$3.2 million in purchases of construction materials
 - \$21 million in equipment and machinery
 - 38 jobs over 4 years; 43 over 5 years
 - Average wage: \$58,092

Proposed EDA



- Provide certain performance-based incentives in an effort to enable greater company investment and job growth
- Incentives provided through an Economic Development Agreement

Proposed EDA



- Recommended Economic Development Agreement:
 - Sales & Use Tax Rebate on Annual Purchases of Business Personal Property (50% of the City's 2% General Fund Rate, or 1% Total Rebate)
 - Sales and Use Tax Rebate on Purchases of Construction Materials (50% of the City's 2% General Fund Rate, or 1% Total Rebate)
 - Four Year Agreement – 38 new jobs over lifetime of agreement

Financial Implications



Expansion – New Community Benefits (Economic Impacts)

New Community Benefits from Expansion	4 Year Analysis	10 Year Analysis
Jobs	83	83
Total Value Added (Gross Metropolitan Product)	\$28.4 Million	\$80.1 Million

Financial Implications



Expansion – New City Revenue (Fiscal Impacts), No Sunset

New City Revenue from Expansion	4 Year Analysis	10 Year Analysis
Sales Tax – General Fund	\$456,000	\$656,000
PSST	\$91,000	\$131,000
TOPS*	\$23,000	\$33,000
PPRTA* (70%)	\$159,000	\$259,000
2C*	\$130,000	\$187,000
Total Sales Tax Revenue	\$859,000	\$1.27 Million
Total New City Revenue (Gross)	\$859,000	\$1.27 Million

*Indicates item scheduled to sunset

Financial Implications



Expansion – New City Revenue (Fiscal Impacts) – With Sunset

New City Revenue from Expansion	4 Year Analysis	10 Year Analysis
Sales Tax - General Fund	\$456,000	\$656,000
PSST	\$91,000	\$131,000
TOPS	\$23,000	\$33,000
PPRTA	\$159,000	\$259,000
2C	\$130,000	\$152,000
Total Sales Tax Revenue	\$859,000	\$1.23 Million
Total New City Revenue (Gross)	\$859,000	\$1.23 Million

Financial Implications



City Sales and Use Tax Rebates Over 4 Year Agreement

Rebate	Total
Business Personal Property (Machinery and Equipment)	\$182,380
Construction Materials	\$16,000
Total Estimated Rebate	\$198,380

Financial Implications



Expansion - Net City Revenue, No Sunset

Net City Revenue from Expansion	4 Year Analysis	10 Year Analysis
Total New City Revenue (Gross)	\$859,000	\$1.27 Million
City Incentive	\$198,380	\$198,380
Net City Revenue	\$660,620	\$1.07 Million

Financial Implications



Expansion - Net City Revenue, With Sunset

Net City Revenue from Expansion	4 Year Analysis	10 Year Analysis
Total New City Revenue (Gross)	\$859,000	\$1.23 Million
City Incentive	\$198,380	\$198,380
Net City Revenue	\$660,620	\$1.03 Million

Financial Implications



Retention – Community Benefits (Economic Impacts)

New Community Benefits from Retention	4 Year Analysis	10 Year Analysis
Jobs	542	542
Total Value Added (Gross Metropolitan Product)	\$173 Million	\$501 Million

Financial Implications



Retention – City Revenue (Fiscal Impacts), No Sunset

New City Revenue from Retention	4 Year Analysis	10 Year Analysis
Sales Tax – General Fund	\$515,000	\$1.5 Million
PSST	\$103,000	\$295,000
TOPS*	\$26,000	\$74,000
PPRTA* (70%)	\$180,000	\$409,000
2C*	\$147,000	\$420,000
Total Sales Tax Revenue	\$971,000	\$2.7 Million
Total New City Revenue (Gross)	\$971,000	\$2.7 Million

*Indicates item scheduled to sunset

Financial Implications



Retention – City Revenue (Fiscal Impacts), With Sunset

New City Revenue from Retention	4 Year Analysis	10 Year Analysis
Sales Tax - General Fund	\$515,000	\$1.5 Million
PSST	\$103,000	\$295,000
TOPS	\$26,000	\$74,000
PPRTA	\$180,000	\$409,000
2C	\$147,000	\$190,000
Total Sales Tax Revenue	\$971,000	\$2.47 Million
Total New City Revenue (Gross)	\$971,000	\$2.47 Million

Financial Implications



Combined – Community Benefits (Economic Impacts)

Combined Community Benefits	4 Year Analysis	10 Year Analysis
Jobs	625	625
Total Value Added (Gross Metropolitan Product)	\$201.4 Million	\$581.1 Million

Financial Implications



Combined – City Revenue (Fiscal Impacts), No Sunset

Combined City Revenue	4 Year Analysis	10 Year Analysis
Sales Tax – General Fund	\$971,000	\$2.2 Million
PSST	\$194,000	\$426,000
TOPS*	\$49,000	\$107,000
PPRTA* (70%)	\$339,000	\$668,000
2C*	\$277,000	\$607,000
Total Sales Tax Revenue	\$1.83 Million	\$4 Million
Total New City Revenue (Gross)	\$1.83 Million	\$4 Million

*Indicates item scheduled to sunset

Financial Implications



Combined – City Revenue (Fiscal Impacts), With Sunset

Combined City Revenue	4 Year Analysis	10 Year Analysis
Sales Tax - General Fund	\$971,000	\$2.2 Million
PSST	\$194,000	\$426,000
TOPS	\$49,000	\$107,000
PPRTA	\$339,000	\$668,000
2C	\$277,000	\$342,000
Total Sales Tax Revenue	\$1.83 Million	\$3.7 Million
Total New City Revenue (Gross)	\$1.83 Million	\$3.7 Million

Financial Implications



Combined - Net City Revenue, No Sunset

Combined Net City Revenue	4 Year Analysis	10 Year Analysis
Total New City Revenue (Gross)	\$1.83 Million	\$4 Million
City Incentive	\$198,380	\$198,380
Net City Revenue	\$1.63 Million	\$3.8 Million

Financial Implications



Combined - Net City Revenue, With Sunset

Combined Net City Revenue	4 Year Analysis	10 Year Analysis
Total New City Revenue (Gross)	\$1.83 Million	\$3.7 Million
City Incentive	\$198,380	\$198,380
Net City Revenue	\$1.63 Million	\$3.5 Million

Financial Safeguards



- Incentive structure incurs no financial risk to the City
 - Strictly performance-based
 - Rebates are made to the company only after revenue has been collected

Other Considerations



- EDA is consistent with the City of Colorado Springs Strategic Plan
 - Promoting Job Creation

Staff Recommendation



Approval of the proposed Economic Development Agreement

Questions?

