



Date: 4/6/2018

TO: Dave Corliss, Town Manager, Castle Rock Colorado

FROM: Frank Gray, CEO Castle Rock EDC

RE: Master Magnetics Legal agreement

Dave, Mayor Green and Town Council,

Overview:

Master Magnetics is exploring an opportunity to purchase 1211 Atchison Court in order to consolidate and expand their entire Colorado operations, making Castle Rock its corporate Headquarters. The proposed project is significant by all standards, it includes the purchase of 1211 Atchison Court, a 99,000 SF industrial building originally built and occupied by New World Millworks. It is the largest industrial building in Castle Rock, representing just under 10% of the entire Castle Rock industrial market. Master Magnetics intends to consolidate its entire Colorado operations to the new facility in Castle Rock; this includes relocating 66 employees presently located off Gilbert Street and 19 employees that currently operate in Elbert County. It will also require vacating and repurposing 3 buildings in Castle Rock representing 39,322 SF and 5 buildings in Elbert County representing 45,668 Sf. Through the consolidation Master Magnets anticipates they will be able to grow by 8% per year, adding an additional 10-15 employees over the next two years.

As you are aware council voted 7-0 to support the Master Magnetics Castle Rock expansion and directed staff to draw up the legal agreement for approval on April 3rd. The original request was for \$300,000 of Job Creation incentive plus 50% of permits and fees (projected at \$15,000). As part of the approval Town Council requested that EDC and Town staff work together to account for the \$30,000 Master Magnetics received in permit and fee rebates as part of it's previous expansion and to remove permit and fees from the existing agreement. Castle Rock EDC and Town staff have drafted the following legal agreement to comply with the Town Council's request. The sample terms are as follows:

\$300,000 Job Creation

\$-30,000 Previous Incentive

Effective Not to exceed amount of \$270,000

Attachment: Master Magnetics Legal Agreement