

TUESDAY STAFF BRIEFINGS

December 13, 2016

****Please Note Briefings Will Begin Immediately Following Hearings****

All items on this agenda are scheduled for immediately following Hearings and will normally be considered in the order the item appears on the agenda. The Board, at their discretion, may choose to alter the order in which items are considered, may break, or may continue any item to be considered on a future date.

Convene immediately following Hearings; BCC Conference Room, 5th Floor

Briefing Items

- | | |
|------------------------------------------------------------------------------------------|-----------------------------------|
| 1. District Attorney Salary Presentation
(30 minutes) | Pete Weir |
| 2. Personal Property Tax Incentive Request
(30 minutes) | Leigh Seeger |
| 3. Jefferson County Economic Development Corporation
Update (30 minutes) | Leigh Seeger
Patty Silverstein |
| 4. Jefferson County Business Resource Center Update
(15 minutes) | Amira Watters |
| 5. Jefferson County Business Education Alliance Update
(15 minutes) | Joni Inman |
| 6. Golden Gate Fire Funding Request
(15 minutes) | Mark Gutke |
| 7. 2017 Hairy Willow-Herb and Purple Loosestrife Noxious
Weed Fund Grant (15 minutes) | Alicia Doran |
| 8. Access Issuing Authority on CDOT Roads in Jefferson
County (30 minutes) | Jeanie Rossillon |

County Commissioners' Report

County Manager's Report

County Attorney's Report

Executive Session

- Litigation Update - Legal Advice C.R.S. 24-6-402(4)(b) (15 minutes)

Jefferson County does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in the provision of services. Disabled persons requiring reasonable accommodation to attend or participate in a County service, program or activity should call 271-5000 or TDD 271-8071. We appreciate a minimum of 24 hours advance notice so arrangements can be made to provide the requested auxiliary aid.

TUESDAY STAFF BRIEFINGS

December 13, 2016

Briefing Items			Total Estimated Time: 3 hours
Begin	End	Agenda No.	Title
10:00	10:30	1.	District Attorney Salary Presentation
10:30	11:00	2.	Personal Property Tax Incentive Request
11:00	11:30	3.	Jefferson County Economic Development Corporation Update
11:30	11:45	4.	Jefferson County Business Resource Center Update
11:45	12:00	5.	Jefferson County Business Education Alliance Update
12:00	12:15	6.	Golden Gate Fire Funding Request
12:15	12:30	7.	2017 Hairy Willow-Herb and Purple Loosestrife Noxious Weed Fund Grant
12:30	1:00	8.	Access Issuing Authority on CDOT Roads in Jefferson County
Commissioners Report			Total Estimated Time: 5 minutes
Begin	End	Agenda No.	Title
1:00	1:05	9.	
County Manager Report			Total Estimated Time: 5 minutes
Begin	End		Title
1:05	1:10		
County Attorney Report			Total Estimated Time: 5 minutes
Begin	End	Agenda No.	Title
1:10	1:15		
Executive Session			Total Estimated Time: 15 minutes
Begin	End		Title
1:15	1:30		Litigation Update - Legal Advice C.R.S. 24-6-402(4)(b)

BOARD OF COUNTY COMMISSIONERS' (BCC) SCHEDULE

Time*

Topic*

Monday, December 12, 2016

NO TOPICS SCHEDULED TO DATE

Tuesday, December 13, 2016

8:00 a.m.

Public Comment and Public Hearings
Jefferson County Courts & Administration Building
100 Jefferson County Parkway, Hearing Room One

Immediately following
Public Hearings

Staff Briefings
Jefferson County Courts & Administration Building
100 Jefferson County Parkway, BCC Board Room

Immediately following
Staff Briefings

Ralph Schell
Jefferson County Courts & Administration Building
100 Jefferson County Parkway, BCC Board Room

Wednesday, December 14, 2016

10:00 a.m.

Squire Patton Boggs
Jefferson County Courts & Administration Building
100 Jefferson County Parkway, BCC Board Room

Thursday, December 15, 201

3:00 p.m.

Jefferson Parkway Public Highway Authority (JPPHA)
Arvada City Hall
8101 Ralston Road, Arvada

Friday, December 16, 2016

NO TOPICS SCHEDULED TO DATE

*Emergency Items Or Other County Business For Which Prior Notice Was Not Possible May Be Considered.

District Attorney Pete Weir
Salary Presentation

Board of County Commissioners
December 13, 2016

The Goals of the
District Attorney's Office

- To do justice in every single case.
- Support crime prevention and law enforcement efforts.
- Foster a safe and healthy community.

Why is the DA's Office important to the County?

- A safe community is the foundation for a dynamic and vibrant community.
- Public safety has a direct impact on the residents and visitors.
- Businesses consider public safety when deciding where to locate.
- The trust that community members place in government is critical to the County.

The Trust of the Community



Respect for the Criminal Justice System?



Our DA's Office

- The community's trust in our office and the criminal justice system has a direct impact on witnesses, jurors, and public safety.
- We build community trust before the next crisis occurs in our jurisdiction.
- How have we earned the trust of the community over the past 4 years?

Successful Prosecutions

Keeping the Public Safe

- Three armed men wearing “Scream Masks” who robbed a Lakewood bank then went on to victimize others in their crime spree. Guilty verdicts.
- Chief Judge McNulty sentenced Sage to 25 years in prison, cited the “devastating injury” to the child as an aggravating factor in the lengthy prison sentence.
- Cordova was sentenced to 22 years in prison for the vehicular homicide death of Ernestine Maynes. He hit and killed Ms. Maynes as she was crossing the street. Mr. Cordova’s BAC was .23, almost three times the legal limit. This was his sixth alcohol and driving offense.

Community Outreach

Strong Community Relationships
Enhance all of Jefferson County.

Reaching Out To The Community

- Power Against Fraud programs.
- Internet Safety for parents and kids.
- 911 Senior Cell Phone Project.
- DA Citizens Academy.
- Outreach to minority groups.
- Selected for Summer Immersion Program.
- Senior Law Day.
- Safety Day.





Innovative Programs and Problem-Solving Courts

Thoughtful Approaches to Public Safety

- Juvenile Sexting Program.
- Adult Mental Health Court.
- Juvenile Mental Health Court.
- Veterans Treatment Court.
- Drug Recovery Court.
- Human Trafficking Unit.
- Elder Abuse Unit.

How Has The Community Expressed Their Trust in Our Office?

- Citizens Academy.
- Feedback from jurors and law enforcement.
- Attendance at community events.
- Election Results.

The Election

- I received strong bipartisan support.
- The victory is an endorsement of the outstanding work of the women and men in the DA's Office.
- It is also a testament to the great relationships with our law enforcement partners.
- The results also reaffirmed that the citizens in Jefferson County want experienced public safety leaders.

- A supporter of my opponent injected over \$1.15 million dollars into the campaign.
- I was outspent 15 to 1.
- Because of my experience and the great work of the office the community granted us an additional 4 years of service.

Governor Bill Ritter: “Weir’s sense of justice, including his proven track record as District Attorney, is the reason he is receiving bipartisan support.”

Former Colorado Attorney General and Colorado United States Attorney John Suthers, stated “Pete Weir is a rock star in the prosecution community.”

My Experience

- Successful first term as District Attorney.
- District Court Judge.
- Executive Director, Colorado Department of Public Safety.
- Executive Director, Colorado District Attorneys' Council.
- Chairman, Colorado Commission on Criminal and Juvenile Justice (CCJJ).

Over 37 Years of Public Service

Member of the Governor's Homeland Security Senior Advisory Committee; Rocky Mountain High Intensity Drug Trafficking Area (HIDTA) Executive Board; Rocky Mountain Region Joint Terrorism Task Force (JTTF) Executive Board; chairman of the Colorado Information Analysis Center (CIAC) Executive Board; Colorado Integrated Criminal Justice Information System (CICJIS) Executive Policy Board; Governor's Expert Emergency Epidemic Response Committee (GEEERC); Colorado State Peace Officer Standard and Training (P.O.S.T.) Board; appointed by Governor Owens to the Governor's Task Force on Sex Offender Registration (Chair, Prosecution Committee); twice appointed by Governor Owens to the Colorado State Victim Assistance/Law Enforcement (VALE) Board; appointed to the Colorado state advisory board for the S.T.O.P. Violence Against Women Act (VAWA); member of the Victim Services Statewide Planning Committee; member, Executive Board, Colorado Ending Violence Against Women (EVAW) project; member, Criminal Justice and Criminology Advisory Council for Metropolitan State College of Denver; presented at a criminal justice seminar at Harvard's Kennedy's School of Government; and testified before the US Senate Subcommittee on Crime and Terrorism in May, 2015 regarding the use of body cameras by law enforcement.

Most experienced prosecutor with the greatest depth and diversity of experience of any District Attorney in Colorado.

Annual Salary - Request

- A District Attorney's salary is set at the beginning of his or her term.
- By statute, the State contributes \$104,000 of an elected District Attorney's salary.
- Larimer County DA = \$216,602.
- Adams County DA = \$203,859 (current, increase pending)
- Denver DA = at least \$220,000
 - 3 Assistant and Senior DDA's \$217,000
 - 6 DDA's make over \$200,000

Request

Annual salary of \$220,000 with a 1.5% increase per year.

Annual Salary 2017 - 2020

Year	Annual Salary	1.5% Increase	State Salary Contribution	Net County Salary Contribution
2017	220,000.00		104,000.00	116,000.00
2018	223,300.00	1.5%	104,000.00	119,300.00
2019	226,650.00	1.5%	104,000.00	122,650.00
2020	230,049.00	1.5%	104,000.00	126,049.00

Thank you for your
continued support!

BOARD OF COUNTY COMMISSIONERS BRIEFING PAPER**Personal Property Tax Incentive Request
December 13, 2016** For Information For Discussion/Approval
Prior to Future Hearing For Action

ISSUE: In this briefing a Personal Property Tax Incentive request will be reviewed for Denver West Development, LLC – Physicians Development Group “PDG”

BACKGROUND: PDG is a Kansas based health and rehabilitation skilled nursing facility.

DISCUSSION: PDG plans to construct a new certified health care facility in Lakewood Colorado. This is projected to be PDG’s second certified healthcare facility in Colorado, with the first being constructed in Louisville, Colorado.

The Lakewood Facility will consist of 64 patient rooms in a two story (ground up) building and includes living room, activity spaces, conference and meeting rooms, and other care facilities. These spaces are specifically designed for recovery care following elective or non-elective surgeries, various accidents, disease states, strokes heart attacks, immune disorder and other illnesses. This transition level of care is designed for patients between hospital care and home recovery. Patients stay an average of 21 days. Twenty-four-hour skilled medical care is provided on site by licensed Medical Director, Physicians assistance and/or accredited Register Nurse Practitioner.

This facility is projected to bring an investment of over \$15.8M in real and personal property for a new construction of a 58,000 square foot building. The new facility will employ 79 employees in year one, with an average annual salary of \$45,841 plus benefits.

BDG is asking for a personal property tax rebate of 100% per year for five years.

FISCAL IMPACT: If all requirements for receiving the Personal Property Tax Incentive are met, the financial impact to Jefferson County is estimated at approximately \$39K over a 5 year period.

RECOMMENDATIONS: It is recommended that the Board of County Commissioners consider this request for Personal Property Tax Incentive.

ORIGINATOR: Holly Björklund, Finance & Information Technology

CONTACTS FOR ADDITIONAL INFORMATION:

Holly Björklund, hbjorklu@jeffco.us 303-271-8597

David Wunderlich, dwunderl@jeffco.us 303-271-8939

Leigh Seeger LSeeger@jeffcoedc.org

P • D • G

Physicians Development Group

August 5, 2016

Mr. Ralph Schell
Jefferson County Manager
100 Jefferson County Parkway, #5538
Golden, CO 80419

Dear Mr. Schell:

We would like to take this opportunity to introduce you to Denver West Development, LLC (aka Physicians Development Group (PDG)). We plan to construct a new certified health care facility 100 S. Wadsworth Boulevard, in Lakewood, Colorado, and are requesting economic incentive consideration from Jefferson County. This is projected to be PDG's second certified healthcare facility in Colorado, with the first being constructed in Louisville, Colorado.

PDG is a Kansas based health and rehabilitation skilled nursing facility. The Lakewood facility will consist of 64 patient rooms in a two story (ground up) building and includes living room, activity spaces, conference and meeting rooms, and other care facilities. These spaces are specifically designed for recovery care, following elective or non-elective surgeries, various accidents, disease states, strokes, heart attacks, immune disorder and other illnesses. This transitional level of care is designed for patients between hospital care and home recovery. Patients stay an average of 21 days. Twenty-four-hour skilled medical care is provided on site by licensed Medical Director, Physicians Assistance and/or accredited Registered Nurse Practitioner.

This facility is projected to bring an investment of over \$15.8 million dollars in real and personal property for new construction of a 58,000 square foot building.

The new facility will employ 79 employees in year one, with an average annual salary of \$45,841^{7 PWS} benefits. Upon completion the new facility will:

- Creates new revenue to County, through personal property tax
- Create 79 new jobs
- Provides a skilled and needed service to residents throughout the region

P·D·G

Physicians Development Group

We respectfully request a corporate personal property tax rebate of 100% percent per year for 5 years. The County Commissioners assistance will allow PDG to move forward with the development and planning processes.

Thank you for your consideration in this endeavor.

Sincerely,



Fred Hermes, President
Denver West Development, LLC

cc: Leigh Seeger, Jeffco EDC
Nanette Neelan, City of Lakewood
Holly Bjorklund, Jefferson County



Company name: Denver West Health & Rehab LLC

Year established: _____

Product/service description:

The Lakewood facility would provide specifically designed recovery care, following surgeries, various accidents, disease states, strokes, heart attacks, immune disorders, and other illnesses. This transitional level of care is designed for patients between hospital care and home recovery.

Industry: Skilled Rehabilitation

Present Corporate administration offices are located in Wichita, KS.
location(s): This will be the 2nd location in CO (other in Louisville).

Project description:

This 64-patient modern facility will be two stories and provide private patient rooms each with a large private full bathroom. There will be four patient care units each containing 16 resident rooms, living activities, laundry, kitchen, and dining areas. A large therapy gym will be convenient to both inpatients and outpatients.

Total project

cost \$ 15,855,925.00

(land, building, personal property)

Is project an:

expansion _____
relocation _____
new facility X

Are you looking at a(n):

existing bldg _____
build-to-suit X

Facility size: 58,000 Sq.ft.

Will you:

lease _____
purchase X

Jefferson County site(s) being considered:

3.017 acres located at 100 S. Wadsworth Blvd., Lakewood

If leasing:

average annual lease pymt _____
market value of property _____

Other competitive site(s) being considered:

Aurora
South metropolitan area

If purchasing:

cost of new facility \$ 13,027,740
tenant improvements costs _____

Project timeframe (projected dates):

Begin construction: _____ 2016
Begin company operations: _____ 2017
% of goods/services exported outside
of the County: 0

If doing a build-to-suit:

land purchase \$ 1,700,000
construction material costs _____
construction soft costs _____
construction labor costs _____

Estimated gross and net revenues:

	Gross	Net		Gross	Net
Year 1	\$ 5,315,332.03	\$ (1,292,412.75)	Year 6	\$ 10,899,650.83	\$ 580,041.31
Year 2	\$ 10,272,909.64	\$ 593,705.57	Year 7	\$ 11,606,965.66	\$ 561,670.21
Year 3	\$ 10,426,742.74	\$ 588,832.57	Year 8	\$ 11,224,667.96	\$ 549,706.45
Year 4	\$ 10,582,762.40	\$ 586,385.38	Year 9	\$ 11,390,793.04	\$ 535,139.23
Year 5	\$ 10,740,688.64	\$ 595,830.82	Year 10	\$ 11,559,376.78	\$ 520,958.04

REAL property investment at new facility:
(land and building only) \$ 14,727,740

Number of CURRENT employees that will work at the new facility: n/a

Corporate PERSONAL property (cpp) investment:
Starting in year 2017

Total of ADDITIONAL employees to be hired at the new facility over years:

EXISTING cpp at move-in:

n/a	Furniture/fixtures
n/a	Computer equipment
n/a	Mfg equipment
n/a	TOTAL

Year 1	79	Year 8	
Year 2		Year 9	
Year 3		Year 10	
Year 4		TOTAL	79
Year 5			
Year 6			
Year 7			

NEW cpp investment over the next 10 years:
(purchased for the new facility)

TOTAL \$ 1,128,185

Average wage: \$ 45,841

2017		2023
\$ 750,000	Furniture/fixtures	
\$ 350,000	Computer equipment	
	Mfg equipment	
\$ 1,100,000	TOTAL	
2018		2024
	Furniture/fixtures	
	Computer equipment	
	Mfg equipment	
	TOTAL	
2019		2025
	Furniture/fixtures	
	Computer equipment	
	Mfg equipment	
	TOTAL	
2020		2026
	Furniture/fixtures	
	Computer equipment	
	Mfg equipment	
	TOTAL	

Average wage by position and salary range:
(Please include number of employees in each position)

Num.	Position title	Avg. salary

Annual benefits package for employees:
(\$ value/employee) \$ 4,179.23

2021		Estimated average annual payroll:	
\$ 28,185	Furniture/fixtures	Year 1	\$ 3,634,462.05
	Computer equipment	Year 2	\$ 5,731,905.43
	Mfg equipment	Year 3	\$ 5,846,543.54
	TOTAL	Year 4	\$ 5,963,474.41
		Year 5	\$ 6,082,743.90
		Year 6	\$ 6,204,398.77
		Year 7	\$ 6,328,486.75
		Year 8	\$ 6,455,056.48
		Year 9	\$ 6,584,157.61
		Year 10	\$ 6,715,840.77
2022			
	Furniture/fixtures		
	Computer equipment		
	Mfg equipment		
	TOTAL		

The information in this application has been represented in good faith

Company name: Denver West Health Rehab LLC

Name: FRED Hermes

Title: managing member

Signature: [Signature]

Date: 2/17/2016

(Must be signed by someone that is financially responsible for the company)

Jefferson County Economic Development Corporation
 1667 Cole Boulevard, Suite 400, Golden, CO 80401
 p 303.202.2965 • f 303.202.2967 • www.jeffcoedc.org

Project Summary – Denver West Health & Rehab LLC

Product:	Physicians Development Group (PDG) designs and operates state-of-the-art healthcare campuses and is based in Wichita, Kansas.
Project Background:	<p>PDG plans to develop a health and rehabilitation skilled nursing facility called Denver West Health & Rehab LLC, a state-of-the-art skilled nursing and rehabilitation facility. This 58,000 square-foot facility would provide specifically designed recover care following surgeries, accidents, disease states, strokes, heart attacks, immune disorders, and other illnesses. This transitional level of care is designed for patients between hospital and care home recovery.</p> <p>The 64-patient modern facility will be two stories and provide private patient rooms each with a large private bathroom. There will be four patient care units each containing 16 resident rooms, living activities, laundry, kitchen, dining areas, and a large therapy gym.</p>
Project Type:	New business facility
Current Location:	This will be PDG's second location in Colorado (other facility is in Louisville)
Considered Locations:	Lakewood, Aurora, and the Denver south metropolitan area
Project Size:	58,000 square feet at 100 S. Wadsworth Blvd.
Employees:	79 new jobs Average annual salary: \$45,841
Project Investment:	Personal Property Investment: \$1,128,185 Real Property Investment: \$14,727,740 Total Project Cost: \$15,855,925
Rebate Recommendation:	100% rebate on qualifying personal property for five (5) years.
County Rebate*:	Year 1: \$7,724 Year 2: \$7,724 Year 3: \$7,724 Year 4: \$7,724 Year 5: \$7,922 5-year total = \$38,816*

Twenty-Year Economic Impact:

- Net economic & fiscal benefit to the county: \$44.5 million with a payback of 0.1 years.
- Net public revenue to the county: \$225,467 with a payback period of 5.79 years.

Definitions:

- Net Economic Benefit = total economic benefit (*minus*) total public costs
- Net Fiscal Benefit: Total public revenues (*minus*) total public costs
- Economic Benefits: Economic benefits occur when dollars are transferred from one entity to another, and include the public revenues associated with a project's on-going operations, as well as the direct/indirect dollars circulated throughout private enterprises due the project's on-going spending pattern.
- Public Revenues: Public revenues include revenue received by the local government from residents, businesses, and/or employees associated with the project, and include real and personal property taxes, sales/use taxes, impact and other fees, and any visitor-related taxes.
- Public Costs: Public costs include the cost of providing local governmental services to residents, businesses, and/or employees associated with the project, including the value of tax credits or other incentives granted to the project.
- Payback Period: The number of years needed to recover the investment

**No previous personal property is included in estimates because this is a new business with no pre-existing personal property. Only new personal property directly attributable to the expansion was included in the rebate estimate. Numbers do not reflect depreciation. **

Incentive Recommendation

Jeffco EDC is respectfully recommending the Board of County Commissioners approve a 100% personal property tax rebate for five (5) years for **Denver West Health & Rehab LLC**. This recommendation is based on the assumption that the company meets its annual cumulative performance measures.

Multiple factors were considered in formulating the recommendation, including the following:

Project Type:	New business facility	
Job creation:	79 jobs	
Average Salary:	\$45,841 (<i>lower than the county's average salary</i>)	
Project Investment:	Personal property:	\$1,128,185
	Real property:	\$14,727,740
	Total investment:	\$15,855,925
Real Estate:	Construction of a new 58,000 sq. ft. facility	
Total Impact:	Economic and fiscal benefit to the county: \$44.5 million over twenty years	
Payback Period:	The payback period of the incentive to the county is 5.79 years, with \$225,467 projected revenue from the project.	
Primary Employer:	No	
Target Industry:	Healthcare is not a Jeffco EDC target industry. However, the health and wellness industry is one of Jefferson County's largest industry clusters.	

The project's estimated personal property investment is mostly upfront during the first year. Due to depreciation schedules of office and computer equipment, a 100% rebate for 5 years provided more value in comparison to a 50% rebate for 10 years. Increasing the rebate further (for example: 100% for 10 years) would more than double the payback period to 12 years, which would be far beyond the agreement's term length.

Jeffco EDC also took into consideration the 18 active projects with personal property tax rebate agreements, and used them as additional benchmarks in measuring the impact/size of this project to help formulate the recommendation.

Summary of Project Returns

Menu

Denver West Health & Rehab LLC

Total Local Government Incentives and Project Costs	
	\$0 Construction
	<u>\$38,818 Business Operations</u>
	<u>\$38,818 Total incentives and project costs over ten years</u>
<i>Net Economic & Fiscal Benefits to Local Gov't</i>	\$44,449,992 Net benefit/(cost) over twenty years
<i>Net Public Revenue to Local Government</i>	\$225,467 Net benefit/(cost) over twenty years
Payback Period for Public Cost of:	\$38,818
<i>Net Economic & Fiscal Benefits to Local Gov't</i>	0.01 years
<i>Net Public Revenue to Local Government</i>	5.79 years

Return on Investment	
<i>Total Economic & Fiscal Benefits to Local Government</i>	
Year One	\$79.23 Benefit received for each public dollar spent
Years One through Twenty	\$45.03 Cumulative benefit for each public dollar spent over twenty years
<i>Total Public Revenue to Local Government</i>	
Year One	\$1.14 Public revenue received for each public dollar spent
Years One through Twenty	\$1.22 Cumulative public revenue for each public dollar spent over twenty years

Net Present Value (NPV) Analysis			
		Net Economic & Fiscal Benefits (Costs)	Net Fiscal Benefits (Costs)
	<u>Discount Rate</u>	<u>NPV</u>	<u>NPV</u>
Safe Rate of Return	2.2%	\$36,180,657	\$176,652
	0.2%	\$43,745,976	\$221,290
	1.2%	\$39,695,876	\$197,332
	3.2%	\$33,118,082	\$158,740
	4.2%	\$30,439,835	\$143,173

Jefferson County Corporate Personal Property Tax Rebate

Estimate Prepared for Denver West Health Rehab LLC

	<u>Year 1</u> 2017	<u>Year 2</u> 2018	<u>Year 3</u> 2019	<u>Year 4</u> 2020	<u>Year 5</u> 2021	<u>Total</u> 2017-2026
Existing PP Invest./Prior Yr.	\$0	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	
New Investment	\$1,100,000	\$0	\$0	\$0	\$28,185	
Accumulative Invest.	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,128,185	\$1,128,185
Assessment	0.29	0.29	0.29	0.29	0.29	
Mill Levy	0.024212	0.024212	0.024212	0.024212	0.024212	
Property Tax Revenue	\$7,724	\$7,724	\$7,724	\$7,724	\$7,922	
County Rebate at 100%	\$7,724	\$7,724	\$7,724	\$7,724	\$7,922	\$38,816

5-Year/100% County Rebate Estimate: \$38,816

No previous personal property is included in this estimate because this is a new business to Jeffco with no existing personal property. Only new personal property directly attributable to the project is included in estimate.

Estimates does not include depreciated values on assets and does not constitute an Agreement.

AGREEMENT

THIS AGREEMENT ("Agreement"), dated for reference purposes only this 1st day of November, 2016, is made and entered into by and between the COUNTY OF JEFFERSON, STATE OF COLORADO, a body politic and corporate (the "County"), and DENVER WEST HEALTH & REHAB, LLC, a Colorado limited liability company (the "Company").

RECITALS

A. The Company desires to locate a new business facility at 100 S. Wadsworth Blvd. Lakewood, CO 80226 in Jefferson County, Colorado (the "Facility").

B. The County deems it to be in the County's best interests to have the Company establish the Facility in the County and to receive revenue from the business occurring therein.

C. The County finds the Facility will substantially benefit the public through the generation of additional jobs and an increase in the tax base of the County.

D. Section 30-11-123, C.R.S., provides for an incentive payment or credit to any taxpayer who establishes a qualifying new facility.

AGREEMENT

NOW, THEREFORE, for and in consideration of the covenants and conditions set forth herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the County and the Company agree as follows:

1. Definitions.

(a) "Facility" means the building described in the Preamble of this Agreement including the land on which the building is located, and all machinery, equipment, and other real and tangible personal property located at or within the building and used by the Company in connection with operation of the business.

(b) "JCEDC" means the Jefferson County Economic Development Corporation.

(c) "Personal Property Tax" means the amount of ad valorem tax revenue that the County is entitled to receive for the applicable Property Tax Year on the Qualified Property.

(d) "Property Tax Year" means a year in which personal property tax is payable on Qualified Property.

(e) "Qualified Property" means any taxable personal property that is (i) located at or within the Facility, (ii) used by the Company in connection with the operation of the Facility during the applicable Property Tax Year, and (iii) included on the personal property declaration schedule submitted by the Company to the Jefferson County Assessor.

2. Incentive Refund. The County agrees to give the Company an annual incentive refund in an amount equal to one hundred percent (100%) of the Personal Property Tax paid on Qualified Property for each of five (5) consecutive Property Tax Years beginning with the first Property Tax Year in which taxes are assessed on the Qualified Property. The incentive shall apply to only the Personal Property Tax that would otherwise be retained by the County and shall not apply to any taxes which are due to any school district, special district, or other entity.

In order to receive the refund, the Company shall submit a written request to the JCEDC which request shall: (i) set forth the total assessed value of all Qualified Property for that Property Tax Year; (ii) certify that all property designated on the schedule as Qualified Property qualifies for the incentive refund contemplated by this Agreement, (iii) set forth the total amount of Personal Property Taxes levied by the County and paid by the Company on Qualified Property for that Property Tax Year, (iv) waive any right of the Company to seek a refund or abatement of all or any portion of the Personal Property Tax paid for that Property Tax Year, and (v) certify that all requirements of Section 4 of this Agreement have been met.

The refund request shall be made on or before October 31st for a refund of taxes assessed for the current Property Tax Year. JCEDC will determine whether the Company has complied with Section 4 of this Agreement; and, if so, shall certify the same to the County Manager. The County Manager will verify that all Personal Property Taxes have been paid and direct payment of the rebate.

3. Termination. The County may terminate this Agreement in the event that either 1) the Company fails to substantially satisfy the requirements of Section 4 of this Agreement for any of the Property Tax Years covered under this Agreement or 2) the Company fails to qualify for the incentive refund contemplated by this Agreement as a result of failing to open the Facility on or before October 1, 2017. In the event of termination, the Company shall not be entitled to any incentive refund and neither party will have any further obligations under this Agreement.

4. Representations and Warranties. The Company represents and warrants to the County, as of the date of this Agreement and throughout the term of this Agreement that:

(a) The Company will create at the Facility the number of additional jobs with the average salary(ies) as referenced in Exhibit A, attached hereto and incorporated herein. "Additional" jobs shall not include "replacement" or "relocated" positions. "Relocated" positions shall mean positions relocated from another facility within Jefferson County, Colorado. If the Facility is an expansion, the additional jobs must be at the expanded portion only.

(b) The Company will invest the amounts for personal property, capital equipment and real property as referenced in Exhibit A.

5. Constitutional Restrictions. Financial obligations of the County payable after the current fiscal year are contingent upon funds for such purposes being appropriated, budgeted and otherwise made available during any such subsequent year. If funds are not so appropriated, budgeted and made available, the County may terminate this Agreement by notice to the Company. As of this date, the County's fiscal year is the calendar year. The Company acknowledges Article X, Section 20 of the Colorado Constitution, commonly known as Amendment 1, imposes spending and revenue restrictions on the County. These restrictions may

require the elimination of various expenditures including, without limitation, incentive payments to taxpayers. In such event, the County may terminate this Agreement upon notice to the Company.

6. Entire Agreement. This Agreement contains the entire agreement between the parties regarding the subject matter contained herein and can only be amended by a written agreement signed by both parties.

7. Execution by Counterparts; Electronic Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The parties approve the use of electronic signatures for execution of this Agreement. Only the following forms of electronic signatures shall be permitted to bind the parties to this Agreement: (1) Electronic or facsimile delivery of a fully executed copy of a signature page; (2) The image of the signature of an authorized signer inserted onto PDF format documents. All documents must be properly notarized, if applicable. All use of electronic signatures shall be governed by the Uniform Electronic Transactions Act, Sections 24-71.3-101 to -121, C.R.S.

8. Proper Execution. Each party represents that all procedures necessary to authorize such party's execution of this Agreement have been performed and that the person signing for such party has been authorized to do so.

9. Indemnity. The Company will indemnify and hold the County harmless from any loss or claim, including reasonable attorneys' fees and costs, incurred by the County in the event of any action challenging the validity of this Agreement. Notwithstanding the provisions of this Section, the Company shall have the right at any time to fully satisfy and discharge its obligations under this Section by repaying any disputed incentive payments made hereunder, together with the reasonable attorneys' fees and costs incurred by the County prior to such repayment by the Company.

10. Governing Law; Venue. This Agreement shall be governed by the laws of the State of Colorado, whose courts shall have exclusive jurisdiction over any claim or cause of action arising under this Agreement. Venue for any and all legal actions arising hereunder shall lie in the District Court in and for the County of Jefferson, State of Colorado.

11. Notices. Any notice given pursuant to this Agreement shall be given in writing, either in person or by certified mail, return receipt requested. If given in person, notice shall be deemed given when actually given. If given by certified mail, notice shall be deemed given at the time indicated on the duly completed return receipt. Notice shall be given to the parties at the following addresses:

To the County:

County Manager
Jefferson County Government Center
100 Jefferson County Parkway, Suite 5538
Golden, Colorado 80419

with a copy to:

County Attorney
Jefferson County Government Center
100 Jefferson County Parkway, Suite 5500
Golden, Colorado 80419

To Company:

Denver West Health & Rehab, LLC
Attention: Fred Hermes
7200 W. 13th St., Suite #5
Wichita, Kansas 67212

Either party may change its address at any time by giving written notice thereof to the other party.

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

COUNTY OF JEFFERSON,
STATE OF COLORADO

By _____
Libby Szabo, Chairman
Board of County Commissioners

APPROVED AS TO FORM:

By _____
RaLea Sluga
Assistant County Attorney

THE COMPANY:
DENVER WEST HEALTH & REHAB, LLC

By: _____
Fred Hermes
Managing Member

EXHIBIT A



Company name: Denver West Health & Rehab LLC

Year established: _____

Product/service description:

The Lakewood facility would provide specifically designed recovery care, following surgeries, various accidents, disease states, strokes, heart attacks, immune disorders, and other illnesses. This transitional level of care is designed for patients between hospital care and home recovery.

Industry: Skilled Rehabilitation

Present Corporate administration offices are located in Wichita, KS.
 location(s): This will be the 2nd location in CO (other in Louisville).

Project description:

This 64-patient modern facility will be two stories and provide private patient rooms each with a large private full bathroom. There will be four patient care units each containing 16 resident rooms, living activities, laundry, kitchen, and dining areas. A large therapy gym will be convenient to both inpatients and outpatients.

Total project

cost \$ 15,855,925.00

(land, building, personal property)

Is project an:

expansion _____
 relocation _____
 new facility X

Are you looking at a(n):

existing bldg _____
 build-to-suit X

Facility size: 58,000 Sq.ft.

Will you:

lease _____
 purchase X

Jefferson County site(s) being considered:

3.017 acres located at 100 S. Wadsworth Blvd., Lakewood

If leasing:

average annual lease pymt _____
 market value of property _____

Other competitive site(s) being considered:

Aurora
South metropolitan area

If purchasing:

cost of new facility \$ 13,027,740
 tenant improvements costs _____

Project timeframe (projected dates) :

Begin construction: _____ 2016

Begin company operations: _____ 2017

% of goods/services exported outside of the County: 0

If doing a build-to-suit:

land purchase \$ 1,700,000

construction material costs _____

construction soft costs _____

construction labor costs _____

2021		Estimated average annual payroll: *	
\$ 28,185	Furniture/fixtures	Year 1	\$ 3,634,462.05
	Computer equipment	Year 2	\$ 5,731,905.43
	Mfg equipment	Year 3	\$ 5,846,543.54
	TOTAL	Year 4	\$ 5,963,474.41
		Year 5	\$ 6,082,743.90
		Year 6	\$ 6,204,398.77
		Year 7	\$ 6,328,486.75
		Year 8	\$ 6,455,056.48
		Year 9	\$ 6,584,157.61
		Year 10	\$ 6,715,840.77
2022			
	Furniture/fixtures		
	Computer equipment		
	Mfg equipment		
	TOTAL		

The information in this application has been represented in good faith

Company name: Denver West Health Rehab LLC

Name: FRED Hermes

Title: managing member

Signature: [Signature]

Date: 2/17/2016

(Must be signed by someone that is financially responsible for the company)

Jefferson County Economic Development Corporation
 1667 Cole Boulevard, Suite 400, Golden, CO 80401
 p 303.202.2965 • f 303.202.2967 • www.jeffcoedc.org

*This Exhibit A includes revenues and payroll for a 10 year projection; however, the Agreement and the incentive refund provided thereby are only for the five year term specified therein.



Jefferson County, Colorado

Quarterly Economic Report – Fourth Quarter 2016



Jefferson County's economic situation continued to improve, with continued employment gains and low unemployment and robust consumer trends. Employment in the county increased 2.8 percent between the first quarters of 2015 and 2016, generating an additional 6,310 jobs. The Jefferson County unemployment rate fell to 3 percent in the third quarter of 2016, a decline of 0.2 percentage points from the prior year. Consumer confidence rose 1.3 percent in the mountain region between the second and third quarters of 2016.

The residential real estate market reported mixed trends during the third quarter of 2016. Sales of single-family detached homes decreased between the third quarters of 2015 and 2016, falling 3.5 percent, while single-family attached home sales decreased 12.8 percent during the same period. The average sales price in both the single-family detached and the single-family attached markets increased over-the-year, rising 13.1 percent and 17.7 percent, respectively. The county reported an apartment vacancy rate of 4.1 percent, which was the lowest of the Metro Denver counties. The average rental rate for an apartment in Jefferson County rose 5.8 percent over-the-year to \$1,343 per month in the third quarter.

The commercial real estate markets in Jefferson County recorded generally tightening vacancy and rising average lease rates during the third quarter of 2016. All three classes of office space recorded falling vacancy rates, although the Class A market recorded a decrease in the average lease rate. The industrial warehouse market was the most constricted of the market types, reporting 3 percent vacancy, but this was up 2 percentage points from the previous year. Class A office space continued to command the highest average lease rate, charging \$25.36 per square foot during the third quarter of 2016. Jefferson County posted a net increase of 423,260 square feet of office, industrial, and retail space between the third quarters of 2015 and 2016.

Jefferson County Economic Headlines

- ◆ **Congent**, an industrial pump and process company, announced they are relocating from Adams County to the City of Golden. The company plans to bring 45 high-paying jobs to Jefferson County.
- ◆ **Special Aerospace Services (SAS) Manufacturing**, is relocating and expanding its operations in the City of Arvada. The engineering and precision manufacturer will relocate 14 employees, expanding to 30 within the next couple of years, and invest in over \$2 million in personal property.
- ◆ **Off Leash Ales**, a dog-friendly brewery, has plans to open a new 7,000 square-foot facility in unincorporated Jefferson County. The company will employ 8 people by the beginning of operations in 2017.
- ◆ **UPS** announced plans to hire 1,600 seasonal and permanent employees in Metro Denver as part of a nationwide push to hire 95,000 workers. Jobs include drivers, driver-helpers, package handlers, and part-time supervisors.
- ◆ SmartAsset released their annual "Best College Value" report and the **Colorado School of Mines was ranked the sixth-best value** in the nation. The ranking was compiled based on criteria including average scholarships and grants, starting salary upon graduation, tuition, and living costs. The company reported that the college had an affordability index of 85.49 and an average starting salary for graduates of \$65,500. The Massachusetts Institute of Technology ranked first.
- ◆ Wheat Ridge-based **Heritage College** (under the name Weston Educational Inc.), a 30-year-old for-profit university, shuttered all ten of its campuses, including one near Lakeside, on November 1st. The company filed for Chapter 7 bankruptcy liquidation.
- ◆ Two major segments of the Regional Transportation District's FasTracks rail system will not open this year: **The G Line from downtown Denver through Arvada and Wheat Ridge**, and the R Line through Aurora between Parker Road and I-70. Due to problems with the software controlling the crossing gates at intersections along the A and the B lines, the Federal Railroad Administration has said it will not allow testing

on the G Line until the problems are corrected on the A and the B Lines. Testing takes 45 days, meaning that a 2016 opening date is not possible.

Metropolitan Region and State Economic Headlines

- ◆ *Forbes* ranked Denver the **best place for business and careers** for the second year in a row. The company ranked the 200 largest metropolitan statistical areas (MSAs) based on 14 criteria including job growth, costs, income growth, quality of life, and education of the labor force. The company stated that Denver's relatively central location makes it a natural location as a distribution hub for the American West, while also supporting a number of growing industries in technology and communications. The company also stated that the region's nationally recognized museums, the second largest performing arts complex in the nation, and bustling neighborhoods are strong attributes.
- ◆ The Milken Institute released their annual "State Technology and Science Index" and reported that **Colorado was the second-best tech state**. The survey is conducted every two years to track and evaluate every state's tech and science capabilities and their success at converting these assets into companies and high-paying jobs. Colorado rose from fourth place in the previous survey, with a jump from sixth to first in human capital investment. The company stated that with 14 public and 17 private universities, Colorado is training a high-skill workforce attractive to tech companies.
- ◆ **Colorado ranked fourth among the states as a healthy environment for well-established small businesses**, up from seventh a year ago, according to the 2016 Kauffman Foundation "Index of Main Street Entrepreneurship." The report also ranked the Denver-Aurora-Broomfield MSA 15th in the nation for the health of small businesses, up from 19th last year out of 40 metro areas ranked. The report focused on small business that have operated for more than five years and employ fewer than 50 people based on the rate of business ownership in the population, established small business density, and business survival rate.
- ◆ **Denver ranked 11th in the Urban Land Institute (ULI) annual markets to watch for real estate trends**, down five spots from last year. The report conducted by the ULI and PricewaterhouseCoopers surveyed more than 1,500 professionals in the industry. The report stated that Denver has seen particularly strong growth in the leisure and hospitality, construction, and professional and business services sectors, but that the city has not been completely able to escape the downturn in the energy-related business services sector. The highest ranked city was Austin, Texas followed by Dallas, Texas, Portland, Ore., and Los Angeles, Calif.
- ◆ The **Denver/Boulder commercial biotech office market was ranked 13th in the nation** in a report by JLL Life Sciences. The report ranked cities based on life science employment, employment growth, venture capital funding, and National Institutes of Health funding. The group reported that nearly all sectors of the life sciences industry are growing in Denver, most notable in the pharmaceuticals sector. The Boston area was ranked first and the San Francisco area was ranked second.

Employment Activity

The number of businesses throughout Jefferson County increased 4.2 percent between the first quarters of 2015 and 2016, a net gain of 791 businesses. Eleven of the 13 supersectors reported growth in the number of businesses between the first quarters of 2015 and 2016. The largest percentage increase of businesses was in the transportation, warehousing, and utilities supersector, rising 6.8 percent over-the-year to 284 businesses. The education and health services supersector also reported a significant increase in businesses, rising 6 percent over-the-year, and creating 113 new businesses. The professional and business services supersector added the most new businesses, creating 284 new establishments. The government and mining and logging sectors were the only sectors to shed establishments during the period, losing three and four establishments, respectively.

The average weekly wage for Jefferson County was \$1,025 during the first quarter of 2016, rising 0.4 percent compared with the previous year. The wholesale trade sector (\$1,915) recorded the highest average weekly wage

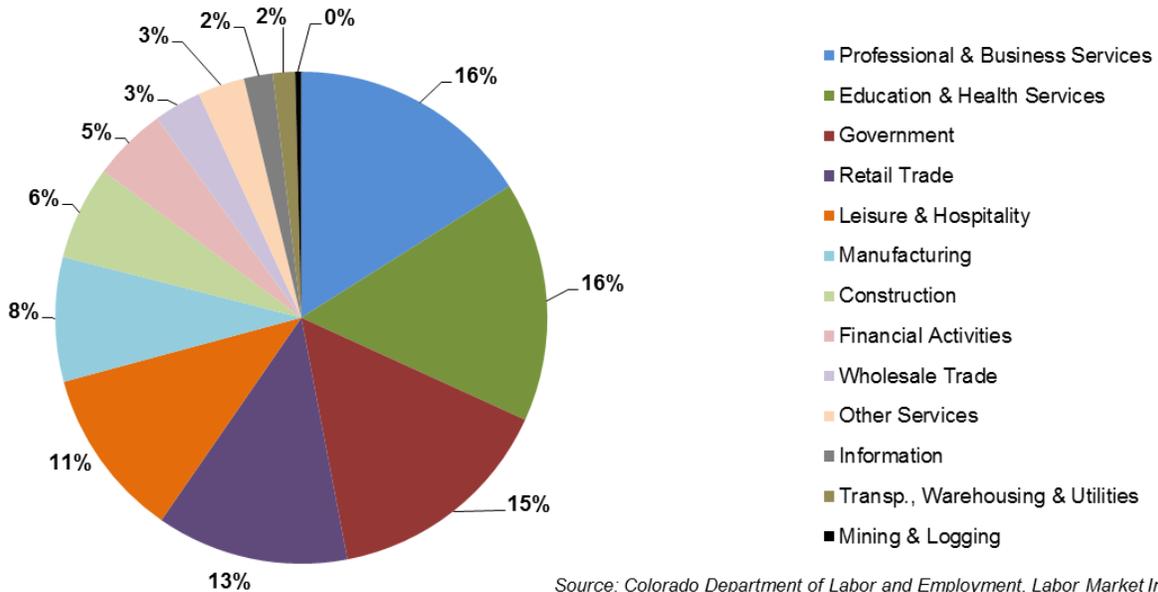
during the period, reflecting a 6.4 percent increase in wages between the first quarters of 2015 and 2016. The construction sector also recorded a strong increase in wages during the period, rising 5.3 percent to \$1,044 per week. The professional and business services supersector posted the smallest increase in wages over-the-year,

Business and Employment Indicators by Supersector

	Jefferson County						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	1Q 2015	1Q 2016	1Q 2015	1Q 2016	1Q 2015	1Q 2016	1Q 2015	1Q 2016
Total All Industries	18,662	19,453	\$1,020	\$1,025	222,507	228,819	1,499,727	1,543,542
Private Sector								
Mining & Logging	148	144	\$1,429	\$1,150	860	907	14,796	12,693
Construction	1,943	2,056	\$992	\$1,044	13,693	14,094	82,284	87,354
Manufacturing	491	511	\$1,886	\$1,873	17,309	18,728	83,982	85,642
Wholesale Trade	1,509	1,534	\$1,801	\$1,915	7,198	7,172	74,467	76,196
Retail Trade	1,743	1,787	\$540	\$549	27,976	28,906	147,577	151,365
Transp., Warehousing & Utilities	266	284	\$1,562	\$1,502	3,492	3,343	51,601	52,024
Information	289	303	\$1,789	\$1,471	4,042	4,327	52,882	53,975
Financial Activities	2,075	2,135	\$1,297	\$1,212	10,891	11,172	103,131	107,109
Professional & Business Services	5,220	5,504	\$1,353	\$1,357	35,741	36,679	277,586	283,673
Education & Health Services	1,888	2,001	\$760	\$783	35,430	36,094	193,606	200,883
Leisure & Hospitality	1,407	1,449	\$352	\$356	24,369	25,562	159,745	168,095
Other Services	1,477	1,548	\$648	\$667	6,941	7,059	45,941	47,235
Government	179	176	\$1,051	\$1,070	34,531	34,733	211,963	216,994

Note: Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry.
 Source: Colorado Department of Labor and Employment, Labor Market Information. Quarterly Census of Employment and Wages (QCEW).

**Jefferson County Employment by Supersector
 First Quarter 2016**



Source: Colorado Department of Labor and Employment, Labor Market Information. Quarterly Census of Employment and Wages (QCEW).

rising 0.3 percent to \$1,357 per week. The lowest average wage was in the leisure and hospitality supersector, with an average weekly wage of \$356. The mining and logging (-19.5 percent), transportation, warehousing, and

utilities (-3.8 percent), information (-17.8 percent), financial activities (-6.6 percent), and manufacturing (-0.7 percent) sectors reported over-the-year declines in the average weekly wage.

Jefferson County employment increased 2.8 percent in the first quarter of 2016 compared with the prior year, representing an additional 6,310 jobs. The sector that reported the largest percentage increase and the largest absolute increase in employment was manufacturing, which rose 8.2 percent or about 1,420 jobs between the first quarters of 2015 and 2016. Professional and business services, the largest supersector by employment, reported a 2.6 percent increase over-the-year, representing about 940 new jobs. The leisure and hospitality supersector reported the second largest absolute increase in employment during the period, generating over 1,190 jobs. The wholesale trade and transportation, warehousing, and utilities sectors reported the only decreases in employment during the period, falling 0.4 percent and 4.3 percent, respectively.

The Metro Denver area recorded slightly stronger employment growth than Jefferson County, with total employment rising 2.9 percent between the first quarters of 2015 and 2016. The construction sector reported the largest percentage increase in employment during the period, rising 6.2 percent or 5,070 jobs. The leisure and hospitality supersector (+5.2 percent) created the most jobs during the period, creating nearly 8,350 positions. The financial activities supersector also recorded strong employment growth, rising 3.9 percent during the period. The mining and logging sector recorded the only decline in employment over-the-year, decreasing 14.2 percent over-the-year or 2,100 jobs. Many of the layoffs in the oil and gas industry due to the downturn in oil prices continued through the first quarter of 2016.

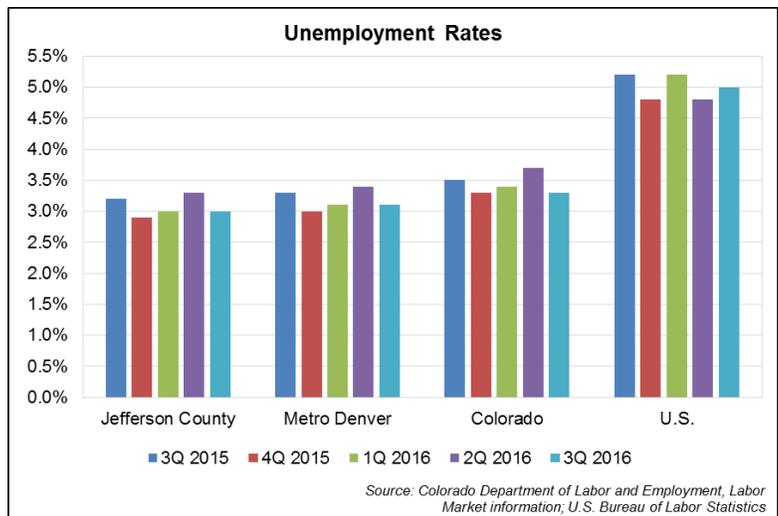
Labor Force and Unemployment

Unemployment in Jefferson County decreased by 0.2 percentage points between the third quarters of 2015 and 2016, falling from 3.2 percent to 3 percent. The area’s labor force increased at a rate of 2.7 percent during the same period, with 8,580 additional individuals working or looking for a job. Of the seven Metro Denver counties, Jefferson County recorded the third lowest unemployment rate and tied for the second largest over-the-year decrease in the unemployment rate. The Jefferson County third quarter 2016 unemployment rate was the lowest third quarter unemployment rate since 2000 when the rate was 2.4 percent. Metro Denver unemployment declined over-the-year, falling 0.2 percentage points to 3.1 percent in the third quarter, and the labor force increased at a rate of 2.7 percent over-the-year.

The Metro Denver unemployment rate also was the lowest third quarter rate since 2000 when the rate was 2.6 percent.

Colorado reported a 2.5 percent increase in the labor force between the third quarters of 2015 and 2016 and the unemployment rate declined 0.2 percentage points to 3.3 percent.

The United States recorded a 0.2 percentage point decline in the unemployment rate over-the-year, with 1.6 percent growth in the labor force.



	Labor Force			Unemployment Rate	
	3Q 2015	3Q 2016	Yr/Yr % Change	3Q 2015	3Q 2016
Jefferson County	313,406	321,986	2.7%	3.2%	3.0%
Metro Denver	1,658,791	1,703,787	2.7%	3.3%	3.1%
Colorado	2,838,436	2,908,100	2.5%	3.5%	3.3%
U.S. (000s)	157,508	160,047	1.6%	5.2%	5.0%

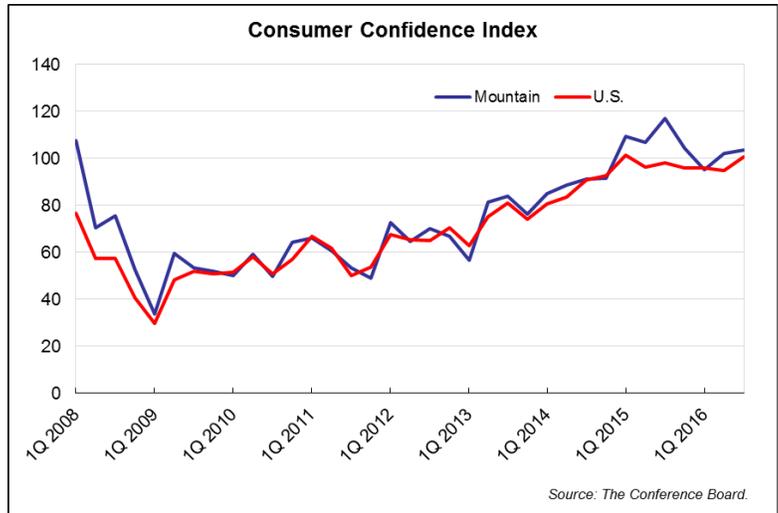
Sources: Colorado Department of Labor and Employment, Labor Market Information; U.S. Bureau of Labor Statistics.

Consumer Activity

Consumer Confidence

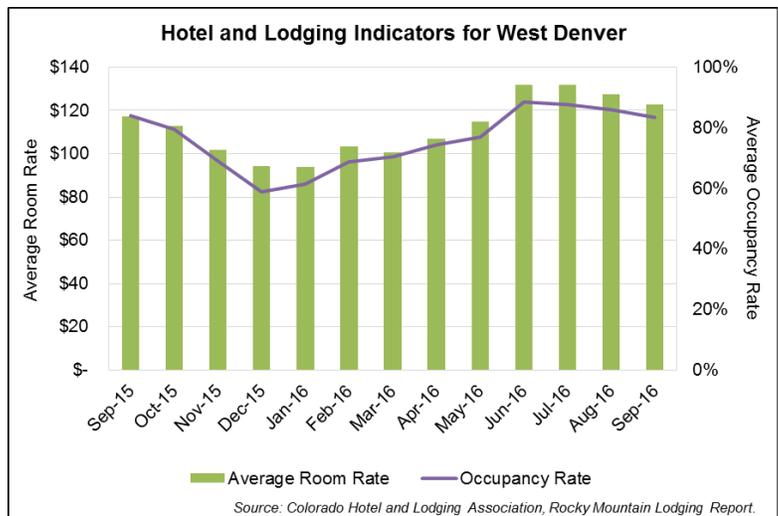
The Conference Board’s National Consumer Confidence Index increased during the third quarter of 2016, rising 2.4 percent over-the-year to 100.7 for the U.S. index. U.S. consumer confidence also rose 6.2 percent between the second and third quarters of 2016. This quarter marked the first time U.S. consumer confidence rose above 100 since the first quarter of 2015.

The Mountain Region index, which includes Colorado, decreased during the third quarter of 2016. The Mountain Region index fell to 103.5, an over-the-year decrease of 11.5 percent. However, the Mountain Region Index reported an over-the-quarter increase of 1.3 percent. Consumer confidence for the Mountain Region index has reported over-the-year declines for three consecutive quarters.



Lodging

According to the *Rocky Mountain Lodging Report*, the West Denver market recorded a year-to-date occupancy rate of 77.9 percent in September 2016. This rate was 0.9 percentage points lower than the prior year’s occupancy rate. The average room rate for the West Denver market was \$116.97 per night year-to-date in September, a 4.4 percent increase from the previous year (\$112.07 per night). The year-to-date average occupancy rate in Metro Denver decreased to 77.9 percent in September 2016, down from 78.9 percent in the same month last year, and the average room rate rose 5.9 percent to \$142.29 per night.



Retail Sales

Jefferson County retail sales increased slightly between the fourth quarters of 2014 and 2015. Of the 13 cities/subareas within Jefferson County, 11 areas reported over-the-year growth in retail sales. Edgewater recorded the largest increase in retail sales during the period, rising 17.5 percent or \$6.6 million. Morrison (+11 percent) and Arvada (+9.6 percent) also reported significant increases in retail sales between the fourth quarters of 2014 and 2015. Littleton reported the smallest increase in sales over-the-year, rising 1.2 percent to \$184 million. Arvada reported an additional \$62.6 million in total retail sales between the fourth quarters of 2014 and 2015, the

largest increase in sales volume in the county, followed by Lakewood with an additional \$52.5 million. Wheat Ridge and unincorporated Jefferson County reported the only decreases over-the-year, falling 25 percent and 1.1 percent, respectively.

Total retail sales in the seven-county Metro Denver area decreased 2.2 percent between the fourth quarters of 2014 and 2015 due to the lower value of mining, manufacturing, and gasoline station activity. Five of the seven counties in Metro Denver reported declines in retail sales during the period. Aside from Jefferson County, Douglas County was the only other county to record an increase in sales, rising 13.6 percent to nearly \$2.7 billion in the fourth quarter of 2015 compared with the previous year. The City and County of Denver and Boulder County recorded the smallest decreases in retail sales, both falling 3.2 percent over-the-year. Adams County reported the largest decline in retail sales during the same period, falling 5.5 percent to \$5.7 billion.

Metro Denver Total Retail Sales (\$000s)

County	City	4Q 2014	4Q 2015	Yr/Yr % change
Adams		\$6,010,676	\$5,682,668	-5.5%
Arapahoe		\$6,063,664	\$5,777,055	-4.7%
Boulder		\$3,137,873	\$3,036,560	-3.2%
Broomfield		\$745,793	\$720,001	-3.5%
Denver		\$8,003,170	\$7,750,745	-3.2%
Douglas		\$2,343,368	\$2,661,773	13.6%
Jefferson		\$4,580,990	\$4,592,678	0.3%
	Arvada	\$651,554	\$714,160	9.6%
	Conifer	\$36,236	\$39,084	7.9%
	Edgewater	\$37,650	\$44,222	17.5%
	Evergreen	\$42,425	\$44,256	4.3%
	Golden	\$410,902	\$420,535	2.3%
	Kittredge	\$2,409	\$2,410	0.0%
	Lakeside	\$25,587	\$27,656	8.1%
	Lakewood	\$1,632,769	\$1,685,296	3.2%
	Littleton	\$181,806	\$184,051	1.2%
	Morrison	\$26,373	\$29,286	11.0%
	Westminster	\$407,542	\$412,886	1.3%
	Wheat Ridge	\$522,340	\$391,802	-25.0%
	Unincorporated	\$603,395	\$597,034	-1.1%

Note: Jefferson County city totals may not sum to Jefferson County total due to rounding.

Source: Colorado Department of Revenue.

Residential Real Estate

Home Sales

Jefferson County reported mixed trends in both the single-family detached and single-family attached existing home markets. The number of single-family detached homes sold decreased between the third quarters of 2015 and 2016, falling 3.5 percent to 2,473 homes sold. Prices of single-family detached homes continued to appreciate, leading to a 13.1 percent increase in the average sales price to \$434,940 during the period. Of the seven counties in Metro Denver, Jefferson County recorded the fourth highest average sales price and was second for the number of homes sold. The City and County of Denver posted the most homes sold during the quarter, selling 2,545 homes, and reported an over-the-year increase in sales of 1 percent. Boulder County recorded the highest average sales price (\$586,410) and recorded the largest increase in the average sales price, rising 15.6 percent over-the-year.

Sales of single-family attached homes in Jefferson County decreased 12.8 percent between the third quarters of 2015 and 2016, to 793 homes sold or 116 fewer homes sold. The average sales price of a single-family attached home rose, recording a 17.7 percent increase to \$235,890 during the same period. Compared with the other six counties in Metro Denver, Jefferson County recorded the third highest number of homes sold and reported the fifth highest average sales price in the single-family attached market. Arapahoe County posted the most single-family attached home sales (1,341 sales) and Boulder County reported the highest average sales price (\$369,640) during the third quarter. Increases in the average sales price for single-family attached homes ranged from 2.6 percent in the City and County of Denver to 24.5 percent in Boulder County.

Existing Home Sales

	Metro Denver County Markets							Metro Denver Total
	Adams	Arapahoe	Boulder	Broomfield	Denver	Douglas	Jefferson	
Home Sales								
<i>Single-Family Detached</i>								
3Q 2016	2,003	2,430	1,247	318	2,545	1,882	2,473	12,898
3Q 2015	2,079	2,617	1,407	308	2,521	1,908	2,562	13,402
<i>Single-Family Attached</i>								
3Q 2016	582	1,341	326	43	1,087	398	793	4,570
3Q 2015	617	1,420	363	47	1,187	439	909	4,982
Average Sold Price								
<i>Single-Family Detached</i>								
3Q 2016	\$322,180	\$396,437	\$586,406	\$428,039	\$481,745	\$487,708	\$434,938	\$441,583
3Q 2015	\$287,582	\$363,686	\$507,114	\$396,544	\$429,196	\$459,105	\$384,583	\$397,595
<i>Single-Family Attached</i>								
3Q 2016	\$214,795	\$217,372	\$369,637	\$288,363	\$284,427	\$297,156	\$235,889	\$254,684
3Q 2015	\$189,630	\$199,439	\$296,877	\$252,764	\$277,194	\$261,507	\$200,425	\$230,002

Source: ColoradoComps.

◆ **Metro West Housing Solutions projects:**

- **Lamar Station Crossing-Phase II:** This phase will complete the campus of the extremely successful TOD community that opened in 2014. It will add 65 units of low and moderate income housing for families for a total of 175 units on the campus. MWHS applied for funding in June, but was not awarded the funding. MWHS will apply again in 2017 and if awarded construction would begin in 2018 and the development would open in 2019.
- **5800 W. Alameda:** Will be 152 units of affordable family housing, both in the existing 7-story office tower and a newly constructed building. The \$35 million project will improve that part of the Alameda corridor through additional residential product and improving a blighted, vacant building. The New America School will remain in the attached retail space. The new property will add a more urban feel and will offer a significantly improved view than the current acres of asphalt parking. MWHS is in the planning and permitting process with the City of Lakewood with plans to start construction in early 2017, with plans to open mid-year 2018.

Apartment Market

Jefferson County had the lowest apartment vacancy rate of the six Metro Denver county market groups for the third quarter of 2016. The Jefferson County vacancy rate fell 1 percentage point between the third quarters of 2015 and 2016 to 4.1 percent vacancy. However, the vacancy rate was unchanged over-the-quarter. The Jefferson County third quarter vacancy rate was 1 percentage point below the Metro Denver average (5.1 percent). The average rental rate in the county for all apartment types (\$1,343 per month) rose 1.1 percent between the second and third quarters of 2016, recording the largest over-the-quarter increase in the average lease rate of the six county market groups. The county reported a 5.8 percent increase over-the-year in the average rental rate, rising from \$1,269 per month in the third quarter of 2015.

Metro Denver Average Apartment Rents and Vacancy
Third Quarter 2016

County	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams	5.0%	\$925	\$1,108	\$1,211	\$1,449	\$1,799	\$1,464	\$1,265
Arapahoe	4.9%	\$991	\$1,148	\$1,245	\$1,473	\$1,895	\$1,635	\$1,303
Boulder/Broomfield	5.2%	\$1,345	\$1,339	\$1,416	\$1,715	\$2,055	\$1,482	\$1,511
Denver	5.5%	\$1,133	\$1,272	\$1,344	\$1,757	\$1,929	\$1,860	\$1,404
Douglas	6.0%	\$1,134	\$1,325	\$1,439	\$1,652	\$2,035	\$2,107	\$1,509
Jefferson	4.1%	\$990	\$1,205	\$1,262	\$1,516	\$1,835	\$1,325	\$1,343
Metro Average	5.1%	\$1,104	\$1,221	\$1,293	\$1,585	\$1,902	\$1,538	\$1,368

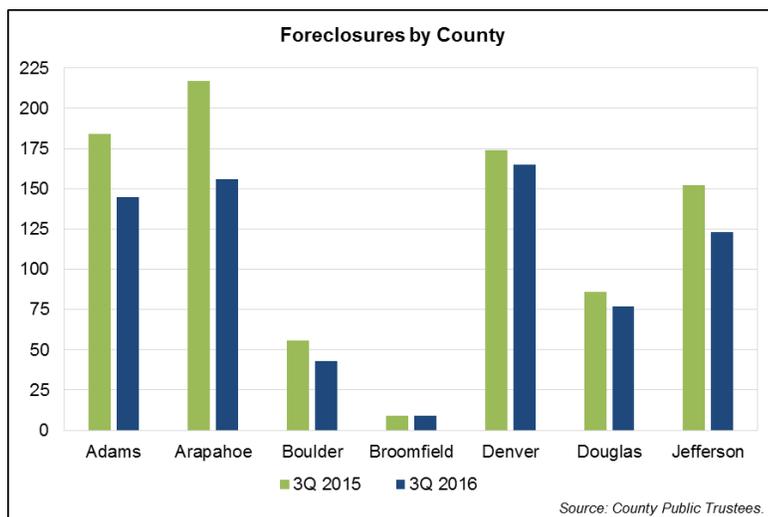
Source: Denver Metro Apartment Vacancy and Rent Survey.

The Metro Denver apartment rental market loosened slightly between the third quarters of 2015 and 2016, with the vacancy rate rising 0.1 percentage points to 5.1 percent. Four of the six county market groups in Metro Denver reported over-the-year increases in the vacancy rate and all six reported increases in the average rental rate. The Boulder/Broomfield market and Douglas County recorded the largest over-the-year increases in the vacancy rate, both rising 1.6 percentage points. The Metro Denver average rental rate of \$1,368 per month for all apartment types increased 5.9 percent over-the-year. The largest over-the-year increase in the average rental rate was in the City and County of Denver (+8.5 percent). Douglas County and the Boulder/Broomfield market reported the smallest over-the-year increases in the average rental rate, rising 2 percent and 0.4 percent, respectively.

Foreclosures

Foreclosure filings in Jefferson County decreased between the third quarters of 2015 and 2016. Foreclosure filings in the county fell 19.1 percent compared with the previous year to 123 total filings. Jefferson County recorded the fourth largest over-the-year decrease in foreclosures of the seven Metro Denver counties. However, foreclosure filings increased between the second and third quarters of 2016, rising 17.1 percent.

Metro Denver recorded an 18.2 percent decrease over-the-year and a 4.9 percent decrease over-the-quarter, reporting 718 total foreclosure filings during the third quarter of 2016.



Residential Construction

Residential building permits in Jefferson County decreased 13.2 percent between the third quarters of 2015 and 2016. Single-family detached permits accounted for 51.7 percent of the total permits issued during the third quarter of 2016 with 432 units. There was a 3.4 percent decrease over-the-year in single-family detached permits issued throughout Jefferson County, representing 15 fewer permits issued during the period. There were four single-family attached permits issued during the third quarter of 2016, 70 fewer permits than the same quarter the previous year. Multi-family building permits decreased during the period, falling 8.4 percent to 315 permits issued during the third quarter of 2016.

Jefferson County Residential Building Permits

	Single-Family Detached		Single-Family Attached		Multi-Family		Total Units	
	3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016
Unincorp. Jefferson County	145	76	12	4	-	301	157	381
Arvada	187	248	-	-	-	-	187	248
Edgewater	-	2	2	-	-	-	2	2
Golden	2	1	-	-	-	-	2	1
Lakewood	51	43	60	-	344	14	455	57
Westminster*	53	56	-	-	-	-	53	56
Wheat Ridge	9	6	-	-	-	-	9	6
Total Units	447	432	74	4	344	315	865	751

*Westminster included in Adams and Jefferson Counties. Total may reflect construction not in Jefferson County. Source: U.S. Census Bureau.

The Jefferson County cities reported similar trends across the three building permit categories between the third quarters of 2015 and 2016. Multi-family permits were only issued in Unincorporated Jefferson County and Lakewood. Arvada reported the largest number of total single-family detached permits within the county, reporting 248 permits for the quarter, a 32.6 percent increase compared with the previous year's level. Westminster issued 56 single-family detached home permits during the third quarter of 2016, an increase of 5.7 percent compared with the prior year. All other areas posted a decrease in the number of single-family detached units permitted, with the largest decrease being in unincorporated Jefferson County, which reported a 47.6 percent decline.

Commercial Real Estate

- ◆ **Micro Commercial** plans to build a 73,000-square-foot, 62-unit commercial condominium complex in Arvada known as Micro Spaces @ IBC (Indiana Business Center). The company broke ground on the first three of nine buildings, with 17 units in the first phase ranging from 700 to 1,650 square feet. The buildings were designed for a wide variety of uses, providing an affordable opportunity for small businesses to grow. The condominium units will be available for purchase or lease and will be ready in spring 2017.

Note: lease rates for industrial, flex, and retail property are triple-net; office rates are full-service.

Office Market

Vacancy rates for the Jefferson County office market improved for all three classes of office space between the third quarters of 2015 and 2016. About 215,550 square feet of Class A and B office space was added to the market over-the-year, representing 11.1 percent of all Class A and B space added in Metro Denver. Class C space reported the largest decline in the vacancy rate, falling 3.3 percentage points to 5.7 percent. Class A vacancy declined 1.1 percentage points over-the-year, falling to 7.7 percent. The vacancy rate for Class B space fell 2.4 percentage points to 13.8 percent.

The average lease rates for office space in Jefferson County rose across two of the three classes of office buildings through the third quarter of the year. Class A space reported the only decrease in the average lease rate, falling 1.1 percent to \$25.36 per square foot. The average lease rate for Class C space increased 5.1 percent to \$15.59 per square foot. The average lease rate for Class B space rose 3.8 percent to \$19.07 per square foot.

The Metro Denver office market continued to tighten across all three classes of office space between the third quarters of 2015 and 2016. Over 1.9 million square feet of Class A and Class B office space was added to the market over-the-year. Class C space reported the largest decline in the vacancy rate, falling 1.2 percentage points over-the-year to 3.9 percent. Class A and Class B space also recorded declines in the vacancy rate, falling 0.8 percentage points and 0.2 percentage points, respectively. The average lease rate in the office

market improved over-the-year. Class C space reported the largest increase in the average lease rate, rising 9.6 percent to \$18.35 per square foot. Class A and Class B office lease rates also reported increases, rising 2 percent and 5.3 percent, respectively.

Industrial Market

Industrial vacancy in Jefferson County rose during the third quarter of 2016. The industrial warehouse market reported a 2 percentage point increase in the vacancy rate between the third quarters of 2015 and 2016, rising from 1 percent to 3 percent. Despite the increase, the vacancy rate is among the lowest warehouse vacancy rates since the availability of the data in Jefferson County. The average lease rate in the industrial warehouse market increased 2.8 percent over-the-year to \$8.18 per square foot. The vacancy rate in the flex/R&D market rose 0.8 percentage points over-the-year to 4.3 percent vacancy. The average lease rate rose 13.9 percent during the same period, increasing to \$10.96 per square foot. Between the third quarters of 2015 and 2016, the industrial warehouse market added 30,420 square feet of space, representing 1.8 percent of space added in Metro Denver.

The industrial market in Metro Denver loosened between the third quarters of 2015 and 2016. The industrial warehouse market reported a 1.3 percentage point increase in the vacancy rate, rising from 2.5 percent to 3.8 percent. The average lease rate rose 6.3 percent to \$7.22 per square foot. The flex/R&D market in Metro Denver reported a 2.8 percentage point increase in the vacancy rate over-the-year, rising to 11.6 percent from 8.8 percent. The average lease rate rose 9 percent during the period to \$11.63 per square foot.

Retail Market

The Jefferson County retail market reported a 1 percentage point decrease in vacancy to 5.1 percent in the third quarter of 2016. The vacancy rate is among the lowest third quarter vacancy rates since the availability of the data. The average lease rate increased 2.9 percent between the third quarters of 2015 and 2016, rising \$0.39 to \$13.99 per square foot. The county added 177,300 square feet to the retail market over-the-year, representing 10.6 percent of the near 1.7 million square feet added in Metro Denver during the period.

The Metro Denver retail market reported similar trends to Jefferson County through the third quarter of the year. The vacancy rate in the area fell 0.4 percentage points to 4.6 percent during the period, reporting the lowest rate in Metro Denver since the availability of the data in 2006. The average lease rate increased 3.8 percent during the same period, rising from \$15.73 per square foot to \$16.33 per square foot.

Jefferson County Commercial Vacancy and Lease Rates by Property Type

		Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
		3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016
Office	Jefferson County						
	Class A	5,385,648	5,413,906	8.8%	7.7%	\$25.64	\$25.36
	Class B	13,818,233	14,005,525	16.2%	13.8%	\$18.37	\$19.07
	Class C	3,449,630	3,449,630	9.0%	5.7%	\$14.83	\$15.59
	Metro Denver						
	Class A	62,365,310	63,493,489	10.3%	9.5%	\$29.55	\$30.14
	Class B	94,349,241	95,170,797	10.5%	10.3%	\$21.14	\$22.26
Class C	22,380,517	22,380,517	5.1%	3.9%	\$16.75	\$18.35	
Industrial	Jefferson County						
	Industrial Warehouse	7,915,058	7,945,473	1.0%	3.0%	\$7.96	\$8.18
	Flex/R&D	1,402,784	1,402,784	3.5%	4.3%	\$9.62	\$10.96
	Metro Denver						
	Industrial Warehouse	130,087,267	131,812,121	2.5%	3.8%	\$6.79	\$7.22
Flex/R&D	10,250,296	10,260,486	8.8%	11.6%	\$10.67	\$11.63	
Retail	Jefferson County	34,350,736	34,528,031	6.1%	5.1%	\$13.60	\$13.99
	Metro Denver	162,623,507	164,300,539	5.0%	4.6%	\$15.73	\$16.33

Note: Vacancy rate and average lease rate are for direct space only (excludes sublet space). Industrial, flex, and retail lease rates are triple-net; office rates are full-service.

Source: CoStar Realty Information, Inc.

Commercial Construction

There was nearly 586,420 square feet of commercial space completed in Jefferson County through the third quarter of 2016, consisting of 90,920 square feet of retail space, 205,550 square feet of office space, 33,500 square feet of flex space, and 256,450 square feet of industrial space. There were 17 buildings completed during the first three quarters of 2016. The largest buildings were a 127,000-square-foot FirstBank office building and the 211,030-square-foot FedEx industrial building.

There was about 448,050 square feet of commercial space under construction through the third quarter of 2016. The retail market represented the majority of projects in the pipeline, with 248,600 square feet of retail space under construction during the third quarter. There was 64,000 square feet of office space and 135,450 square feet of flex space under construction during the same period.

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 303-991-0070
www.developmentresearch.net

November 2016



Jefferson County, Colorado

Quarterly Economic Report – Third Quarter 2016



FORWARDJEFFCO INITIATIVE

About the Initiative

The Forward Jeffco Initiative is a five-year program designed to help create **7,500** new primary jobs, **\$900 million** of disposable income, **\$826 million** in consumer spending and over **\$61 million** in sales and property tax revenues. The initiative helps create jobs through increased efforts attracting new business, retaining and expanding current business, stimulating capital investment, enhancing entrepreneurship, ensuring readiness of Jefferson County's workforce, and providing advocacy and public policy leadership to maintain a positive business climate.

Jobs Created

To date, Jeffco EDC has provided assistance to projects that have created **6,763** jobs, generated **\$891 million** of new capital investment, and absorbed more than **3.1 million** square feet of real estate.

Year	Jobs Created
2013	1,009
2014	1,984
2015	2,026
2016 (to date)	1,744

Business Retention Outreach

- Provided resources to **473** Jeffco businesses
- Increased business retention outreach by **47%**
- Created Industry Outreach Campaigns

Prospect Activity

- Worked on **395** business attraction, expansion, and retention prospects
- Increased prospect activity by **63%**
- Now generating most of our own leads

Year	Direct	Referral
2013	24%	76%
2014	30%	70%
2015	63%	37%

Prospect Lead Source:
■ Direct ■ Referral

Additional Highlights

- Increased Jefferson County's Literacy Rate by **75%**
- Developed a comprehensive land development opportunity inventory
- Participated in **26** trade shows & conferences
- Helped advance and advocate for the development of Apprenticeship programs
- Created a Business Outreach Program, in partnership with the American Job Center, for workforce development resources
- Led a Jeffco delegation trade mission trip to Switzerland
- Helped create Jeffco's Best Innovation Fair
- Average production
- Output Initiative

Identified **two** new target industries:

Economic Impact of New Jobs to Jeffco

Direct Impact 6,763 jobs 2013-2016 to date	Each new job indirectly creates 2 additional jobs. Direct's indirect impact is 12,173 jobs	These jobs create \$898.6 M in income. Every dollar earned generates 40¢ additional earnings = \$1,258 M	This income creates \$811.2 M Disposable Income and \$684.1 M Consumer Expenditures
------------------------------------------------------	---------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------

Source: Center for Economic Impact, Output Model for Jefferson County

Major Projects

JEFFERSON COUNTY ECONOMIC DEVELOPMENT CORPORATION

Jeffco Economic Headlines



COGENT

Jefferson County Economic Development Corporation

Business & Employment Activity



Business and Employment Indicators by Supersector

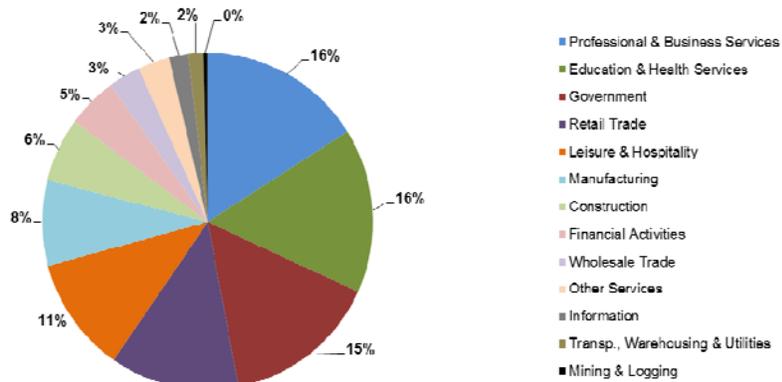
	Jefferson County						Metro Denver	
	Quarterly Business Count		Average Weekly Wage		Quarterly Employment Level		Quarterly Employment Level	
	1Q 2015	1Q 2016	1Q 2015	1Q 2016	1Q 2015	1Q 2016	1Q 2015	1Q 2016
Total All Industries	18,662	19,453	\$1,020	\$1,025	222,507	228,819	1,499,727	1,543,542
Private Sector								
Mining & Logging	148	144	\$1,429	\$1,150	860	907	14,796	12,693
Construction	1,943	2,056	\$992	\$1,044	13,693	14,094	82,284	87,354
Manufacturing	491	511	\$1,886	\$1,873	17,309	18,728	83,982	85,642
Wholesale Trade	1,509	1,534	\$1,801	\$1,915	7,198	7,172	74,467	76,196
Retail Trade	1,743	1,787	\$540	\$549	27,976	28,906	147,577	151,365
Transp., Warehousing & Utilities	266	284	\$1,562	\$1,502	3,492	3,343	51,601	52,024
Information	289	303	\$1,789	\$1,471	4,042	4,327	52,882	53,975
Financial Activities	2,075	2,135	\$1,297	\$1,212	10,891	11,172	103,131	107,109
Professional & Business Services	5,220	5,504	\$1,353	\$1,357	35,741	36,679	277,586	283,673
Education & Health Services	1,888	2,001	\$760	\$783	35,430	36,094	193,606	200,883
Leisure & Hospitality	1,407	1,449	\$352	\$356	24,369	25,562	159,745	168,095
Other Services	1,477	1,548	\$648	\$667	6,941	7,059	45,941	47,235
Government	179	176	\$1,051	\$1,070	34,531	34,733	211,963	216,994

Jefferson County Economic Development Corporation

Employment Activity



**Jefferson County Employment by Supersector
First Quarter 2016**



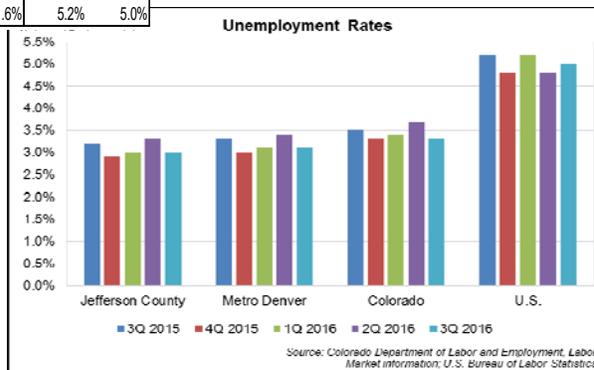
Source: Colorado Department of Labor and Employment, Labor Market Information Quarterly Census of Employment and Wages (QCEW).

Jefferson County Economic Development Corporation

Labor Force & Unemployment



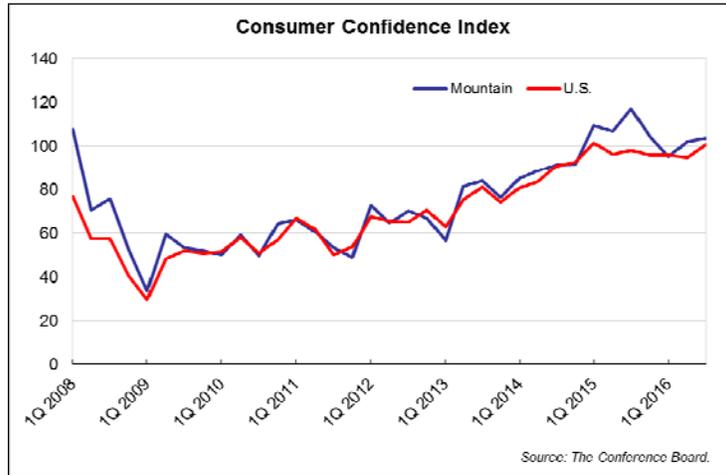
	Labor Force			Unemployment Rate	
	3Q 2015	3Q 2016	Yr/Yr % Change	3Q 2015	3Q 2016
Jefferson County	313,406	321,986	2.7%	3.2%	3.0%
Metro Denver	1,658,791	1,703,787	2.7%	3.3%	3.1%
Colorado	2,838,436	2,908,100	2.5%	3.5%	3.3%
U.S. (000s)	157,508	160,047	1.6%	5.2%	5.0%



Source: Colorado Department of Labor and Employment, Labor Market Information; U.S. Bureau of Labor Statistics

Jefferson County Economic Development Corporation

Consumer Activity



Jefferson County Economic Development Corporation

Consumer Activity



Metro Denver Total Retail Sales (\$000s)

County	City	4Q 2014	4Q 2015	Yr/Yr % change
Adams		\$6,010,676	\$5,682,668	-5.5%
Arapahoe		\$6,063,664	\$5,777,055	-4.7%
Boulder		\$3,137,873	\$3,036,560	-3.2%
Broomfield		\$745,793	\$720,001	-3.5%
Denver		\$8,003,170	\$7,750,745	-3.2%
Douglas		\$2,343,368	\$2,661,773	13.6%
Jefferson		\$4,580,990	\$4,592,678	0.3%
	Arvada	\$651,554	\$714,160	9.6%
	Conifer	\$36,236	\$39,084	7.9%
	Edgewater	\$37,650	\$44,222	17.5%
	Evergreen	\$42,425	\$44,256	4.3%
	Golden	\$410,902	\$420,535	2.3%
	Kittredge	\$2,409	\$2,410	0.0%
	Lakeside	\$25,587	\$27,656	8.1%
	Lakewood	\$1,632,769	\$1,685,296	3.2%
	Littleton	\$181,806	\$184,051	1.2%
	Morrison	\$26,373	\$29,286	11.0%
	Westminster	\$407,542	\$412,886	1.3%
	Wheat Ridge	\$522,340	\$391,802	-25.0%
	Unincorporated	\$603,395	\$597,034	-1.1%

Note: Jefferson County city totals may not sum to Jefferson County total due to rounding.
Source: Colorado Department of Revenue.

Jefferson County Economic Development Corporation

Residential Real Estate



Existing Home Sales

	Metro Denver County Markets							Metro Denver Total
	Adams	Arapahoe	Boulder	Broomfield	Denver	Douglas	Jefferson	
Home Sales								
<i>Single-Family Detached</i>								
3Q 2016	2,003	2,430	1,247	318	2,545	1,882	2,473	12,898
3Q 2015	2,079	2,617	1,407	308	2,521	1,908	2,562	13,402
<i>Single-Family Attached</i>								
3Q 2016	582	1,341	326	43	1,087	398	793	4,570
3Q 2015	617	1,420	363	47	1,187	439	909	4,982
Average Sold Price								
<i>Single-Family Detached</i>								
3Q 2016	\$322,180	\$396,437	\$586,406	\$428,039	\$481,745	\$487,708	\$434,938	\$441,583
3Q 2015	\$287,582	\$363,686	\$507,114	\$396,544	\$429,196	\$459,105	\$384,583	\$397,595
<i>Single-Family Attached</i>								
3Q 2016	\$214,795	\$217,372	\$369,637	\$288,363	\$284,427	\$297,156	\$235,889	\$254,684
3Q 2015	\$189,630	\$199,439	\$296,877	\$252,764	\$277,194	\$261,507	\$200,425	\$230,002

Source: ColoradoComps.

Jefferson County Economic Development Corporation

Residential Real Estate



Metro Denver Average Apartment Rents and Vacancy

Third Quarter 2016

County	Vacancy Rate	Efficiency	1 Bed	2 Bed 1 Bath	2 Bed 2 Bath	3 Bed	Other	All
Adams	5.0%	\$925	\$1,108	\$1,211	\$1,449	\$1,799	\$1,464	\$1,265
Arapahoe	4.9%	\$991	\$1,148	\$1,245	\$1,473	\$1,895	\$1,635	\$1,303
Boulder/Broomfield	5.2%	\$1,345	\$1,339	\$1,416	\$1,715	\$2,055	\$1,482	\$1,511
Denver	5.5%	\$1,133	\$1,272	\$1,344	\$1,757	\$1,929	\$1,860	\$1,404
Douglas	6.0%	\$1,134	\$1,325	\$1,439	\$1,652	\$2,035	\$2,107	\$1,509
Jefferson	4.1%	\$990	\$1,205	\$1,262	\$1,516	\$1,835	\$1,325	\$1,343
Metro Average	5.1%	\$1,104	\$1,221	\$1,293	\$1,585	\$1,902	\$1,538	\$1,368

Source: Denver Metro Apartment Vacancy and Rent Survey.

Jefferson County Economic Development Corporation

Residential Real Estate



Jefferson County Residential Building Permits

	Single-Family Detached		Single-Family Attached		Multi-Family		Total Units	
	3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016
Unincorp. Jefferson County	145	76	12	4	-	301	157	381
Arvada	187	248	-	-	-	-	187	248
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Total Units	447	432	74	4	344	315	865	751

*Westminster included in Adams and Jefferson Counties. Total may reflect construction not in Jefferson County. Source: U.S. Census Bureau.

Jefferson County Economic Development Corporation

Commercial Real Estate



Jefferson County Commercial Vacancy and Lease Rates by Property Type

	Total Existing Square Footage		Vacancy Rate		Avg Lease Rate (per sq. ft.)	
	3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016
Office						
Jefferson County						
Class A	5,385,648	5,413,906	8.8%	7.7%	\$25.64	\$25.36
Class B	13,818,233	14,005,525	16.2%	13.8%	\$18.37	\$19.07
Class C	3,449,630	3,449,630	9.0%	5.7%	\$14.83	\$15.59
Metro Denver						
Class A	62,365,310	63,493,489	10.3%	9.5%	\$29.55	\$30.14
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Industrial						
Jefferson County						
Industrial Warehouse	7,915,058	7,945,473	1.0%	3.0%	\$7.96	\$8.18
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Retail						
Jefferson County						
Retail	34,350,736	34,528,031	6.1%	5.1%	\$13.60	\$13.99
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Retail	162,623,507	164,300,539	5.0%	4.6%	\$15.73	\$16.33

Jefferson County Economic Development Corporation



JEFFERSON COUNTY
ECONOMIC DEVELOPMENT CORPORATION

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**Development
Research Partners**

10184 W. Belleview Ave., Ste 100
Littleton, CO 80127
Tel. 303-991-0070
www.developmentresearch.net

Jefferson County Economic Development Corporation



Jeffco BRC provides services and support to the small business community in Jefferson County and is the centralized hub for all business resources. We offer no-cost and low-cost services and support to businesses with 1 – 6 employees. We offer free, unlimited and confidential business advising and a wide variety of business education programs and workshops. By providing comprehensive services, training and resources for both start-up and established businesses, Jeffco BRC fosters business development, growth and entrepreneurial activity within Jefferson County.

Jeffco BRC - Business Client Interactions – YTD 2016

	2016	2015
Total Clients Seen YTD – Counseling & Classes Combined	557	474
Number of Business Advising Hours	426	248
Start-Up Counseling Clients	68.16%	51.61%
Existing Businesses Counseling Clients	31.84%	47.58%

Client Outreach:

2015 – Jeffco BRC connected with 200 new clients

2016 – Jeffco BRC connected with 235 new clients

Most requested services for start-up businesses:

- 1.) Business Plan Writing & Review
- 2.) Registration/Licensing
- 3.) Feasibility Research,

Most requested services for established businesses:

- 1.) Marketing Analysis
- 2.) Organization Structure/Processes & Procedures
- 3.) Networking and Strategic Partnerships

Jeffco BRC Client Advising - Area Demographics – YTD 2016

Arvada: 21.55%	Unincorporated Jeffco: 22.26%
Golden: 17.66%	Lakewood: 26.85%
Wheat Ridge: 10.24%	

Jeffco BRC Client Advising – Area Demographics – 2015

Arvada: 13.36%	Unincorporated Jeffco: 26.30%
Golden: 15.24%	Lakewood: 32.98%
Wheat Ridge: 11.06%	

JCBRC BEST/Business Seminar – YTD 2016

2016 BEST Business Seminars Offered YTD	26
Average Class Attendance	12
Total Seminar Attendees	309



Jeffco Business Resource Expo –2016

This annual event provides the opportunity for Jeffco BRC to connect the small business community with the many business resources available to them within Jefferson County.

Attendees	280+
Vendors	36



Launch! Your Ticket to Small Business Success

Launch! is a 7-week intensive business program designed for start-up and new business owners that have been in business one year or less. The program is designed to build a strong business foundation and understanding and provide a skill set for success. Launch! focuses on several aspects of business ownership. The current program topics are Business Plan Writing, Marketing, Business Law & Liability, Business Taxes and Bookkeeping, Networking, Presentation Skills, Customers Service, and Business Success Mind Set. Upon completion of the program the attendees have an opportunity to meet and connect with a mentor.

In 2016, the program was extended to 7-weeks and is always evolving. We continuously strive to increase value and benefit for both the attendees and instructors.

Launch! 2015

Program Dates	Start-Up Business	Existing Business One year or less in business	Graduated Course	Opened and Currently in Business
February – April	5	4	9	5
May – June	9	1	7	6
October – November	8	1	9	8
Total Business	22	6	25	19

Launch! 2016

Program Dates	Start-Up Business	Existing Business	Graduated Course	Opened and Currently Operating
February - March	9	2	10	5
May – June	12	0	10	9
September – Nov.	7	3	9	5
Total Business	28	5	29	*19

**4 businesses of the last graduating class are awaiting funding and projected to open first quarter 2017*



December 6, 2016

Board of County Commissioners
Jefferson County, Colorado

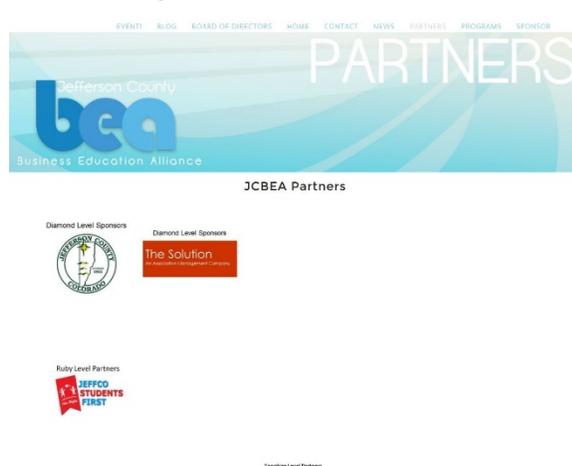
Re: Status Report on Jefferson County Business Education Alliance

Dear Commissioners Szabo, Tighe and Rosier,

Thank you so much for your continued support of the work that the Jefferson County Business Education Alliance does with young people. Pursuant to our agreement, effective July 1, 2016, I am submitting the second of four quarterly reports and look forward to a briefing with you on December 13.

Status on agreed-upon Deliverables:

- Jefferson County will be recognized as the Diamond Sponsor of all JCBEA programming.
 - This is being done on all class materials as well as on our website. Screenshot:



- Jefferson County will be recognized as the primary supporter in all communication with regional and national entities.
 - We have had interest from a former Cherry Creek School District Board Member, inquiring about the organizational structure, funding structure, etc. We continue to garner inquiries about how to replicate the program elsewhere but thus far no definitive effort is underway.

- Jefferson County's logo will be prominently displayed on the JCBEA website, with a link to the County website. (See Screenshot)
- Jefferson County's logo will appear on all program materials that are provided to students and their families.
 - Done on classroom materials. New marketing materials are in development.
- Jefferson County will be publicly recognized at all JCBEA events.
 - A Broncos Pep Rally Fundraising event is scheduled from 11:30 – 1:30, Thursday, Dec. 22, at Kline's Beer Hall in Arvada.
- A press release will be issued, with language developed jointly with the County's communication staff, regarding County and JCBEA efforts to focus on providing a well-trained workforce to employers.
 - Draft press release was given to the County Communications Office. It was determined, by County staff, that release would not be issued.
- The County will be provided with table marketing space at all JCBEA events.
 - We work closely with the Jefferson County Communications team on all opportunities. There will be no table displays at the Dec. 22 event but the County can send two participants, pro bono to the event.
- JCBEA will provide Basic Business Etiquette training in scheduled sessions for County employees.
 - To date, no County office has taken us up on our offer, although we have had conversations with some.
- Jefferson County will be featured with professional on-site signage at events.
 - Thank you, signage, will be displayed at the Dec. 22 event.
- Jefferson County will be recognized as the sponsor of the first year of the Virtual Career Day project.
 - We are exploring the cost of a commercial Virtual Job Shadow program already available. The program has 400+ half-hour job shadow videos. These are longer than we would've liked and come with attachments to other products that we do not need, but would be a way to get a quick boost, if we can negotiate something reasonable. We would still like to have local students do videos in local businesses so we are looking at compatibility now.
- Ad space will be provided on the JCBEA website.
 - Nothing submitted by County to date.
- Quarterly reports will be provided to the Board of Commissioners.
 - This is the second report.

Status of Measurable Outcomes:

A well-educated workforce is a key to economic prosperity. Jefferson County benefits from this program by ensuring that employers have trained entry-level employees. This is important not only to the attraction of business to Jefferson County but also in the reduction of unemployment rates.

Therefore, the JCBEA has identified the following as metrics of success for the 12 month period beginning June, 2016:

- Increase the total number of Career Ready Workshops held at Jefferson County high schools by 60%, from seven to 11.
Two have been held at Wheat Ridge High School; one at Bear Creek High School is being rescheduled; one for CASA Forward Pathways; two are scheduled for Lakewood High School; one is scheduled for Alameda International; and one is scheduled for Golden High School. We are finalizing two for Warren Tech's Automotive Program.
- Lower the age of eligible participants from 16 to 15 years of age – resulting in an increase of participants by five per class – a 25% increase in class size. This will result in 275 students receiving Career Ready Certification.
 - 68 at Wheat Ridge High School; 16 in the CASA program; 58 at Lakewood High School; 20 anticipated at Bear Creek High School; 20 anticipated at Golden High School; and 22 in the Warren Tech program. We are currently at 204, on track to meet or exceed the 275.
- Add a Career Ready Workshop for the children, ages 15 and older, in the Jefferson/Gilpin CASA program. This program will be held in August, 2016, with an anticipated enrollment of 40.
 - See previous notes. The change in these students from the beginning of the program to the end was amazing. One of the instructors who was at both Class 1 and the final mock interview day asked me if they were the same students.
- Establish one full-day entrepreneur basics program for teens in Jefferson County. These teens will then be connected to entrepreneur programs at Red Rocks Community College. Anticipated enrollment: 25.
 - Not yet scheduled.
- Increase number of Jefferson County businesses that commit to providing Career Ready graduates priority hiring status by 100%, from 17 to 34.
 - We have had two drop off because of hiring restrictions on age. Unfortunately, these have not yet been replaced but we do have a new volunteer who's specifically working on this mission.
- Increase number of Jefferson County businesses offering job shadow opportunities by 100%, from 20 to 40.
 - We have added six and are currently at 26.

- Increase number of business representatives training workshop sessions by 100%, from 12 to 24, which will allow us to grow.
 - 10 new trainers are in Stage 3 of our three-stage training program. Six are in Stage 1; Three are scheduled for orientation on Dec. 14.
- Approximately 350 notebooks will be branded with, “This program brought to you through the generosity of the business community, with special gratitude to the support of the Jefferson County Board of Commissioners.” These are distributed to students and sponsors.
 - Ongoing. Numbers track students in classes.
- Finalize strategic plan for development of a “Virtual Career Day” database, highlighting Jefferson County businesses and the jobs within those companies.
 - See previous information.
- The JCBEA presents to approximately 24 community organizations per year, each with a minimum of 20 in attendance. All marketing materials will be branded with the support language identified above – exposure: 480.
 - Six in this quarter.

Other Successes:

- Our work on development of a countywide apprenticeship program is moving forward very successfully. We were able to bring Career Wise Colorado together with Jeffco Schools and several manufacturing companies, leading to an agreement to begin implementation of a formalized apprenticeship program, which is starting at Warren Tech and Wheat Ridge High School. Discussions are also underway between Career Wise and the construction trades program at Arvada High School and the automotive program at Standley Lake High School. School district curriculum specialists are working with program specialists on staff at Career Wise Colorado. Pilatus Aircraft has agreed to take on two students but we need 30 – 50 more placement opportunities. The JCBEA has made corporate introductions for Career Wise. They are now in the process of meeting with those company principals.
- The Board of the Jefferson County Education Alliance has added two Alternate Positions. One is open. I suggest that a member of the County Communications Team apply for that alternate position.
- Guy Namiach, of Nostalgic Homes, assumes the role of Chairman of the Board in January. Aimee Skul of Farmers Insurance and Sports Clips becomes Chair-elect.
- Facebook “likes” jumped from 67 a year ago, to 211 today.

I appreciate the opportunity to come before the Board of County Commissioners at requested intervals with reports on progress of our mission.

I look forward to seeing you on the 13th.

Best to all,

Joni Inman

Joni Inman
Executive Director
Jefferson County Business Education Alliance
303-568-0874 (office)
303-829-1655 (mobile)

Letter from Wheat Ridge High School Principal:

October 18, 2016

Joni,

It was a pleasure this year to work with JCBEA in helping students to develop essential career skills. JCBEA ran a professional program drawing from community leaders to meet with students and share their expertise on employment, leadership, work ethic, resume building and associated work skills. To broaden access to these learning experiences, professionals came in during senior English class for six days to deliver their content to over 60 students. For the culminating interview activity, JCBEA brought in around 30 professionals for two consecutive days to interview and provide feedback to our students. Our students rose to the challenge, are much more prepared to join the work force, and more confident in their abilities from this work. It is with great appreciation that I write this and looking forward to continuing this partnership. I also look forward to continuing to work to broaden access and outreach with JCBEA and have high hopes that we can one day provide this program to all students at Wheat Ridge High School. Again, thanks for the partnership with WRHS and the difference you make for our kids!

Sincerely,

Griff Wirth, Principal

Wheat Ridge High School

Photos from Mock Interview Day, CASA Forward Pathways:



BOARD OF COUNTY COMMISSIONERS BRIEFING PAPER
Funding Request from Golden Gate Fire
December 13, 2016

For Information

For Discussion/Approval
Prior to Future Hearing

For Action

Issue: Funding Request from Golden Gate Fire.

Background: In 2014 the County was awarded 2 FEMA grants for the benefit of Golden Gate Fire Protection District (GGFPD) to purchase two propane fueled generators for its fire stations. (the "Projects") The original grants lapsed when GGFPD decided not to proceed with a bid that exceeded the amounts of the grants. New grants were issued by the State and the Board of County Commissioners at a previous briefing authorized executing those grants, entering into a MOU with GGFPD for the expenditure of the grant funds and rebidding the Projects. The low bid came in \$15,300 over the awarded grant funds. The County's MOU with GGFD makes GGFPD responsible for Project expenses in excess of the Grant Awards. The new grants expired on November 30, 2016 but the State has issued grant extensions for both grants.

Discussion: Although GGFPD Board of Directors has agreed to fund the additional \$15,300 so the Projects could move forward and the grants could be extended, GGFPD is asking the County to aid GGFPD in providing funding to cover the gap between the grant awards and the Project costs. GGFPD is asking the County to fund \$10,000 of the additional funds required to pay for the Projects and suggests that half of those funds come from Open Space as a portion of Open Space park land is located within GGFPD. GGFPD would fund the remaining \$5,300 of the gap between the grant awards and the Project costs. This amount would be in addition to GGFPD's already committed grant match of approximately \$5,000. GGFPD is also requesting that the County authorize reimbursement after GGFPD's Spring 2017 tax distribution is received which means the Board of County Commissioners will be fronting 100% of the costs of both Projects.

Fiscal Impact: Up front Project costs of \$54,007. (To be reimbursed by the State per the terms of the Grant agreements and by GGFPD upon its receipt of the Spring 2017 tax distribution with the exception of \$5,000 to \$10,000 if the Board of County Commissioner approves assisting GGFPD with excess costs of the Project).

Recommendation: Approve fronting 100% of the costs of the Projects. Approve reimbursement from GGFPD after May 2017 of the difference between the awarded grant funds and the costs of the Project with the exception of the County's contribution. Approve a minimum of \$5,000 to a maximum of \$10,000 assistance to GGFPD for the purposes of covering a portion of the difference between the awarded grant funds and the Project costs.

Originator: Sheriff's Office, Lieutenant Mark Gutke x5302

Contacts for Additional Information:

Joanne Kortendick, County Attorney/Office
Joe Weickenand, Purchasing

BOARD OF COUNTY COMMISSIONERS BRIEFING PAPER

**2017 Hairy Willow-herb and Purple loosestrife Noxious Weed Fund Grant
 Jeffco Open Space Weed & Pest
 December 13, 2016**

For Information

For Discussion/Approval
 Prior to Future Hearing

For Action

ISSUE:

Open Space and Weed & Pest would like to apply for a Colorado Department of Agriculture grant to fund a noxious weed control project including Hairy willow-herb and Purple loosestrife eradication which will provide cost-share money to private landowners for Hairy willow-herb and Purple loosestrife eradication. The grant request would be up to \$15,000 with matching and in-kind support of up to \$5,000 from the Open Space 2017 budget and \$7,000 from the Weed & Pest 2017 budget for staff, materials and equipment. The remaining \$3,000 matching and in-kind support would come from private participants.

BACKGROUND:

Hairy willow-herb and Purple loosestrife are List A noxious weeds, designated for eradication (complete elimination). These highly invasive weeds are found near water and wetlands. If left untreated they form monocultures, eliminating all other vegetation.

DISCUSSION:

The project will include treatment of the Hairy willow-herb and Purple loosestrife on Jeffco Open Space Parks and, then utilize volunteers for removal of List B biennial weeds. To ensure that the targeted weeds do not reinfest the Parks, we will encourage nearby private landowners to treat their weeds and will provide cost-share money to support their efforts.

FISCAL IMPACT:

Open Space - \$5,000 from 2017 budgeted funds

Weed & Pest - \$7,000 from 2017 budgeted funds

RECOMMENDATIONS:

That the Board of County Commissioners approve a resolution allowing Jeffco Open Space and Weed & Pest to apply for and administer the Noxious Weed Fund grant, if awarded from the Colorado Department of Agriculture.

ORIGINATOR:

Alicia Doran, Weed & Pest Management Specialist

CONTACTS FOR ADDITIONAL INFORMATION:

Jerry Bader, Natural Resource Supervisor (Interim)

Quarterly Parks Update December 13, 2016



Weed & Pest Update

Jeffco W&P Grant Proposal

- Scope of the Grant
- Amount of Ask
 - Details
 - Matching



Hairy willow-herb – List A

Jeffco W&P Grant Proposal

- Eradication
 - Hairy willowherb
 - Purple loosestrife
- Containment
 - Teasel
 - Canada thistle
 - Russian olive
- Outreach
 - Volunteer project
 - Landowners



Hairy willow-herb – List A

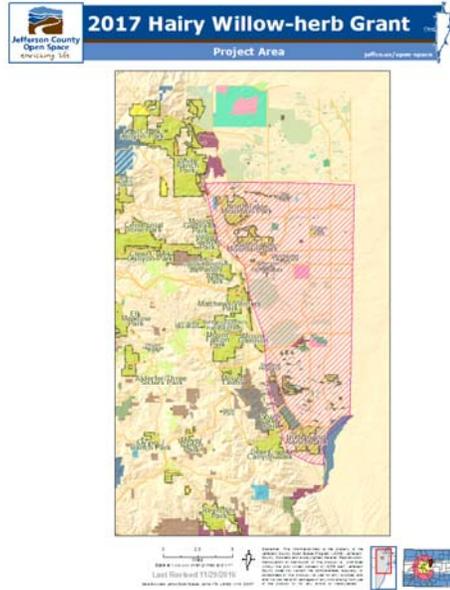
Partners

- Open Space
- Weed & Pest
 - Private landowners



Purple loosestrife – List A

Map of Project Area



Questions?



Teasel – List B

development that may not be in the best interest of the County. Although there appears to be little advantage to pursuing local IA, staff will draft a letter requesting local IA at the direction of the Board of County Commissioners.

FISCAL IMPACT: If the County were to obtain local IA, we could implement fees to cover the review of access permits.

ORIGINATOR: Jeanie Rossillon, Director of Development and Transportation, ext. 8575

CONTACTS FOR ADDITIONAL INFORMATION:

Steve Durian, Transportation and Engineering Director, ext. 8498

Mike Schuster, Planning and Zoning Assistant Director, ext. 8756