Legislation Details (With Text)

File #:	18-1411 **Version:** 1		
Type:	Resolution	**Status:**	Adopted
File created:	11/20/2018	**In control:**	Business, Arts, Workforce, Climate & Aviation Services Committee
On agenda:	12/10/2018	**Final action:**	12/10/2018
Title:	A resolution approving a proposed Agreement between the City and County of Denver and V.F. Corporation for a city business incentive fund for business relocation and job creation incentive. Approves a Business Incentive Fund (BIF) contract with VF Corporation for an amount not to exceed $1,300,000 and through 6-30-24 to provide support that directly sustains and grows the local economy (OEDEV-201844764-00). The last regularly scheduled Council meeting within the 30-day review period is on 1-2-19. The Committee approved filing this item at its meeting on 11-28-18.		
Sponsors:			
Indexes:	Jonathan Griffin		
Code sections:			
Attachments:	1. RR18 1411 OED BIF VF, 2. 18-1411 Resolution_V.F.Corporation 201844764-00, 3. 18-1411 Agreement_V.F.Corporation 201844764-00, 4. 18-1411 Filed Resolution_V.F.Corporation 201844764-00.pdf, 5. 18-1411 - signed		

Date	Ver.	Action By	Action	Result
12/11/2018	1	Council President	signed	
12/10/2018	1	City Council	adopted	Pass
11/28/2018	1	Business, Arts, Workforce, Climate & Aviation Services Committee	approved by consent	Pass

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 11-20-18

Requesting Agency: Economic Development
Division:

Subject Matter Expert Name:

Name:	**Susan Liehe 720-913-1689**
Email:	**susan.liehe@denvergov.org**

Item Title & Description:
(Do not delete the following instructions)
*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving a proposed Agreement between the City and

County of Denver and V.F. Corporation for a city business incentive fund for business relocation and job creation incentive.

Approves a Business Incentive Fund (BIF) contract with VF Corporation for an amount not to exceed $1,300,000 and through 6-30-24 to provide support that directly sustains and grows the local economy (OEDEV-201844764-00). The last regularly scheduled Council meeting within the 30-day review period is on 1-2-19. The Committee approved filing this item at its meeting on 11-28-18.

Affected Council District(s) or citywide?

Contract Control Number: OEDEV-201844764-00

Vendor/Contractor Name (including any "DBA"): VF Corporation

Type and Scope of services to be performed:
Denver has attracted the headquarters of VF, a globally recognized Fortune 250 company. VF owns a portfolio of numerous globally recognized brands such as The North Face, Smartwool and JanSport, and is consolidating these brands and others into a central location along with select corporate leadership. In addition to VF's global corporate headquarters and the headquarters of some global brands, the project will also include VF's Global Innovation Center for Technical Fabrics and its Digital Lab. VF is expected to invest between $150-$200M into a real estate solution. VF will become the 11th Fortune 500 firm to make Colorado its home.

This project fulfills a desire of Denver to attract companies that are global leaders in their respective industries as well as in terms of their commitment to environmental and social responsibility and grassroots community enrichment. Recruiting companies whose brands and values align with our city's and region's vision for inclusiveness, sustainability and social responsibility lends strength to the engagement of our neighborhoods, provides great business opportunities for small and local firms, and partnership opportunities to tackling today's and tomorrow's challenges.

In a statement announcing the company's location to Denver/Colorado, VF's CEO said, "We believe that the creation of our new headquarters in the area will help us unlock collaboration across our outdoor brands, attract and retain talent, and accelerate innovation." This statement reflects what Denver has been striving to promote as our value proposition.

VF has a proven track record of leadership in corporate social responsibility. The company has been recognized as one of America's Most JUST Companies, named a World's Most Ethical Company by Ethisphere Institute, and named one of Corporate Responsibility Magazine's 100 Best Corporate Citizens in 2018. Most recently, VF's Chairman, President and CEO Steve Rendle was named Corporate Responsibility (CR) Magazine's Responsible CEO of the Year in the Public Company category. VF has already invested in the Denver community, funding The North Face Climbing Boulder in Montbello.

The Business Incentive Fund (BIF) is a significant and unique tool employed by OED to provide support that directly sustains and grows the local economy. As a competitive incentive employed by OED, the BIF is one of the city's approaches to recruit and retain business activity that

creates local revenue and provides other direct and indirect benefit. This fund has existed in its present form for more than 15 years. The city has typically allocated $1.2 million annually for this purpose through the General Fund, with larger incentives provided through supplemental allocations on a case-by-case basis.

On behalf of the city, OED will make a small number of strategic incentive investment offers a year. The Mayor and CFO are directly involved in final incentive decisions based on recommendations and calculations presented by OED, and City Council approval is sought for all contracts larger than $500,000. Calculations are conservative and based only on direct economic and fiscal benefit, even though each project often brings significant indirect benefits to the economy. An important standard for Denver to extend such an incentive is that the direct fiscal benefit dollars can be estimated to return to the city on at least a 2:1 ratio over a defined period.

All funds are dispersed only when performance objectives are met. Every negotiated incentive offer is unique, and each has a defined criteria and payout terms, which link directly both to the business decisions and the direct fiscal benefit to the city.

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Was this contractor selected by competitive process or sole source?

For New contracts
Term of initial contract: 08-10-2018 through 06-30-2024

Options for Renewal:
How many renewals (i.e. up to 2 renewals)?
Term of any renewals (i.e. 1 year each):

Cost of initial contract term: $1,300,000

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:
Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing
What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing
What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing
Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)