



## Legislation Details (With Text)

**File #:** 22-0201 **Version:** 1

**Type:** Resolution **Status:** Adopted

**File created:** 2/8/2022 **In control:** Business, Arts, Workforce, Climate & Aviation Services Committee

**On agenda:** 3/21/2022 **Final action:** 3/21/2022

**Title:** A resolution approving a proposed Business Incentive Fund (BIF) contract with Bottling Group, LLC for an amount not to exceed \$1,000,000 for 7 years and for performance based criteria that include establishment of a state-of-the-art manufacturing facility and associated significant investments, as well as job retention and creation and associated investments into upskilling and training of the manufacturing facility's Denver-based workforce.  
Approves a Business Incentive Fund (BIF) contract with Bottling Group, LLC for an amount not to exceed \$1,000,000 and for 7 years through 12-31-2028 for performance based criteria that include establishment of a state-of-the-art manufacturing facility and associated significant investments, as well as job retention and creation and associated investments into upskilling and training of the manufacturing facility's Denver-based workforce (OEDEV-202160849-00). The last regularly scheduled Council meeting within the 30-day review period is on 4-11-2022. The Committee approved filing this item at its meeting on 3-9-2022.

**Sponsors:**

**Indexes:** Lucas Palmisano

**Code sections:**

**Attachments:** 1. RR22 0201 DEDO BIF Bottling Group LLC 02022022 Final, 2. DEDO Presentation\_City Council Business Committee 03092022, 3. 22-0201 Filed Resolution\_Bottling Group, LLC\_202160849-00\_03112022\_BLM, 4. 22-0201 Filed Agreement\_Bottling Group, LLC\_202160849-00\_BLM\_03162022, 5. 22-0201 Filed Resolution\_Bottling Group, LLC, 6. 22-0201 - signed

Date	Ver.	Action By	Action	Result
3/21/2022	1	Council President	signed	
3/21/2022	1	City Council	adopted	Pass
3/9/2022	1	Business, Arts, Workforce, Climate & Aviation Services Committee	approved for filing	Pass

## Contract Request Template (Contracts; IGAs; Leases)

**Date Submitted:** 2/7/22

**Requesting Agency:** DEDO  
**Division:**

**Subject Matter Expert Name:** Patrick Walton

**Email Address:** Patrick.Walton@denvergov.org

**Phone Number:**

### 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 filing, 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 Business Incentive Fund (BIF) contract with Bottling Group, LLC for an amount not to exceed \$1,000,000 for 7 years and for performance based criteria that include establishment of a state-of-the-art manufacturing facility and associated significant investments, as well as job retention and creation and associated investments into upskilling and training of the manufacturing facility's Denver-based workforce.**

Approves a Business Incentive Fund (BIF) contract with Bottling Group, LLC for an amount not to exceed \$1,000,000 and for 7 years through 12-31-2028 for performance based criteria that include establishment of a state-of-the-art manufacturing facility and associated significant investments, as well as job retention and creation and associated investments into upskilling and training of the manufacturing facility's Denver-based workforce (OEDEV-202160849-00). The last regularly scheduled Council meeting within the 30-day review period is on 4-11-2022. The Committee approved filing this item at its meeting on 3-9-2022.

**Affected Council District(s) or citywide? District 11**

**Contract Control Number: OEDEV-202160849-00**

**Vendor/Contractor Name (including any "DBA"): Bottling Group, LLC**

**Type and Scope of services to be performed:**

**Executive Summary**

Denver is being considered as the location for a significant business expansion project to be undertaken by Bottling Group, LLC and its affiliates and subsidiaries. Contingent upon the company securing the necessary entitlements and identifying no issues in the due diligence process, the company is willing to invest \$400 million dollars in the establishment of a new state-of-the-art manufacturing facility in far northeast Denver. The facility would be leading globally in the use of advanced, digitalized manufacturing processes and applied sustainability concepts. The project has a very strong job retention and job creation aspect with 475 positions to be located at the new facility.

This project fulfills Denver's priority of attracting and retaining 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.

In addition, the establishment of this facility in the community will help Denver advance its brand as a globally recognized innovation and advanced manufacturing hub. Because advanced manufacturing is a key industry in Denver, this project is an opportunity to further grow pivotal density in our skilled manufacturing workforce, to retain and create middle-skill and advanced-skill jobs creating economic mobility for our residents, and to establish an employment center near neighborhoods that would greatly benefit from more access to a diverse set of employment and training opportunities.

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

Typically, DEDO will make a small number of strategic incentive investment offers a year on behalf of the city. City Administration and key members of the City's executive leadership team are directly involved in final incentive decisions based on recommendations and calculations presented by DEDO, 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 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? New**

**Was this contractor selected by competitive process or sole source? BIF contract**

**For New contracts**

**Term of initial contract:** 01/01/2022-12/31/2028

**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: Not to exceed \$1,000,000**

**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.)**